

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

**Condensed Interim Financial Statements**  
**Unaudited Statements of Financial Position**  
**as at 30 September 2020**

	Note	The Group		The Bank	
		As at 30-09-2020 RM'000	As at 31-12-2019 RM'000	As at 30-09-2020 RM'000	As at 31-12-2019 RM'000
<b>ASSETS</b>					
Cash and short-term funds		1,176,192	755,162	680,760	270,574
Financial assets at fair value through profit or loss ("FVTPL")	11	376,022	491,916	284,361	384,849
Financial investments at fair value through other comprehensive income ("FVOCI")	11	3,422,613	4,813,955	3,422,613	4,813,955
Financial investments at amortised cost	11	43,110	44,567	43,110	44,567
Loans, advances and financing	12	941,996	1,077,552	941,996	1,077,552
Trade receivables	13	933,063	532,868	545,949	289,593
Derivative financial assets		114,879	52,583	113,958	51,585
Other assets	14	71,526	64,058	63,083	56,201
Statutory deposits with Bank Negara Malaysia		11,303	151,400	11,200	151,300
Amount due from subsidiaries		-	-	309	166
Amount due from related companies		235	245	-	-
Amount due from ultimate holding company		61	69	-	-
Investment in subsidiaries		-	-	126,521	125,721
Investment in associates		3,062	3,594	1,332	1,132
Tax recoverable		1,872	36,420	-	30,684
Deferred tax assets		32,177	9,533	22,113	-
Property and equipment		25,123	27,808	12,430	15,310
Intangible assets		323,007	323,194	315,582	316,243
Right-of-use ("ROU") assets		17,272	12,738	9,784	3,270
<b>TOTAL ASSETS</b>		<b>7,493,513</b>	<b>8,397,662</b>	<b>6,595,101</b>	<b>7,632,702</b>
<b>LIABILITIES AND EQUITY</b>					
Deposits from customers	15	3,739,260	4,683,126	3,739,260	4,683,126
Deposits and placements of banks and other financial institutions	16	-	692,404	-	692,404
Trade payables	17	1,174,321	787,429	500,057	261,547
Lease Liabilities		17,319	12,863	9,561	3,253
Derivative financial liabilities		106,112	50,535	106,112	50,535
Amount due to holding company		203	103	-	-
Amount due to subsidiaries		-	-	-	36
Amount due to related companies		-	2	-	-
Other liabilities	18	664,975	545,753	466,809	346,094
Provision for taxation		34,861	-	34,861	-
Deferred tax liabilities		-	12,245	-	12,245
<b>TOTAL LIABILITIES</b>		<b>5,737,051</b>	<b>6,784,460</b>	<b>4,856,660</b>	<b>6,049,240</b>
Share capital		999,800	999,800	999,800	999,800
Reserves	19	702,983	555,687	738,641	583,662
		1,702,783	1,555,487	1,738,441	1,583,462
Non-controlling interest		53,679	57,715	-	-
<b>TOTAL EQUITY</b>		<b>1,756,462</b>	<b>1,613,202</b>	<b>1,738,441</b>	<b>1,583,462</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>7,493,513</b>	<b>8,397,662</b>	<b>6,595,101</b>	<b>7,632,702</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	28	<b>10,610,521</b>	<b>7,853,946</b>	<b>10,610,521</b>	<b>7,853,946</b>
<b>CAPITAL ADEQUACY</b>					
<b>Basel III</b>					
CET 1 capital ratio	27	37.767%	34.432%	51.104%	44.406%
Tier 1 capital ratio	27	38.576%	35.186%	51.104%	44.406%
Total capital ratio	27	39.323%	35.958%	51.862%	45.235%
<b>After deducting proposed dividends:</b>					
CET 1 capital ratio (net of proposed dividends)	27	33.361%	33.238%	44.763%	42.745%
Tier 1 capital ratio (net of proposed dividends)	27	34.170%	33.991%	44.763%	42.745%
Total capital ratio (net of proposed dividends)	27	34.917%	34.764%	45.521%	43.574%

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 2019.

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

**Condensed Interim Financial Statements**  
**Unaudited Income Statements**  
**for the financial period ended 30 September 2020**

The Group	Note	Individual Quarter		Cumulative Quarter	
		Current Financial Period 30-09-2020 RM'000	Preceding Year Corresponding Period 30-09-2019 RM'000	Current Financial Period-to-date 30-09-2020 RM'000	Preceding Year Corresponding Period-to-date 30-09-2019 RM'000
Interest income	20	46,444	70,178	160,076	219,762
Interest expense	21	(32,622)	(54,121)	(121,094)	(173,435)
<b>Net interest income</b>		<b>13,822</b>	<b>16,057</b>	<b>38,982</b>	<b>46,327</b>
Fee and commission income	22(a)	166,799	127,504	439,318	349,342
Fee and commission expense	22(b)	(57,112)	(44,602)	(139,886)	(107,961)
Net fee and commission income		109,687	82,902	299,432	241,381
Net gains and losses on financial instruments	23	186,309	42,089	449,151	125,216
Other operating income	24	4,733	2,270	12,277	8,441
<b>Net income</b>		<b>314,551</b>	<b>143,318</b>	<b>799,842</b>	<b>421,365</b>
Other operating expenses	25	(242,549)	(91,760)	(484,828)	(273,722)
<b>Operating profit before allowances</b>		<b>72,002</b>	<b>51,558</b>	<b>315,014</b>	<b>147,643</b>
(Allowances)/write-back of credit impairment losses	26	(6,435)	(2,082)	(38,484)	(17)
<b>Profit before zakat and taxation</b>		<b>65,567</b>	<b>49,476</b>	<b>276,530</b>	<b>147,626</b>
Zakat		(1,058)	(1,006)	(4,223)	(2,316)
<b>Profit before taxation</b>		<b>64,509</b>	<b>48,470</b>	<b>272,307</b>	<b>145,310</b>
Taxation		(15,202)	(14,994)	(64,337)	(36,217)
<b>Net profit after zakat and taxation</b>		<b>49,307</b>	<b>33,476</b>	<b>207,970</b>	<b>109,093</b>
<b>Attributable to:</b>					
- Equity holders of the Bank		39,992	27,904	183,229	89,120
- Non-controlling interests		9,315	5,572	24,741	19,973
		<b>49,307</b>	<b>33,476</b>	<b>207,970</b>	<b>109,093</b>
Earnings per share (sen):					
- basic/fully diluted		<b>5.13</b>	<b>3.58</b>	<b>23.49</b>	<b>11.43</b>

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 2019.

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

**Condensed Interim Financial Statements**  
**Unaudited Statements of Comprehensive Income**  
**for the financial period ended 30 September 2020**

## The Group

	Individual Quarter		Cumulative Quarter	
	Current Financial Period 30-09-2020 RM'000	Preceding Year Corresponding Period 30-09-2019 RM'000	Current Financial Period-to-date 30-09-2020 RM'000	Preceding Year Corresponding Period-to-date 30-09-2019 RM'000
Net profit after zakat and taxation	49,307	33,476	207,970	109,093
Other comprehensive income:				
<b><u>Items that may be reclassified subsequently to profit or loss :</u></b>				
Net fair value change in financial investments at FVOCI (debt instruments)	31,032	35,743	136,162	156,895
Net credit impairment losses change in financial investments at FVOCI (debt instruments)	3,282	1,227	5,375	(4,330)
Net gains on financial investments at FVOCI reclassified to profit or loss on disposal (debt instruments)	(102)	(19,379)	(140,845)	(59,382)
Deferred tax on financial investments at FVOCI	(7,423)	(4,045)	1,124	(24,183)
<b><u>Items that will not be reclassified subsequently to profit or loss :</u></b>				
Net fair value change in financial investments designated at FVOCI (equity instruments)	660	(1,035)	2,230	9,170
Deferred tax on financial investments designated at FVOCI	-	532	21	(1,917)
<b>Other comprehensive income for the financial period, net of tax</b>	<b>27,449</b>	<b>13,043</b>	<b>4,067</b>	<b>76,253</b>
<b>Total comprehensive income for the financial period</b>	<b>76,756</b>	<b>46,519</b>	<b>212,037</b>	<b>185,346</b>
<b>Attributable to:</b>				
Equity holders of the Bank	67,441	40,947	187,296	165,373
Non-controlling interests	9,315	5,572	24,741	19,973
	<b>76,756</b>	<b>46,519</b>	<b>212,037</b>	<b>185,346</b>

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 2019.

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

**Condensed Interim Financial Statements**  
**Unaudited Income Statements**  
**for the financial period ended 30 September 2020**

**The Bank**

	Note	Individual Quarter		Cumulative Quarter	
		Current Financial Period 30-09-2020 RM'000	Preceding Year Corresponding Period 30-09-2019 RM'000	Current Financial Period-to-date 30-09-2020 RM'000	Preceding Year Corresponding Period-to-date 30-09-2019 RM'000
Interest income	20	45,965	69,656	158,777	218,235
Interest expense	21	(31,156)	(53,898)	(116,659)	(173,114)
<b>Net interest income</b>		<b>14,809</b>	<b>15,758</b>	<b>42,118</b>	<b>45,121</b>
Fee and commission income		34,801	19,526	89,716	61,655
Fee and commission expense	22(a)	-	-	-	-
Net fee and commission income	22(b)	34,801	19,526	89,716	61,655
Net gains and losses on financial instruments	23	181,890	41,270	443,461	119,707
Other operating income	24	54,551	1,748	60,267	39,479
<b>Net income</b>		<b>286,051</b>	<b>78,302</b>	<b>635,562</b>	<b>265,962</b>
Other operating expenses	25	(197,037)	(50,336)	(355,432)	(159,318)
<b>Operating profit before allowances</b>		<b>89,014</b>	<b>27,966</b>	<b>280,130</b>	<b>106,644</b>
(Allowances)/write-back of credit impairment losses	26	(6,429)	(2,080)	(38,429)	(8)
<b>Profit before zakat and taxation</b>		<b>82,585</b>	<b>25,886</b>	<b>241,701</b>	<b>106,636</b>
Zakat		(927)	(934)	(3,847)	(2,037)
<b>Profit before taxation</b>		<b>81,658</b>	<b>24,952</b>	<b>237,854</b>	<b>104,599</b>
Taxation		(8,256)	(6,283)	(46,942)	(17,529)
<b>Net profit after zakat and taxation</b>		<b>73,402</b>	<b>18,669</b>	<b>190,912</b>	<b>87,070</b>
<b>Attributable to:</b>					
- Equity holders of the Bank		<b>73,402</b>	<b>18,669</b>	<b>190,912</b>	<b>87,070</b>
Earnings per share (sen):					
- basic/fully diluted		<b>9.41</b>	<b>2.39</b>	<b>24.48</b>	<b>11.16</b>

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

**Condensed Interim Financial Statements**  
**Unaudited Statements of Comprehensive Income**  
**for the financial period ended 30 September 2020**

## The Bank

	Individual Quarter		Cumulative Quarter	
	Current Financial Period 30-09-2020 RM'000	Preceding Year Corresponding Period 30-09-2019 RM'000	Current Financial Period-to-date 30-09-2020 RM'000	Preceding Year Corresponding Period-to-date 30-09-2019 RM'000
Net profit after zakat and taxation	73,402	18,669	190,912	87,070
Other comprehensive income:				
<b><u>Items that may be reclassified subsequently to profit or loss :</u></b>				
Net fair value change in financial investments at FVOCI (debt instruments)	31,032	35,743	136,162	156,895
Net credit impairment losses change in financial investments at FVOCI (debt instruments)	3,282	1,227	5,375	(4,330)
Net gains on financial investments at FVOCI reclassified to profit or loss on disposal (debt instruments)	(102)	(19,379)	(140,845)	(59,382)
Deferred tax on financial investments at FVOCI	(7,423)	(4,045)	1,124	(24,183)
<b><u>Items that will not be reclassified subsequently to profit or loss :</u></b>				
Net fair value change in financial investments designated at FVOCI (equity instruments)	660	(1,035)	2,230	9,170
Deferred tax on financial investments designated at FVOCI	-	532	21	(1,917)
<b>Other comprehensive income for the financial period, net of tax</b>	<b>27,449</b>	<b>13,043</b>	<b>4,067</b>	<b>76,253</b>
<b>Total comprehensive income for the financial period</b>	<b>100,851</b>	<b>31,712</b>	<b>194,979</b>	<b>163,323</b>
<b>Attributable to equity holders of the Bank</b>	<b>100,851</b>	<b>31,712</b>	<b>194,979</b>	<b>163,323</b>

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 2019.

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

**Condensed Interim Financial Statements**  
**Unaudited Statements of Changes in Equity**  
**for the financial period ended 30 September 2020**

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	Attributable to equity holders of the Bank									
	Share Capital	Regulatory	Foreign	Stock	Other	FVOCI	Retained	Sub-total	Non-	Total
	RM'000	reserves	exchange	options	reserves	revaluation	profits	RM'000	controlling	equity
	RM'000	RM'000	reserves	reserves *	RM'000	reserves	RM'000	RM'000	interest	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>The Group</b>										
At 1 January 2020	999,800	23,731	135	-	(61,010)	77,210	515,621	1,555,487	57,715	1,613,202
<b>Comprehensive income:</b>										
Net profit for the financial period	-	-	-	-	-	-	183,229	183,229	24,741	207,970
Other comprehensive income (net of tax)										
- Financial investments at FVOCI	-	-	-	-	-	4,067	-	4,067	-	4,067
<b>Total comprehensive income</b>	-	-	-	-	-	4,067	183,229	187,296	24,741	212,037
Transfer (from)/to regulatory reserves	-	(9,639)	-	-	-	-	9,639	-	-	-
Dividend paid	-	-	-	-	-	-	(40,000)	(40,000)	(28,777)	(68,777)
<b>At 30 September 2020</b>	<b>999,800</b>	<b>14,092</b>	<b>135</b>	<b>-</b>	<b>(61,010)</b>	<b>81,277</b>	<b>668,489</b>	<b>1,702,783</b>	<b>53,679</b>	<b>1,756,462</b>
At 1 January 2019	999,800	28,357	593	8,328	-	3,968	450,591	1,491,637	65,773	1,557,410
<b>Comprehensive income:</b>										
Net profit for the financial period	-	-	-	-	-	-	89,120	89,120	19,973	109,093
Other comprehensive income, (net of tax)										
- Financial investments at FVOCI	-	-	-	-	-	76,253	-	76,253	-	76,253
<b>Total comprehensive income</b>	-	-	-	-	-	76,253	89,120	165,373	19,973	185,346
Net loss on disposal of financial investments designated at FVOCI (equity instruments)	-	-	-	-	-	3,249	(3,249)	-	-	-
Options exercised during the period	-	-	-	-	-	-	-	-	-	-
Issuance of new shares from exercise of employee stock option incentive scheme **	-	-	-	(8,328)	-	-	20,456	12,128	32,646	44,774
Transfer (from)/to regulatory reserves	-	(4,386)	-	-	-	-	4,386	-	-	-
Dividend paid	-	-	-	-	-	-	(60,000)	(60,000)	(18,500)	(78,500)
<b>At 30 September 2019</b>	<b>999,800</b>	<b>23,971</b>	<b>593</b>	<b>-</b>	<b>-</b>	<b>83,470</b>	<b>501,304</b>	<b>1,609,138</b>	<b>99,892</b>	<b>1,709,030</b>

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

\*\* On 8 March 2019, the options holder have fully exercised the employee stock option incentive scheme.

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

**Condensed Interim Financial Statements**  
**Unaudited Statements of Changes in Equity**  
**for the financial period ended 30 September 2020**

	←----- Non-distributable -----→	← Distributable --→			
	Share Capital RM'000	Regulatory reserves RM'000	FVOCI revaluation reserves RM'000	Retained profits RM'000	Total equity RM'000
<b>The Bank</b>					
<b>At 1 January 2020</b>	999,800	23,731	77,155	482,776	1,583,462
<b>Comprehensive income:</b>					
Net profit for the financial period	-	-	-	190,912	190,912
Other comprehensive income (net of tax)					
- Financial investments at FVOCI	-	-	4,067	-	4,067
<b>Total comprehensive income</b>	-	-	4,067	190,912	194,979
Transfer (from)/to regulatory reserves	-	(9,639)	-	9,639	-
Dividend paid	-	-	-	(40,000)	(40,000)
<b>At 30 September 2020</b>	<b>999,800</b>	<b>14,092</b>	<b>81,222</b>	<b>643,327</b>	<b>1,738,441</b>
At 1 January 2019	999,800	28,357	3,913	431,864	1,463,934
<b>Comprehensive income:</b>					
Net profit for the financial period	-	-	-	87,070	87,070
Other comprehensive income, (net of tax)					
- Financial investments at FVOCI	-	-	76,253	-	76,253
<b>Total comprehensive income</b>	-	-	76,253	87,070	163,323
Net loss on disposal of financial investments designated at FVOCI (equity instruments)	-	-	3,249	(3,249)	-
Transfer (from)/to regulatory reserves	-	(4,386)	-	4,386	-
Dividend paid	-	-	-	(60,000)	(60,000)
<b>At 30 September 2019</b>	<b>999,800</b>	<b>23,971</b>	<b>83,415</b>	<b>460,071</b>	<b>1,567,257</b>

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

**Condensed Interim Financial Statements**  
**Unaudited Condensed Statements of Cash Flows**  
**for the financial period ended 30 September 2020**

	The Group		The Bank	
	30-09-2020 RM'000	30-09-2019 RM'000	30-09-2020 RM'000	30-09-2019 RM'000
<b>Cash flow from operating activities</b>				
Profit before taxation	272,307	145,310	237,854	104,599
Adjustments for items not involving the movement of cash and cash equivalents	(451,271)	(246,922)	(502,103)	(246,810)
<i>Operating loss before changes in working capital</i>	<u>(178,964)</u>	<u>(101,612)</u>	<u>(264,249)</u>	<u>(142,211)</u>
Net changes in operating assets	184,009	(70,628)	306,282	68,431
Net changes in operating liabilities	(1,099,447)	(503,532)	(1,246,527)	(557,273)
Tax paid	(28,676)	(35,145)	(14,610)	(18,937)
Zakat paid	(659)	(1,537)	(210)	(1,126)
<b>Net cash used in operating activities</b>	<u>(1,123,737)</u>	<u>(712,454)</u>	<u>(1,219,314)</u>	<u>(651,116)</u>
<b>Cash flow from investing activities</b>				
Interest received:				
- financial investments at FVOCI	140,790	170,094	140,789	170,094
- financial investments at amortised cost	1,229	1,359	1,229	1,359
Purchase of:				
- financial investments at FVOCI	(3,674,940)	(4,442,127)	(3,674,940)	(4,442,127)
Redemption/disposal of:				
- financial investments at FVOCI	5,145,905	5,249,570	5,145,905	5,249,570
Dividend income received from:				
- financial investments at FVOCI	300	2,354	300	2,354
- subsidiary	-	-	49,000	-
Capital injection for subsidiaries	-	-	(1,000)	-
Proceeds from disposal of property and equipment	235	249	17	50
Purchase of property and equipment	(6,048)	(6,426)	(2,652)	(3,170)
Purchase of intangible assets	(1,893)	(1,369)	(475)	(633)
<b>Net cash generated from investing activities</b>	<u>1,605,578</u>	<u>973,704</u>	<u>1,658,173</u>	<u>977,497</u>
<b>Cash flow from financing activities</b>				
Lease payments	(7,713)	(7,198)	(4,351)	(4,261)
Dividend paid by a subsidiary to minority interest	(28,777)	(18,500)	-	-
Dividend paid	(40,000)	(60,000)	(40,000)	(60,000)
Exercise of employee stock option	-	44,773	-	-
<b>Net cash (used in)/generated from financing activities</b>	<u>(76,490)</u>	<u>(40,925)</u>	<u>(44,351)</u>	<u>(64,261)</u>
<b>Net increase in cash and cash equivalents</b>	<b>405,351</b>	<b>220,325</b>	<b>394,508</b>	<b>262,120</b>
Cash and cash equivalents at beginning of the financial period	<u>707,679</u>	<u>576,254</u>	<u>223,090</u>	<u>155,823</u>
<b>Cash and cash equivalents at end of the financial period</b>	<u><b>1,113,030</b></u>	<u><b>796,579</b></u>	<u><b>617,598</b></u>	<u><b>417,943</b></u>
<b>Analysis of cash and cash equivalents</b>				
Cash and short term funds	1,176,192	843,372	680,760	464,736
Amount held on behalf of commissioned dealer's representatives	(63,162)	(46,793)	(63,162)	(46,793)
<b>Cash and cash equivalents at end of the financial period</b>	<u><b>1,113,030</b></u>	<u><b>796,579</b></u>	<u><b>617,598</b></u>	<u><b>417,943</b></u>

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 2019.



## Affin Hwang Investment Bank Berhad

(Incorporated in Malaysia)

### Notes to the unaudited condensed interim financial statements for the financial period ended 30 September 2020

#### 1. Review of financial performance

The Group recorded a higher Profit Before Zakat and Taxation ("PBT") of RM276.5 million for the 9 months period ended 30 September 2020 compared to the PBT of RM147.6 million in the previous corresponding period. The Bank contributed RM241.7 million (30.9.2019: RM106.6 million) for the period ended 30 September 2020 while the Group's asset management business contributed RM84.6 million (30.9.2019: RM74.4 million) to the Group's PBT.

Analysis of the Group's performance for the 9 months period ended 30 September 2020 is as follows:

- Net interest income of RM39.0 million was lower than the net interest income of RM46.3 million recorded in the previous corresponding period primarily due to lower average interest earning assets in the current period under review.
- Net fee and commission income of RM299.4 million in the period under review was higher than RM241.4 million in the previous corresponding period. The increase was primarily due to the higher initial service charge, higher unit trusts management and incentive fees earned from the asset management business and higher net brokerage income earned in the current period.
- Net gains and losses on financial instruments registered an increase of RM324.0 million to RM449.2 million in the current period from RM125.2 million in the previous corresponding period mainly due to higher net trading gains of financial assets measured at FVTPL of RM280.2 million and higher gains on disposal of financial investments at FVOCI of RM144.7 million.
- Other operating income registered an increase from RM8.4 million in the previous corresponding period to RM12.3 million in the current period mainly due to higher net foreign exchange gains.
- Operating expenses incurred for the period under review were higher at RM484.8 million compared to RM273.7 million incurred in the previous corresponding period mainly due to higher personnel costs, establishment-related expenses and general administrative expenses, partially offset by lower promotion and marketing-related expenses.
- Higher net allowances of credit impairment losses of RM38.5 million compared to RM0.02 million in the previous corresponding period was mainly contributed by the higher allowances made for impaired loans recognised in the current period.

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

The Group remains cautious on the economic outlook in 2020 due to the development of the Covid-19 pandemic and its impact on the domestic economy. Renewed tensions between US and China as well as the possibility of the re-imposition of containment measures in other countries will weigh on Malaysia's external demand due to supply chain disruption risks. Due to these downside risks, the performance of local and regional bourses is also likely to be impacted. As a result, the Group's performance may be impacted by the increased market volatility and challenging environment in the second half of the year.

The recovery in economic activity following the reopening of the economy as reflected in improving labour market conditions, industrial output and private consumption indicators, will continue to support economic growth in 2H2020. Meanwhile, fiscal stimulus measures such as the Prihatin, Penjana and Kita Prihatin stimulus packages recently introduced by the Government (amounting to RM305 billion) as well as accommodative monetary policy measures announced by BNM, which will continue to alleviate the cost of living and support household income. Improvement in growth is expected to continue in 2021 underpinned by recovery in external demand and rising domestic demand. Despite the challenging business environment, the Group will continue to seek business opportunities, with the added focus on diversifying the revenue base to compliment the Group's capital market activities by expanding and strengthening our products and service offerings with the aim of delivering value propositions to clients and stakeholders. In an effort to further strengthen clients' "end-to-end journey", the Group will continue to develop best practices with the aim of delivering a seamless customer experience through digitalisation and innovation.

#### 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"), Policy Document on Financial Reporting issued by Bank Negara Malaysia ("BNM") 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 2019. 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 2019.

The significant accounting policies and methods of computation applied in the condensed interim financial statements are consistent with those applied in the annual financial statements for the financial year ended 31 December 2019, except for the adoption of the following during the current financial period:

(a) Amendments to published standards that are effective and applicable to the Group and the Bank

- Amendments to the Conceptual Framework for Financial Reporting
- Amendments to MFRS 101 and MFRS 108 "Definition of Material"
- Amendments to MFRS 3 "Definition of a Business"
- Amendments to MFRS 16 "COVID-19 Related Rent Concessions"
- Amendments to MFRS 123 "Borrowing Costs"
- Amendments to MFRS 7, MFRS 9 and MFRS 139 "Interest Rate Benchmark Reform"
- Amendments to MFRS 10 "Consolidated Financial Statements" and MFRS 128 "Investments in Associates and Joint Ventures"

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

(b) Additional Measures to assist borrowers / customers affected by the COVID-19 outbreak by BNM

On 24 March 2020, BNM had implemented additional measures to assist borrowers/customers experiencing temporary financial constraints due to the COVID-19. The measures which are aimed to ensure the financial intermediation function of the financial sector remains intact, access to financing continues to be available, and banking institutions remain focused on supporting the economy during these exceptional circumstances are set out as follows:

- Banking institutions will grant an automatic moratorium on all loans / financing repayments / payments, both principal and interest by individuals and small medium enterprises ("SMEs") borrowers / customers for a period of 6 months effective 1 April 2020. This automatic moratorium is applicable to loans / financing that are not in arrears exceeding 90 days as at 1 April 2020 and denominated in Malaysian Ringgit;
- For corporate borrowers, banking institutions will facilitate on corporate's requests for a moratorium on loan / financing repayment / payment, additional financing to support cash flows and rescheduling and restructuring ("R&R") of existing facilities in a way for the corporations to preserve jobs and slowly resume economic activities when conditions improve;
- Banking institutions are given prudential buffer with immediate effect to drawdown the capital conservation buffer of 2.5%, to operate below the minimum liquidity coverage ratio ("LCR") of 100% and to reduce the regulatory reserves held against expected losses to 0%. This buffer will need to be restored to the minimum regulatory requirements by 30 September 2021; and
- Banking institutions are also allowed to implement lower minimum Net Stable Funding Ratio ("NSFR") of 80% effective 1 July 2020. However, banking institution shall comply with 100% NSFR ratio from 30 September 2021.

The adoption of the above amendments and additional measures to assist borrowers / customers affected by the COVID-19 Outbreak by BNM do not give rise to any material financial impact to the Group and the Bank. The Group and the Bank have continued to maintain aggregate regulatory reserves of no less than 1% of total credit exposures, net of allowance for credit-impaired exposures.

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

The Bank's financial statements for financial year ended 31 December 2019 were not qualified by the auditors.

**5. Seasonal or cyclical factors**

The Group's and Bank's operations are generally not affected by any seasonal or cyclical factors but are in tandem with the country's economic situation.

**6. Unusual items due to their nature, size or incidence**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank during the financial reporting period.

**7. Changes in debt and equity securities**

There were no issuances, cancellation, repurchases, resale or repayment of debt and equity securities at the Bank's level during the financial reporting period.

**8. Material litigations**

There is no material litigation during the financial period ended 30 September 2020.

**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 19.2 sen per share amounting to RM150,000,000 for the financial year ending 31 December 2020, which is subject to approval from Bank Negara Malaysia. Final dividend of 5.128 sen per share amounting to RM40,000,000 for the financial year ended 31 December 2019 was paid on 27 May 2020.

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#### 11. Securities portfolio

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

	The Group		The Bank	
	30-09-2020 RM'000	31-12-2019 RM'000	30-09-2020 RM'000	31-12-2019 RM'000
<b>At fair value</b>				
<b>Money Market Instruments</b>				
Malaysian Government Securities	32,577	-	32,577	-
Malaysian Government Islamic Investment Issues	21,920	137,242	21,920	137,242
	<u>54,497</u>	<u>137,242</u>	<u>54,497</u>	<u>137,242</u>
<b>Quoted securities</b>				
Unit trusts	217,585	231,777	198,772	200,080
Equities in Malaysia	33,050	49,478	30,970	47,397
Equities outside Malaysia	37,555	40,107	112	129
	<u>288,190</u>	<u>321,362</u>	<u>229,854</u>	<u>247,606</u>
<b>Unquoted securities</b>				
Corporate bonds and/or Sukuk in Malaysia	6,849	6,825	10	1
Corporate bonds and/or Sukuk outside Malaysia	26,486	26,487	-	-
	<u>33,335</u>	<u>33,312</u>	<u>10</u>	<u>1</u>
	<u>376,022</u>	<u>491,916</u>	<u>284,361</u>	<u>384,849</u>

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

	The Group and the Bank	
	30-09-2020 RM'000	31-12-2019 RM'000
<b>At fair value</b>		
<b>Money Market Instruments</b>		
Malaysian Government Islamic Investment Issues	809,856	1,098,452
Malaysian Government Securities	635,746	549,606
Treasury Bills	-	-
Cagamas Bonds	11,244	25,965
Negotiable Instruments of Deposit	250,138	20,336
	<u>1,706,984</u>	<u>1,694,359</u>
<b>Unquoted securities</b>		
Corporate bonds and/or Sukuk in Malaysia #	1,661,685	2,968,706
Corporate bonds and/or Sukuk outside Malaysia	28,625	127,888
Shares in Malaysia ^	25,319	23,002
	<u>3,422,613</u>	<u>4,813,955</u>

# Certain unquoted perpetual bond is designated at fair value through other comprehensive income.

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

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

	The Group and the Bank	
	30-09-2020 RM'000	31-12-2019 RM'000
<b>Unquoted securities</b>		
Corporate bonds - perpetual bond		
Mah Sing Group Berhad *	-	50,956
	-	<u>50,956</u>
Shares in Malaysia:		
Cagamas Berhad	21,014	19,410
RAM Holdings Berhad	3,136	2,477
Malaysian Rating Corporation Berhad	1,169	1,115
	<u>25,319</u>	<u>23,002</u>
Total unquoted securities	<u>25,319</u>	<u>73,958</u>

\* fully redeemed during the financial period ended 30 September 2020.

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## 11. Securities portfolio (continued)

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

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

	The Group and the Bank			Total
	12 months ECL	Lifetime ECL Not	Lifetime ECL	
	Stage 1	Credit Impaired	Credit Impaired	
	30-09-2020	30-09-2020	30-09-2020	30-09-2020
	RM'000	RM'000	RM'000	RM'000
At beginning of the financial period	1,099	37	12,166	13,302
Transfer between stages due to change in credit risk:				
- Transfer to 12-months ECL (Stage 1)	198	(198)	-	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	-	-	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	-	-	-	-
Total transfer between stages	198	(198)	-	-
Derecognised during the financial period (other than write-offs)	(426)	(1)	-	(427)
New originated or purchased	1,692	-	-	1,692
Changes due to change in credit risk	3,972	162	(25)	4,109
Changes in model/risk parameters	-	-	-	-
Write-offs	-	-	-	-
Changes due to foreign exchange	1	-	-	1
<b>At end of the financial period</b>	<b>6,536</b>	<b>-</b>	<b>12,141</b>	<b>18,677</b>

	The Group and the Bank			Total
	12 months ECL	Lifetime ECL Not	Lifetime ECL	
	Stage 1	Credit Impaired	Credit Impaired	
	31-12-2019	31-12-2019	31-12-2019	31-12-2019
	RM'000	RM'000	RM'000	RM'000
At beginning of the financial year	1,168	40	17,515	18,723
Transfer between stages due to change in credit risk:				
- Transfer to 12-months ECL (Stage 1)	-	-	-	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	-	-	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	-	-	-	-
Total transfer between stages	-	-	-	-
Derecognised during the financial year (other than write-offs)	(510)	-	(7,073)	(7,583)
New originated or purchased	100	-	-	100
Changes due to change in credit risk	368	(1)	1,724	2,091
Changes in model/risk parameters	(27)	(2)	-	(29)
Changes due to foreign exchange	-	-	-	-
<b>At end of the financial year</b>	<b>1,099</b>	<b>37</b>	<b>12,166</b>	<b>13,302</b>

The gross carrying amount of financial assets at FVOCI is at fair value. Expected credit losses ("ECL") are provided based on Exposure at Default ("EAD") of the assets, which in the case of stage 3 is lower than the EAD. ECL is recognised in reserves with the corresponding entry to income statement.

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## 11. Securities portfolio (continued)

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

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

	The Group and the Bank			Total 30-09-2020 RM'000
	12 months ECL Stage 1 30-09-2020 RM'000	Lifetime ECL Not Credit Impaired Stage 2 30-09-2020 RM'000	Lifetime ECL Credit Impaired Stage 3 30-09-2020 RM'000	
	At beginning of the financial period	4,677,576	57,905	
Transfer between stages due to change in credit risk:				
- Transfer to 12-months ECL (Stage 1)	42,212	(42,212)	-	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	-	-	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	-	-	-	-
Total transfer between stages	42,212	(42,212)	-	-
Derecognised during the financial period (other than write-offs)	(4,957,411)	(15,000)	-	(4,972,411)
New originated or purchased	3,662,757	-	-	3,662,757
Changes due to interest accruals	(27,570)	(808)	-	(28,378)
Changes due to fair value	(4,813)	115	16	(4,682)
Changes due to foreign exchange	36	-	(25)	11
	-	-	-	-
<b>At end of the financial period</b>	<b>3,392,787</b>	<b>-</b>	<b>4,507</b>	<b>3,397,294</b>

	The Group and the Bank			Total 31-12-2019 RM'000
	12 months ECL Stage 1 31-12-2019 RM'000	Lifetime ECL Not Credit Impaired Stage 2 31-12-2019 RM'000	Lifetime ECL Credit Impaired Stage 3 31-12-2019 RM'000	
	At beginning of the financial year	4,775,167	73,595	
Transfer between stages due to change in credit risk:				
- Transfer to 12-months ECL (Stage 1)	-	-	-	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	-	-	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	-	-	-	-
Total transfer between stages	-	-	-	-
Derecognised during the financial year (other than write-offs)	(5,276,353)	(15,439)	(27,906)	(5,319,698)
New originated or purchased	5,088,841	-	-	5,088,841
Changes due to interest accruals	2,793	(660)	(480)	1,653
Changes due to fair value	87,140	409	6,488	94,037
Changes due to foreign exchange	(12)	-	(126)	(138)
	-	-	-	-
<b>At end of the financial year</b>	<b>4,677,576</b>	<b>57,905</b>	<b>4,516</b>	<b>4,739,997</b>

The gross carrying amount of financial assets at FVOCI is at fair value. Expected credit losses ("ECL") are provided based on Exposure at Default ("EAD") of the assets, which in the case of stage 3 is lower than the EAD. ECL is recognised in reserves with the corresponding entry to income statement.

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### Notes to the unaudited condensed interim financial statements for the financial period ended 30 September 2020

#### 11. Securities portfolio (continued)

##### (iii) Financial investments at amortised cost

	The Group and the Bank	
	30-09-2020 RM'000	31-12-2019 RM'000
<b>Unquoted securities</b>		
Corporate bonds and/or Sukuk in Malaysia	41,084	40,497
Redeemable Secured Loan Stocks	15,000	15,000
	<u>56,084</u>	<u>55,497</u>
Expected credit loss ("ECL")	(12,974)	(10,930)
	<u>43,110</u>	<u>44,567</u>

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

	The Group and the Bank			
	12 months ECL	Lifetime ECL Not	Lifetime ECL	Total
	Stage 1	Credit Impaired	Credit Impaired	
	30-09-2020	Stage 2	Stage 3	
RM'000	30-09-2020	30-09-2020		
At beginning of the financial period	150	-	10,780	10,930
Changes due to change in credit risk	(98)	-	2,142	2,044
Changes in model/risk parameters	-	-	-	-
At end of the financial period	<u>52</u>	<u>-</u>	<u>12,922</u>	<u>12,974</u>

	The Group and the Bank			
	12 months ECL	Lifetime ECL Not	Lifetime ECL	Total
	Stage 1	Credit Impaired	Credit Impaired	
	31-12-2019	Stage 2	Stage 3	
RM'000	31-12-2019	31-12-2019		
At beginning of the financial year	166	-	6,950	7,116
Changes due to change in credit risk	(21)	-	3,830	3,809
Changes in model/risk parameters	5	-	-	5
At end of the financial year	<u>150</u>	<u>-</u>	<u>10,780</u>	<u>10,930</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			
	12 months ECL	Lifetime ECL Not	Lifetime ECL	Total
	Stage 1	Credit Impaired	Credit Impaired	
	30-09-2020	Stage 2	Stage 3	
RM'000	30-09-2020	30-09-2020		
At beginning of the financial period	40,497	-	15,000	55,497
Changes due to interest accruals	587	-	-	587
At end of the financial period	<u>41,084</u>	<u>-</u>	<u>15,000</u>	<u>56,084</u>

	The Group and the Bank			
	12 months ECL	Lifetime ECL Not	Lifetime ECL	Total
	Stage 1	Credit Impaired	Credit Impaired	
	31-12-2019	Stage 2	Stage 3	
RM'000	31-12-2019	31-12-2019		
At beginning / end of the financial year	40,497	-	15,000	55,497

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**Notes to the unaudited condensed interim financial statements  
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**12. Loans, advances and financing**

	<b>The Group and the Bank</b>	
	<b>30-09-2020</b>	<b>31-12-2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(i) By Type of Loan/Financing</b>		
Term loans/financing		
- Syndicated term loan/financing	<b>131,544</b>	150,772
- Other term loans/financing	<b>189,332</b>	341,452
Share margin financing	<b>574,048</b>	503,486
Revolving credits	<b>85,820</b>	93,297
Staff loans	<b>5,892</b>	6,055
Gross loans, advances and financing	<b>986,636</b>	1,095,062
Less : expected credit losses	<b>(44,640)</b>	(17,510)
Total net loans, advances and financing	<b>941,996</b>	1,077,552
<b>(ii) By Type of Customers</b>		
Domestic business enterprises		
- Small medium enterprises	<b>17,943</b>	151,449
- Others	<b>455,428</b>	716,488
Domestic non-bank financial institutions	<b>199,123</b>	28,307
Individuals	<b>313,559</b>	198,036
Foreign individuals	<b>583</b>	782
Total gross loans, advances and financing	<b>986,636</b>	1,095,062
<b>(iii) By Interest Rate Sensitivity</b>		
Fixed rate		
- Other fixed rate loans/financing	<b>36,545</b>	36,570
- Housing loans/financing	<b>3,426</b>	3,560
- Hire purchase receivables	<b>2,466</b>	2,470
Variable rate		
- Cost-plus	<b>891,702</b>	999,369
- BLR plus	<b>20,626</b>	20,625
- Other floating rate	<b>31,871</b>	32,468
Total gross loans, advances and financing	<b>986,636</b>	1,095,062
<b>(iv) By Economic Purpose</b>		
Purchase of securities	<b>655,950</b>	600,916
Purchase of landed properties of which		
- Residential	<b>3,426</b>	3,560
- Non-residential	<b>54,246</b>	58,177
Working capital	<b>85,376</b>	130,090
Construction	<b>60,502</b>	63,345
Purchase of transport vehicles	<b>36,639</b>	37,519
Personal use	<b>-</b>	25
Others	<b>90,497</b>	201,430
Total gross loans, advances and financing	<b>986,636</b>	1,095,062

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

**The Group and the Bank**

**30-09-2020**                      31-12-2019

**RM'000**                              **RM'000**

**(v) By Economic Sector**

Household	<b>314,142</b>	198,818
Finance, insurance and business services	<b>201,838</b>	113,121
Real estate	<b>157,144</b>	297,386
Construction	<b>101,406</b>	119,274
Transport, storage and communication	<b>88,670</b>	93,087
Agriculture	<b>44,081</b>	54,761
Manufacturing	<b>36,370</b>	125,807
Education, health and others	<b>30,216</b>	31,909
Wholesale & retail trade and restaurants & hotels	<b>10,397</b>	55,308
Mining and quarrying	<b>2,372</b>	5,591
Total gross loans, advances and financing	<b>986,636</b>	1,095,062

**(vi) By Geographical Distribution**

Wilayah Persekutuan	<b>487,162</b>	513,632
Selangor	<b>244,700</b>	294,775
Sarawak	<b>64,169</b>	40,986
Johor	<b>58,488</b>	124,012
Sabah	<b>53,597</b>	47,511
Terengganu	<b>30,971</b>	32,429
Perak	<b>23,560</b>	24,526
Pulau Pinang	<b>20,766</b>	13,124
Negeri Sembilan	<b>2,858</b>	2,504
Kedah	<b>365</b>	1,563
Total gross loans, advances and financing	<b>986,636</b>	1,095,062

**(vii) By Maturity Structure**

Maturing within one year	<b>687,784</b>	816,635
One year to three years	<b>94,972</b>	99,997
Three years to five years	<b>120,649</b>	82,849
Over five years	<b>83,231</b>	95,581
Total gross loans, advances and financing	<b>986,636</b>	1,095,062



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

	<b>The Group and the Bank</b>	
	<b>30-09-2020</b>	<b>31-12-2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(viii) Movement of impaired loans, advances and financing</b>		
At beginning of the financial period	98,782	80,851
Classified as impaired during the financial period	96,752	40,861
Reclassified as non-impaired during the financial period	(69,900)	(11,810)
Amount written-off	-	(95)
Amount recovered	(14,943)	(11,025)
At end of the financial period	<u>110,691</u>	<u>98,782</u>
Gross impaired loans as a percentage of gross loans, advances and financing	<u>11.22%</u>	<u>9.02%</u>
<b>(ix) Impaired loans, advances and financing analysed by their economic sector</b>		
Construction	36,545	36,545
Household	149	1
Education, health and others	20,626	20,626
Manufacturing	7,369	14,952
Real estate	35,337	14,119
Transport, storage and communication	8,293	9,958
Mining and quarrying	2,372	2,581
Total impaired loans, advances and financing	<u>110,691</u>	<u>98,782</u>
<b>(x) Impaired loans, advances and financing analysed by their economic purpose</b>		
Working capital	52,206	61,456
Purchase of securities	26,225	-
Construction	20,626	20,626
Other purpose	9,262	14,119
Purchase of transport vehicles	2,372	2,581
Total impaired loans, advances and financing	<u>110,691</u>	<u>98,782</u>
<b>(xi) Impaired loans, advances, and financing by geographical distribution</b>		
Sarawak	36,545	36,545
Perak	20,626	20,626
Selangor	50,999	39,030
Wilayah Persekutuan	2,521	2,581
Total impaired loans, advances and financing	<u>110,691</u>	<u>98,782</u>

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

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

	The Group and the Bank			Total 30-09-2020 RM'000
	12 months ECL	Lifetime ECL Not Credit Impaired	Lifetime ECL Credit Impaired	
	Stage 1 30-09-2020 RM'000	Stage 2 30-09-2020 RM'000	Stage 3 30-09-2020 RM'000	
At beginning of financial period	2,007	676	14,827	17,510
Transfer between stages due to change in credit risk:				
- Transfer to 12-months ECL (Stage 1)	1,275	-	(1,275)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(1,158)	2,428	(1,270)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(1)	(1,393)	1,394	-
Total transfer between stages	116	1,035	(1,151)	-
Loans/Financing derecognised during the period (other than write-offs)	(107)	(21)	-	(128)
New loans/financing originated or purchased	20	-	-	20
Changes due to change in credit risk	(1,296)	4,008	24,572	27,284
Other adjustments				
- Foreign exchange and other adjustments	32	(78)	-	(46)
<b>At end of financial period</b>	<b>772</b>	<b>5,620</b>	<b>38,248</b>	<b>44,640</b>

	The Group and the Bank			Total 31-12-2019 RM'000
	12 months ECL	Lifetime ECL Not Credit Impaired	Lifetime ECL Credit Impaired	
	Stage 1 31-12-2019 RM'000	Stage 2 31-12-2019 RM'000	Stage 3 31-12-2019 RM'000	
At beginning of the financial year	4,065	223	5,573	9,861
Transfer between stages due to change in credit risk:				
- Transfer to 12-months ECL (Stage 1)	-	-	-	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(229)	229	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(63)	(174)	237	-
Total transfer between stages	(292)	55	237	-
Loans/Financing derecognised during the financial year (other than write-offs)	(316)	-	-	(316)
New loans/financing originated or purchased	92	-	-	92
Changes due to change in credit risk	(1,624)	395	9,112	7,883
Changes in model/risk parameters	90	3	-	93
Write-offs	-	-	(95)	(95)
Other adjustments				
- Foreign exchange and other adjustments	(8)	-	-	(8)
<b>At end of the financial year</b>	<b>2,007</b>	<b>676</b>	<b>14,827</b>	<b>17,510</b>

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12. Loans, advances and financing (continued)

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

	The Group and the Bank			Total 30-09-2020 RM'000
	12 months ECL Stage 1 30-09-2020 RM'000	Lifetime ECL Not Credit Impaired Stage 2 30-09-2020 RM'000	Lifetime ECL Credit Impaired Stage 3 30-09-2020 RM'000	
	At beginning of financial period	923,580	72,700	
Transfer between stages due to change in credit risk:				
- Transfer to 12-months ECL (Stage 1)	20,026	(124)	(19,902)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(132,238)	182,236	(49,998)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(23,545)	(76,150)	99,695	-
Total transfer between stages	(135,757)	105,962	29,795	-
Loans/Financing derecognised during the financial period (other than write-offs)	(115,718)	(173)	(364)	(116,255)
New loans/financing originated or purchased	345,402	-	-	345,402
Changes due to change in credit risk	(242,296)	(78,302)	(17,522)	(338,120)
Write-offs	-	-	-	-
Other adjustments				
- Foreign exchange and other adjustments	1,665	(1,118)	-	547
<b>At end of financial period</b>	<b>776,876</b>	<b>99,069</b>	<b>110,691</b>	<b>986,636</b>

	The Group and the Bank			Total 31-12-2019 RM'000
	12 months ECL Stage 1 31-12-2019 RM'000	Lifetime ECL Not Credit Impaired Stage 2 31-12-2019 RM'000	Lifetime ECL Credit Impaired Stage 3 31-12-2019 RM'000	
	At beginning of the financial year	1,191,473	13,541	
Transfer between stages due to change in credit risk:				
- Transfer to 12-months ECL (Stage 1)	11,960	-	(11,960)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(133,686)	133,686	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(28,738)	(13,130)	41,868	-
Total transfer between stages	(150,464)	120,556	29,908	-
Loans/Financing derecognised during the financial year (other than write-offs)	(139,449)	(182)	(2,228)	(141,859)
New loans/financing originated or purchased	349,736	-	-	349,736
Changes due to change in credit risk	(327,349)	(61,215)	(9,654)	(398,218)
Write-offs	-	-	(95)	(95)
Other adjustments				
- Foreign exchange and other adjustments	(367)	-	-	(367)
<b>At end of the financial year</b>	<b>923,580</b>	<b>72,700</b>	<b>98,782</b>	<b>1,095,062</b>

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## 13. Trade receivables

	The Group		The Bank	
	30-09-2020 RM'000	31-12-2019 RM'000	30-09-2020 RM'000	31-12-2019 RM'000
Amount in respect of asset management related fees receivables	387,385	243,300	-	-
Amount due from clients:				
- performing accounts	403,241	231,679	403,432	231,679
- impaired accounts (a)	397	139	397	139
Amount due from brokers	31,926	57,958	31,926	57,958
Amount due from Bursa Securities Clearing Sdn. Bhd.	110,664	-	110,664	-
	<b>933,613</b>	<b>533,076</b>	<b>546,419</b>	<b>289,776</b>
Less: Expected credit loss ("ECL")	(550)	(208)	(470)	(183)
	<b>933,063</b>	<b>532,868</b>	<b>545,949</b>	<b>289,593</b>

## (a) Movement of impaired amount due from clients

	The Group and the Bank	
	30-09-2020 RM'000	31-12-2019 RM'000
At beginning of the financial period/year	139	424
Addition during the period/year	560	419
Amount recovered	(302)	(704)
At end of the financial period/year	<b>397</b>	<b>139</b>

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

	Lifetime ECL Not Credit Impaired 30-09-2020 RM'000	The Group Lifetime ECL Credit Impaired 30-09-2020 RM'000	Total 30-09-2020 RM'000
	At beginning of financial period	70	138
Allowance made	320	517	837
Amount written back	(193)	(302)	(495)
At end of financial period	<b>197</b>	<b>353</b>	<b>550</b>

	Lifetime ECL Not Credit Impaired 31-12-2019 RM'000	The Group Lifetime ECL Credit Impaired 31-12-2019 RM'000	Total 31-12-2019 RM'000
	At beginning of the financial year	54	414
Allowance made	86	419	505
Amount written back	(70)	(695)	(765)
At end of the financial year	<b>70</b>	<b>138</b>	<b>208</b>

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## 13. Trade receivables (continued)

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

	Lifetime ECL Not Credit Impaired 30-09-2020 RM'000	The Bank Lifetime ECL Credit Impaired 30-09-2020 RM'000	Total 30-09-2020 RM'000
At beginning of financial period	45	138	183
Allowance made	263	517	780
Amount written back	(191)	(302)	(493)
At end of financial period	<u>117</u>	<u>353</u>	<u>470</u>

  

	Lifetime ECL Not Credit Impaired 31-12-2019 RM'000	The Bank Lifetime ECL Credit Impaired 31-12-2019 RM'000	Total 31-12-2019 RM'000
At beginning of the financial year	38	414	452
Allowance made	77	419	496
Amount written back	(70)	(695)	(765)
At end of the financial year	<u>45</u>	<u>138</u>	<u>183</u>

## 14. Other assets

	The Group		The Bank	
	30-09-2020 RM'000	31-12-2019 RM'000	30-09-2020 RM'000	31-12-2019 RM'000
Other debtors, deposits and prepayments	56,508	28,110	48,164	20,352
Securities Lending	14,712	34,384	14,712	34,384
Clearing Guarantee Fund	2,228	2,272	2,228	2,272
Clearing Fund	1,653	1,000	1,653	1,000
Transferable membership	350	350	250	250
	<u>75,451</u>	<u>66,116</u>	<u>67,007</u>	<u>58,258</u>
Less : Expected credit loss ("ECL")	<u>(3,925)</u>	<u>(2,058)</u>	<u>(3,924)</u>	<u>(2,057)</u>
	<u>71,526</u>	<u>64,058</u>	<u>63,083</u>	<u>56,201</u>

	The Group and the Bank	
	30-09-2020 RM'000	31-12-2019 RM'000
<b>Movement in credit impaired accounts</b>		
At beginning of the financial period/year	2,085	1,661
Classified as impaired during the financial period/year	2,630	1,455
Amount recovered	(493)	(493)
Amount written off	(58)	(538)
At end of the financial period/year	<u>4,164</u>	<u>2,085</u>

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## 14. Other assets (continued)

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

	<b>Lifetime ECL Not Credit Impaired 30-09-2020 RM'000</b>	<b>The Group Lifetime ECL Credit Impaired 30-09-2020 RM'000</b>	<b>Total 30-09-2020 RM'000</b>
At beginning of financial period	7	2,051	2,058
Allowance made	25	2,419	2,444
Amount written back	(26)	(493)	(519)
Amount written off	-	(58)	(58)
At end of financial period	<u>6</u>	<u>3,919</u>	<u>3,925</u>

  

	<b>Lifetime ECL Not Credit Impaired 31-12-2019 RM'000</b>	<b>The Group Lifetime ECL Credit Impaired 31-12-2019 RM'000</b>	<b>Total 31-12-2019 RM'000</b>
At beginning of the financial year	11	1,658	1,669
Allowance made	34	1,455	1,489
Amount written back	(38)	(524)	(562)
Amount written off	-	(538)	(538)
At end of the financial year	<u>7</u>	<u>2,051</u>	<u>2,058</u>

  

	<b>Lifetime ECL Not Credit Impaired 30-09-2020 RM'000</b>	<b>The Bank Lifetime ECL Credit Impaired 30-09-2020 RM'000</b>	<b>Total 30-09-2020 RM'000</b>
At beginning of financial period	6	2,051	2,057
Allowance made	24	2,419	2,443
Amount written back	(25)	(493)	(518)
Amount written off	-	(58)	(58)
At end of financial period	<u>5</u>	<u>3,919</u>	<u>3,924</u>

  

	<b>Lifetime ECL Not Credit Impaired 31-12-2019 RM'000</b>	<b>The Bank Lifetime ECL Credit Impaired 31-12-2019 RM'000</b>	<b>Total 31-12-2019 RM'000</b>
At beginning of the financial year	10	1,658	1,668
Allowance made	34	1,455	1,489
Amount written back	(38)	(524)	(562)
Amount written off	-	(538)	(538)
At end of the financial year	<u>6</u>	<u>2,051</u>	<u>2,057</u>

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**15. Deposit from customers**

	<b>The Group and the Bank</b>	
	<b>30-09-2020</b>	<b>31-12-2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(i) By type of deposits</b>		
Fixed deposits	2,598,959	3,640,165
Negotiable instruments of deposits	1,018,108	1,009,672
Other deposits	122,193	33,289
	<u>3,739,260</u>	<u>4,683,126</u>
<b>(ii) By maturity structure</b>		
Due within six months	2,133,343	3,559,539
Six months to one year	1,299,094	96,729
More than one year	306,823	1,026,858
	<u>3,739,260</u>	<u>4,683,126</u>
<b>(iii) By type of customer</b>		
Domestic non-banking financial institutions	1,945,570	2,350,948
Domestic banking institutions	1,017,391	1,009,214
Business enterprises	509,287	889,433
Government and statutory bodies	181,554	342,796
Individuals	37,404	37,833
Foreign entities	34,821	37,816
Other entities	13,233	15,086
	<u>3,739,260</u>	<u>4,683,126</u>

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

	<b>The Group and the Bank</b>	
	<b>30-09-2020</b>	<b>31-12-2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Licensed banks	-	296,515
Licensed investment banks	-	395,889
	<u>-</u>	<u>692,404</u>

**17. Trade payables**

	<b>The Group</b>		<b>The Bank</b>	
	<b>30-09-2020</b>	<b>31-12-2019</b>	<b>30-09-2020</b>	<b>31-12-2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Amount due to unit trust funds	186,038	327,451	-	-
Amount due to unit holders	487,603	197,807	-	-
Amount due to clients	322,089	169,333	321,466	168,709
Amount due to brokers	178,591	72,992	178,591	72,992
Amount due to Bursa Securities Clearing Sdn. Bhd.	-	19,846	-	19,846
	<u>1,174,321</u>	<u>787,429</u>	<u>500,057</u>	<u>261,547</u>

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## 18. Other liabilities

	The Group		The Bank	
	30-09-2020 RM'000	31-12-2019 RM'000	30-09-2020 RM'000	31-12-2019 RM'000
Commissioned dealer's representative trust balances	63,162	47,483	63,162	47,483
Amounts payable to commissioned and salaried dealer's representatives	204,076	37,854	204,076	37,854
Accrued employee benefit	74,175	64,971	42,885	31,025
Securities borrowing	58,429	160,358	58,429	160,358
Other creditors and accruals	118,489	96,068	80,321	54,807
Puttable liabilities	128,708	124,452	-	-
	<b>647,039</b>	<b>531,186</b>	<b>448,873</b>	<b>331,527</b>
Add: Expected credit loss - loan financing commitments and financial guarantees	17,936	14,567	17,936	14,567
	<b>664,975</b>	<b>545,753</b>	<b>466,809</b>	<b>346,094</b>

## Movement in expected credit losses ("ECL"):

The Group and the Bank	12 months ECL	Lifetime ECL Not Credit Impaired	Lifetime ECL Credit Impaired	Total
	Stage 1	Stage 2	Stage 3	
	30-09-2020	30-09-2020	30-09-2020	30-09-2020
	RM'000	RM'000	RM'000	RM'000
At beginning of the financial period	4	-	14,563	14,567
New loan commitments/financial guarantees issued	2	-	-	2
Changes due to change in credit risk	5	-	3,362	3,367
At end of the financial period	<b>11</b>	<b>-</b>	<b>17,925</b>	<b>17,936</b>

  

The Group and the Bank	12 months ECL	Lifetime ECL Not Credit Impaired	Lifetime ECL Credit Impaired	Total
	Stage 1	Stage 2	Stage 3	
	31-12-2019	31-12-2019	31-12-2019	31-12-2019
	RM'000	RM'000	RM'000	RM'000
At beginning of the financial year	34	-	-	34
New loan commitments/financial guarantees issued	119	-	-	119
Changes due to change in credit risk	(150)	-	14,563	14,413
Changes in model/risk parameters	1	-	-	1
At end of the financial year	<b>4</b>	<b>-</b>	<b>14,563</b>	<b>14,567</b>



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#### 19. Reserves

	The Group		The Bank	
	30-09-2020 RM'000	31-12-2019 RM'000	30-09-2020 RM'000	31-12-2019 RM'000
FVOCI revaluation reserves (a)	81,277	77,210	81,222	77,155
Regulatory reserves (b)	14,092	23,731	14,092	23,731
Other reserves (c)	(61,010)	(61,010)	-	-
Foreign exchange reserve	135	135	-	-
	<b>34,494</b>	<b>40,066</b>	<b>95,314</b>	<b>100,886</b>
Retained profits	<b>668,489</b>	<b>515,621</b>	<b>643,327</b>	<b>482,776</b>
	<b>702,983</b>	<b>555,687</b>	<b>738,641</b>	<b>583,662</b>

- (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 Financial Reporting policy dated 27 September 2019, the Group and the Bank must maintain, in aggregate, loss allowance for non-credit-impaired exposures and regulatory reserves of no less than 1% of total credit exposures, net of loss allowance for credit-impaired exposures.
- (c) This represents corresponding debit arising from the Group's obligation to purchase the subsidiary's shares held by non controlling interest.

On 8 March 2019, the options holders have fully exercised the 1000 employee stock option incentive scheme at exercise price of RM40.30 per share. As a result, the employee stock option holder(s) were allotted a total of 1,111,000 units of new ordinary shares for a total consideration of RM44.77 million.

Pursuant to the exercise of the employee stock option incentive scheme, there is a Selective Capital Reduction ("SCR") provision within the scheme which requires AHAM to buy back the ordinary shares issued to the option holders from 1 March 2021 to 1 March 2023 at a certain price, if the conditions within the SCR provision are not met by 31 December 2020. The SCR provision represents a purchase of the subsidiary's own equity instrument and a liability equal to the present value of the estimated future redemption amount is reclassified from equity on initial recognition. The liability is then subsequently measured at amortised cost with the unwinding of the present value of the redemption amount to be recognised as finance costs within the income statement.

#### 20. Interest income

	The Group			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period Ended	Period Ended	Period-to-date	Period-to-date
	30-09-2020	30-09-2019	30-09-2020	30-09-2019
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing	12,386	17,403	40,643	54,726
Money at call and deposit placements with financial institutions	5,936	4,390	17,857	14,043
Financial investments at FVOCI	25,545	47,057	96,258	147,778
Financial investments at amortised cost	617	688	1,816	1,946
Others	1,960	640	3,502	1,269
	<b>46,444</b>	<b>70,178</b>	<b>160,076</b>	<b>219,762</b>
of which:				
Interest income earned on impaired loans, advances and financing	1,474	1,432	3,445	3,588

	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
	30-09-2020	30-09-2019	30-09-2020	30-09-2019
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing	12,381	17,396	40,628	54,703
Money at call and deposit placements with financial institutions	5,462	3,875	16,573	12,539
Financial investments at FVOCI	25,545	47,057	96,258	147,778
Financial investments at amortised cost	617	688	1,816	1,946
Others	1,960	640	3,502	1,269
	<b>45,965</b>	<b>69,656</b>	<b>158,777</b>	<b>218,235</b>
of which:				
Interest income earned on impaired loans, advances and financing	1,474	1,432	3,445	3,588

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## 21. Interest expense

	<b>The Group</b>			
	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current</b>	Preceding Year	<b>Current</b>	Preceding Year
	<b>Financial</b>	Corresponding	<b>Financial</b>	Corresponding
	<b>Period Ended</b>	Period Ended	<b>Period-to-date</b>	Period-to-date
	<b>30-09-2020</b>	30-09-2019	<b>30-09-2020</b>	30-09-2019
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Deposits from customers	30,748	52,167	113,205	164,913
Deposits and placements of banks and other financial institutions	159	483	2,475	4,136
Obligations on securities sold under repurchase agreements	-	1	-	791
Interest expense on lease liability	326	276	723	514
Foreign currency borrowings	-	15	57	303
Others	1,389	1,179	4,634	2,778
	<u>32,622</u>	<u>54,121</u>	<u>121,094</u>	<u>173,435</u>

	<b>The Bank</b>			
	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current</b>	Preceding Year	<b>Current</b>	Preceding Year
	<b>Financial</b>	Corresponding	<b>Financial</b>	Corresponding
	<b>Period Ended</b>	Period Ended	<b>Period-to-date</b>	Period-to-date
	<b>30-09-2020</b>	30-09-2019	<b>30-09-2020</b>	30-09-2019
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Deposits from customers	30,748	52,167	113,205	164,913
Deposits and placements of banks and other financial institutions	159	483	2,475	4,136
Obligations on securities sold under repurchase agreements	-	1	-	791
Interest expense on lease liability	210	53	338	193
Foreign currency borrowings	-	15	57	303
Others	39	1,179	584	2,778
	<u>31,156</u>	<u>53,898</u>	<u>116,659</u>	<u>173,114</u>

## 22. Net fee and commission income

	<b>The Group</b>			
	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current</b>	Preceding Year	<b>Current</b>	Preceding Year
	<b>Financial</b>	Corresponding	<b>Financial</b>	Corresponding
	<b>Period Ended</b>	Period Ended	<b>Period-to-date</b>	Period-to-date
	<b>30-09-2020</b>	30-09-2019	<b>30-09-2020</b>	30-09-2019
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
(a) <b>Fee and commission income</b>				
Unit trust management and incentive fee	88,551	75,345	245,758	219,421
Initial service charge	41,756	30,456	98,600	63,624
Net brokerage income	29,227	14,191	73,046	42,592
Corporate advisory fees	1,496	2,314	5,154	8,202
Underwriting commissions	118	-	118	554
Loans related fees	1,944	1,982	5,337	7,058
Arrangement fees	120	623	240	1,693
Private placement fees	612	1,841	4,475	3,566
Others	2,975	752	6,590	2,632
	<u>166,799</u>	<u>127,504</u>	<u>439,318</u>	<u>349,342</u>
(b) <b>Fee and commission expense</b>				
Commission and referral expenses	(57,112)	(44,602)	(139,886)	(107,961)
<b>Net fee and commission income</b>	<u>109,687</u>	<u>82,902</u>	<u>299,432</u>	<u>241,381</u>

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## 22. Net fee and commission income (continued)

	<b>The Bank</b>			
	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current</b>	Preceding Year	<b>Current</b>	Preceding Year
	<b>Financial</b>	Corresponding	<b>Financial</b>	Corresponding
	<b>Period Ended</b>	Period Ended	<b>Period-to-date</b>	Period-to-date
	<b>30-09-2020</b>	30-09-2019	<b>30-09-2020</b>	30-09-2019
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>(a) Fee and commission income</b>				
Net brokerage income	29,233	14,191	73,062	42,592
Corporate advisory fees	1,179	1,877	3,949	7,405
Loans related fees	1,944	1,982	5,337	7,058
Arrangement fees	120	623	240	1,693
Underwriting commissions	118	-	118	554
Private placement fees	427	-	2,740	477
Others	1,780	853	4,270	1,876
	<u>34,801</u>	<u>19,526</u>	<u>89,716</u>	<u>61,655</u>
<b>(b) Fee and commission expense</b>				
Commission and referral expenses	-	-	-	-
<b>Net fee and commission income</b>	<u>34,801</u>	<u>19,526</u>	<u>89,716</u>	<u>61,655</u>

## 23. Net gains and losses on financial instruments

	<b>The Group</b>			
	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current</b>	Preceding Year	<b>Current</b>	Preceding Year
	<b>Financial</b>	Corresponding	<b>Financial</b>	Corresponding
	<b>Period Ended</b>	Period Ended	<b>Period-to-date</b>	Period-to-date
	<b>30-09-2020</b>	30-09-2019	<b>30-09-2020</b>	30-09-2019
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Gains/(losses) arising on financial assets at FVTPL				
- net gain on disposal	178,284	13,368	280,225	42,520
- unrealised gain/(loss)	1,177	2,443	743	2,760
- gross dividend income	1,778	2,082	4,654	5,186
- interest income	4,452	4,853	12,792	14,277
Gains/(losses) on derivative instruments				
- unrealised gain/(loss)	(121)	(765)	5,196	(713)
- interest income	5,927	1,219	11,160	2,336
- interest expense	(5,498)	(1,111)	(10,604)	(2,071)
Gains arising on financial investments at FVOCI				
- net gain on disposal	123	19,895	144,685	58,567
- gross dividend income *	187	105	300	2,354
	<u>186,309</u>	<u>42,089</u>	<u>449,151</u>	<u>125,216</u>

\* Included in gross dividend income arising from financial investments at FVOCI are dividend income from equity instruments designated at FVOCI held during the financial period amounting to RM0.30 million (30-09-2019 : RM2.35 million).

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#### 23. Net gains and losses on financial instruments (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
	30-09-2020 RM'000	30-09-2019 RM'000	30-09-2020 RM'000	30-09-2019 RM'000
Gains/(losses) arising on financial assets at FVTPL				
- net gain on disposal	178,165	12,856	279,634	41,908
- unrealised gain/(loss)	(2,906)	2,812	(3,470)	(843)
- gross dividend income	1,561	1,406	3,768	3,892
- interest income	4,452	4,853	12,792	14,277
Gains/(losses) on derivative instruments				
- unrealised gain/(loss)	(121)	(765)	5,196	(713)
- interest income	5,927	1,219	11,160	2,336
- interest expense	(5,498)	(1,111)	(10,604)	(2,071)
Gains arising on financial investments at FVOCI				
- net gain on disposal	123	19,895	144,685	58,567
- gross dividend income *	187	105	300	2,354
	<b>181,890</b>	<b>41,270</b>	<b>443,461</b>	<b>119,707</b>

\* Included in gross dividend income arising from financial investments at FVOCI are dividend income from equity instruments designated at FVOCI held during the financial period amounting to RM0.30 million (30-09-2019 : RM2.35 million).

#### 24. Other operating 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
	30-09-2020 RM'000	30-09-2019 RM'000	30-09-2020 RM'000	30-09-2019 RM'000
Foreign exchange gain/(loss)				
- realised	24,016	(2,503)	30,291	1,823
- unrealised	(19,691)	4,054	(19,456)	5,205
Gain on disposal of property and equipment	86	88	201	202
Other non-operating income	322	631	1,241	1,211
	<b>4,733</b>	<b>2,270</b>	<b>12,277</b>	<b>8,441</b>

	The Bank			
	Individual Quarter		Cumulative Quarter	
	Current Financial Period Ended	Preceding Year Corresponding Period Ended	Current Financial Period-to-date	Preceding Year Corresponding Period-to-date
	30-09-2020 RM'000	30-09-2019 RM'000	30-09-2020 RM'000	30-09-2019 RM'000
Foreign exchange gain/(loss)				
- realised	24,453	(2,320)	29,622	3,038
- unrealised	(19,285)	3,482	(19,781)	3,712
Gain on disposal of property and equipment	7	-	16	49
Gross dividend income from subsidiaries	49,000	-	49,000	31,500
Other non-operating income	376	586	1,410	1,180
	<b>54,551</b>	<b>1,748</b>	<b>60,267</b>	<b>39,479</b>

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## 25. Other operating expenses

	The Group			
	Individual Quarter Current Financial Period Ended 30-09-2020 RM'000	Preceding Year Corresponding Period Ended 30-09-2019 RM'000	Cumulative Quarter Current Financial Period-to-date 30-09-2020 RM'000	Preceding Year Corresponding Period-to-date 30-09-2019 RM'000
<b>Personnel costs</b>				
Salaries, allowances and bonuses	195,752	47,260	350,308	149,409
Contributions to defined contribution plan	10,848	8,327	28,786	24,186
Other personnel costs	10,897	11,715	30,215	27,535
	<u>217,497</u>	<u>67,302</u>	<u>409,309</u>	<u>201,130</u>
<b>Promotion and marketing-related expenses</b>				
Business promotion and advertisement	1,610	2,717	6,745	8,518
Entertainment	908	975	2,468	2,836
Travelling and accommodation	321	774	1,264	2,754
Commission and brokerage expenses	106	148	488	447
Dealers' handling fees	-	3	1	603
Others	422	344	1,147	1,017
	<u>3,367</u>	<u>4,961</u>	<u>12,113</u>	<u>16,175</u>
<b>Establishment-related expenses</b>				
Repair and maintenance	3,251	2,573	9,417	7,784
Depreciation of property and equipment	2,870	2,408	8,551	7,114
Depreciation –ROU assets	2,430	2,275	7,441	6,905
Amortisation of intangible assets	713	654	2,080	1,915
Rental of premises	688	733	2,121	2,526
Electricity, water and sewerage	544	626	1,632	1,872
Insurance and indemnities	211	203	694	769
Equipment rental	131	121	379	331
Others	5	46	75	143
	<u>10,843</u>	<u>9,639</u>	<u>32,390</u>	<u>29,359</u>
<b>General administrative expenses</b>				
Subscription	3,292	3,080	9,471	8,833
Telecommunication expenses	3,101	2,572	8,822	7,510
Professional fees	1,649	1,771	4,499	4,854
Directors' remuneration (b)	513	851	1,535	1,797
Auditors' remuneration	148	287	555	712
Property, plant and equipment written-off	51	2	148	6
Others	2,088	1,295	5,986	3,346
	<u>10,842</u>	<u>9,858</u>	<u>31,016</u>	<u>27,058</u>
<b>Total other operating expenses</b>	<u>242,549</u>	<u>91,760</u>	<u>484,828</u>	<u>273,722</u>

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## 25. Other operating expenses (continued)

	The Group			
	Individual Quarter Current Financial Period Ended 30-09-2020 RM'000	Preceding Year Corresponding Period Ended 30-09-2019 RM'000	Cumulative Quarter Current Financial Period-to-date 30-09-2020 RM'000	Preceding Year Corresponding Period-to-date 30-09-2019 RM'000
(a) Included in other operating expenses are intercompany charges:				
Establishment-related expenses	2,049,978	2,078,490	6,666,400	6,349,213
Non establishment-related expenses	445,426	504,052	1,361,768	1,610,677
	<u>2,495,404</u>	<u>2,582,542</u>	<u>8,028,168</u>	<u>7,959,890</u>
Inside Malaysia	2,199,650	2,366,164	7,148,717	7,484,843
Outside Malaysia	295,754	216,378	879,451	475,047
	<u>2,495,404</u>	<u>2,582,542</u>	<u>8,028,168</u>	<u>7,959,890</u>
(b) <b>Directors' Remuneration</b>				
<b>Group Managing Director</b>				
<b>Fixed and non-deferred remuneration</b>				
- Salary	-	495	-	1,650
- Other emoluments*	-	208	-	664
<b>Variable and non-deferred remuneration</b>				
- Bonus	-	731	-	2,435
- Estimate money value of benefit-in-kind	-	13	-	38
	<u>-</u>	<u>1,447</u>	<u>-</u>	<u>4,787</u>
<b>Non-executive directors</b>				
<b>Fixed and non-deferred remuneration</b>				
- Fees	338	729	1,012	1,467
- Other emoluments*	168	115	500	307
- Estimate money value of benefit-in-kind	7	7	23	23
	<u>513</u>	<u>851</u>	<u>1,535</u>	<u>1,797</u>

\* Other emoluments include allowances and EPF

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## 25. Other operating expenses (continued)

	The Bank			
	Individual Quarter Current Financial Period Ended 30-09-2020 RM'000	Preceding Year Corresponding Period Ended 30-09-2019 RM'000	Cumulative Quarter Current Financial Period-to-date 30-09-2020 RM'000	Preceding Year Corresponding Period-to-date 30-09-2019 RM'000
<b>Personnel costs</b>				
Salaries, allowances and bonuses	174,273	29,515	289,569	95,898
Contributions to defined contribution plan	5,895	4,165	15,221	12,889
Other personnel costs	2,780	4,020	8,691	10,894
	<b>182,948</b>	<b>37,700</b>	<b>313,481</b>	<b>119,681</b>
<b>Promotion and marketing-related expenses</b>				
Business promotion and advertisement	184	301	1,583	1,765
Travelling and accommodation	241	265	823	1,081
Entertainment	103	107	329	518
Commission and brokerage expenses	97	146	469	442
Dealers' handling fees	-	3	1	603
	<b>625</b>	<b>822</b>	<b>3,205</b>	<b>4,409</b>
<b>Establishment-related expenses</b>				
Depreciation of property and equipment	1,810	1,469	5,440	4,368
Depreciation – ROU assets	1,406	1,397	4,336	4,134
Amortisation of intangible assets	394	343	1,136	998
Repair and maintenance	1,719	1,180	4,700	4,059
Rental of premises	551	638	1,781	2,237
Electricity, water and sewerage	461	540	1,367	1,614
Insurance and indemnities	184	190	604	654
Equipment rental	19	19	60	10
Others	5	46	75	143
	<b>6,549</b>	<b>5,822</b>	<b>19,499</b>	<b>18,217</b>
<b>General administrative expenses</b>				
Telecommunication expenses	2,709	2,099	7,526	6,248
Subscription	1,724	1,759	5,278	5,348
Professional fees	148	477	681	1,507
Directors' remuneration (b)	468	394	1,388	1,268
Auditors' remuneration	134	126	401	378
Property, plant and equipment written-off	-	-	91	4
Others	1,732	1,137	3,882	2,258
	<b>6,915</b>	<b>5,992</b>	<b>19,247</b>	<b>17,011</b>
<b>Total other operating expenses</b>	<b>197,037</b>	<b>50,336</b>	<b>355,432</b>	<b>159,318</b>

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#### 25. Other operating expenses (continued)

	The Bank			
	Individual Quarter		Cumulative Quarter	
	Current Financial Period Ended 30-09-2020 RM'000	Preceding Year Corresponding Period Ended 30-09-2019 RM'000	Current Financial Period-to-date 30-09-2020 RM'000	Preceding Year Corresponding Period-to-date 30-09-2019 RM'000
(a) Included in other operating expenses are intercompany charges:				
Establishment-related expenses	1,287,286	1,270,705	4,389,362	3,909,705
Non establishment-related expenses	441,879	414,106	1,332,066	1,188,947
	<u>1,729,165</u>	<u>1,684,811</u>	<u>5,721,428</u>	<u>5,098,652</u>
Inside Malaysia	1,729,165	1,684,811	5,721,428	5,098,652
Outside Malaysia	-	-	-	-
	<u>1,729,165</u>	<u>1,684,811</u>	<u>5,721,428</u>	<u>5,098,652</u>
(b) <b>Directors' Remuneration</b>				
<b>Group Managing Director</b>				
<b>Fixed and non-deferred remuneration</b>				
- Salary	-	495	-	1,650
- Other emoluments*	-	208	-	664
<b>Variable and non-deferred remuneration</b>				
- Bonus	-	731	-	2,435
- Estimate money value of benefit-in-kind	-	13	-	38
	<u>-</u>	<u>1,447</u>	<u>-</u>	<u>4,787</u>
<b>Non-executive directors</b>				
<b>Fixed and non-deferred remuneration</b>				
- Fees	305	340	913	1,020
- Other emoluments*	156	47	452	225
- Estimate money value of benefit-in-kind	7	7	23	23
	<u>468</u>	<u>394</u>	<u>1,388</u>	<u>1,268</u>

\* Other emoluments include allowances and EPF

#### 26. Allowances for credit impairment losses

	The Group			
	Individual Quarter		Cumulative Quarter	
	Current Financial Period Ended 30-09-2020 RM'000	Preceding Year Corresponding Period Ended 30-09-2019 RM'000	Current Financial Period-To-Date 30-09-2020 RM'000	Preceding Year Corresponding Period-To-Date 30-09-2019 RM'000
Expected credit losses ("ECL") (made)/written-back on:				
- loans, advances and financing	(537)	(411)	(27,130)	304
- trade receivables	(250)	(164)	(342)	52
- securities	(4,222)	(1,234)	(7,419)	504
- interbank placements	39	-	-	-
- other assets	(1,530)	(277)	(1,925)	(1,000)
- loan/financing commitments and financial guarantee	(3)	5	(3,369)	27
Bad debts recovered	68	-	1,701	104
Bad debts written off	-	(1)	-	(8)
	<u>(6,435)</u>	<u>(2,082)</u>	<u>(38,484)</u>	<u>(17)</u>

	The Bank			
	Individual Quarter		Cumulative Quarter	
	Current Financial Period Ended 30-09-2020 RM'000	Preceding Year Corresponding Period Ended 30-09-2019 RM'000	Current Financial Period-To-Date 30-09-2020 RM'000	Preceding Year Corresponding Period-To-Date 30-09-2019 RM'000
Expected credit losses ("ECL") (made)/written-back on:				
- loans, advances and financing	(537)	(411)	(27,130)	304
- trade receivables	(244)	(163)	(287)	61
- securities	(4,222)	(1,234)	(7,419)	504
- interbank placements	39	-	-	-
- other assets	(1,530)	(276)	(1,925)	(1,000)
- loan/financing commitments and financial guarantee	(3)	5	(3,369)	27
Bad debts recovered	68	-	1,701	104
Bad debts written off	-	(1)	-	(8)
	<u>(6,429)</u>	<u>(2,080)</u>	<u>(38,429)</u>	<u>(8)</u>



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#### 27. Capital adequacy

	The Group		The Bank	
	30-09-2020 RM'000	31-12-2019 RM'000	30-09-2020 RM'000	31-12-2019 RM'000
<b>Basel III</b>				
<b>Common Equity Tier (CET) 1 Capital :</b>				
Share capital	999,800	999,800	999,800	999,800
Other reserve	(61,010)	(61,010)	-	-
Foreign exchange translation reserve	135	135	-	-
Retained profits	682,581	539,352	657,419	506,507
Unrealised gains on FVOCI instruments	81,277	77,210	81,222	77,155
	<b>1,702,783</b>	<b>1,555,487</b>	<b>1,738,441</b>	<b>1,583,462</b>
Less : Regulatory adjustment				
Goodwill and Intangible assets	(323,007)	(323,194)	(315,582)	(316,243)
Investment in subsidiaries /associates	(3,062)	(3,594)	(133,184)	(131,384)
Regulatory reserve	(14,092)	(23,731)	(14,092)	(23,731)
55% of unrealised gains on FVOCI instruments	(44,702)	(42,466)	(44,672)	(42,435)
Deferred tax assets	(32,177)	(9,533)	(22,113)	-
Total CET 1 capital	<b>1,285,743</b>	<b>1,152,969</b>	<b>1,208,798</b>	<b>1,069,669</b>
<b>Additional Tier 1 Capital</b>				
Qualifying non-controlling interests	27,528	25,241	-	-
Total CET 1 capital / Tier 1 capital (a)	<b>1,313,271</b>	<b>1,178,210</b>	<b>1,208,798</b>	<b>1,069,669</b>
<b>Tier 2 capital</b>				
Expected credit loss for financial assets	25,447	25,854	17,939	19,967
Total Tier 2 capital (b)	<b>25,447</b>	<b>25,854</b>	<b>17,939</b>	<b>19,967</b>
<b>Total Capital (a) + (b)</b>	<b>1,338,718</b>	<b>1,204,064</b>	<b>1,226,737</b>	<b>1,089,636</b>
Proposed dividends	<b>150,000</b>	<b>40,000</b>	<b>150,000</b>	<b>40,000</b>
<b>Capital Ratio</b>				
CET 1 capital ratio	37.767%	34.432%	51.104%	44.406%
Tier 1 capital ratio	38.576%	35.186%	51.104%	44.406%
Total capital ratio	39.323%	35.958%	51.862%	45.235%
CET 1 capital ratio (net of proposed dividends)	33.361%	33.238%	44.763%	42.745%
Tier 1 capital ratio (net of proposed dividends)	34.170%	33.991%	44.763%	42.745%
Total capital ratio (net of proposed dividends)	34.917%	34.764%	45.521%	43.574%
Breakdown of risk-weighted assets in the various categories of risk-weights:				
Credit risk	2,035,793	2,068,326	1,435,099	1,597,385
Market risk	259,435	353,447	317,919	354,272
Operational risk	1,109,174	926,744	612,348	457,202
Total Risk-Weighted Assets	<b>3,404,402</b>	<b>3,348,517</b>	<b>2,365,366</b>	<b>2,408,859</b>

With effect from 5 February 2020, 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 5 February 2020.

The Group and the Bank are currently adopting Standardised Approach for Credit Risk and Market Risk and the Basic Indicator Approach for Operational Risk. 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% (2019: 7.00%) and 8.50% (2019: 8.50%) respectively for the financial period ended 30 September 2020. The minimum regulatory capital adequacy requirement at 10.50% (2019: 10.50%) for total capital ratio.

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

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

The Group and the Bank maintain a ratio of total regulatory capital to its risk-weighted assets ("RWA") above a minimum level agreed with the management which takes into account the risk profile of the Group and the Bank, via the Internal Capital Adequacy Assessment process ("ICAAP").

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**28. Commitments and contingencies**

	<b>The Group and the Bank</b>	
	<b>30-09-2020</b>	31-12-2019
	<b>Principal amount</b>	Principal amount
	<b>RM'000</b>	RM'000
Transaction related contingent Items	<b>91,106</b>	91,106
Commitments to extend credit:		
- maturity not exceeding one year	<b>29,437</b>	13,721
- maturity exceeding one year	<b>4,637</b>	3,361
Interest rate related contracts:		
- less than one year	<b>470,000</b>	850,000
- one year to less than five years	<b>2,720,000</b>	2,230,000
- more than five years	<b>-</b>	30,000
Foreign exchange related contracts:		
- less than one year	<b>5,692,814</b>	3,407,478
- one year to less than five years	<b>897,267</b>	720,391
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	<b>705,260</b>	507,889
<b>Total</b>	<b><u>10,610,521</u></b>	<b><u>7,853,946</u></b>

**29. 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 September 2020 are as follows:

(i) The aggregate value of outstanding credit exposures with connected parties (RM'000)	512,269
(ii) The percentage of outstanding credit exposures to connected parties as a proportion of credit exposures	12.18%
(iii) The percentage of outstanding credit exposures with connected parties which is non-performing or in default	Nil

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

- (a) Level 1 - quoted price (unadjusted) in active markets for identical assets and liabilities  
 (b) Level 2 - inputs other than quoted price included within level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and  
 (c) Level 3 - inputs for the asset and liability that are not based on observable market data (unobservable inputs).

<b>Group</b>	<b>Level 1 RM'000</b>	<b>Level 2 RM'000</b>	<b>Level 3 RM'000</b>	<b>Total RM'000</b>
<b>30-09-2020</b>				
<b>Assets</b>				
Financial assets at FVTPL				
- Money market instruments	-	54,497	-	54,497
- Corporate bonds or sukuk	-	33,335	-	33,335
- Shares, warrants and unit trusts	288,190	-	-	288,190
Financial investments at FVOCI				
- Money market instruments	-	1,706,984	-	1,706,984
- Corporate bonds or sukuk	-	1,690,310	-	1,690,310
- Shares	-	-	25,319	25,319
Derivative financial assets	-	114,879	-	114,879
	<b>288,190</b>	<b>3,600,005</b>	<b>25,319</b>	<b>3,913,514</b>
<b>Liabilities</b>				
Derivative financial liabilities	-	106,112	-	106,112
Puttable liabilities - investment in funds	20,859	-	-	20,859
Other liabilities -equities trading	-	-	-	-
<b>Total</b>	<b>20,859</b>	<b>106,112</b>	<b>-</b>	<b>126,971</b>
<b>31-12-2019</b>				
<b>Assets</b>				
Financial assets at FVTPL				
- Money market instruments	-	137,242	-	137,242
- Corporate bonds or sukuk	-	33,312	-	33,312
- Shares, warrants and unit trusts	321,362	-	-	321,362
Financial investments at FVOCI				
- Money market instruments	-	1,694,359	-	1,694,359
- Corporate bonds or sukuk	-	3,096,594	-	3,096,594
- Shares	-	-	23,002	23,002
Derivative financial assets	-	52,583	-	52,583
<b>Total</b>	<b>321,362</b>	<b>5,014,090</b>	<b>23,002</b>	<b>5,358,454</b>
<b>Liabilities</b>				
Derivative financial liabilities	-	50,535	-	50,535
Puttable liabilities - investment in funds	20,917	-	-	20,917
Other liabilities -equities trading	4,282	-	-	4,282
<b>Total</b>	<b>25,199</b>	<b>50,535</b>	<b>-</b>	<b>75,734</b>

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**Notes to the unaudited condensed interim financial statements  
for the financial period ended 30 September 2020****30. Fair value measurements (continued)**

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

<b>Bank</b>	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>30-09-2020</b>				
<b>Assets</b>				
Financial assets at FVTPL				
- Money market instruments	-	54,497	-	54,497
- Corporate bonds or sukuk	-	10	-	10
- Shares and warrants	229,854	-	-	229,854
Financial investments at FVOCI				
- Money market instruments	-	1,706,984	-	1,706,984
- Corporate bonds or sukuk	-	1,690,310	-	1,690,310
- Shares	-	-	25,319	25,319
Derivative financial assets	-	113,958	-	113,958
	<b>229,854</b>	<b>3,565,759</b>	<b>25,319</b>	<b>3,820,932</b>
<b>Liabilities</b>				
Derivative financial liabilities	-	106,112	-	106,112
Other liabilities -equities trading	-	-	-	-
<b>Total</b>	<b>-</b>	<b>106,112</b>	<b>-</b>	<b>106,112</b>
<b>31-12-2019</b>				
<b>Assets</b>				
Financial assets at FVTPL				
- Money market instruments	-	137,242	-	137,242
- Corporate bonds or sukuk	-	1	-	1
- Shares, warrants and unit trusts	247,606	-	-	247,606
Financial investments at FVOCI				
- Money market instruments	-	1,694,359	-	1,694,359
- Corporate bonds or sukuk	-	3,096,594	-	3,096,594
- Shares	-	-	23,002	23,002
Derivative financial assets	-	51,585	-	51,585
<b>Total</b>	<b>247,606</b>	<b>4,979,781</b>	<b>23,002</b>	<b>5,250,389</b>
<b>Liabilities</b>				
Derivative financial liabilities	-	50,535	-	50,535
Other liabilities -equities trading	4,282	-	-	4,282
<b>Total</b>	<b>4,282</b>	<b>50,535</b>	<b>-</b>	<b>54,817</b>

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### Notes to the unaudited condensed interim financial statements for the financial period ended 30 September 2020

#### 30. Fair value measurements (continued)

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

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

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

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

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

	<b>The Group and The Bank</b>	
	<b>30-09-2020</b>	31-12-2019
	<b>RM'000</b>	RM'000
Opening	<b>23,002</b>	21,821
FVOCI revaluation reserve	<b>2,317</b>	1,181
Closing	<b>25,319</b>	23,002

#### **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 2019, 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 unaudited condensed interim financial statements for the financial period ended 30 September 2020

#### 31. Liquidity risk

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 30-09-2020	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	> 1-5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
<b>Assets</b>							
Short term funds	1,176,192	-	-	-	-	-	1,176,192
Financial assets at FVTPL	17	1,637	84	16,295	67,419	290,570	376,022
Financial investments at FVOCI	250,140	20,386	361,634	1,224,049	1,541,085	25,319	3,422,613
Financial investments at amortised cost	762	-	-	42,348	-	-	43,110
Loans, advances and financing	590,849	-	49,496	180,923	48,285	72,443	941,996
Trade receivables	933,063	-	-	-	-	-	933,063
Derivative financial assets	13,020	14,305	16,905	70,649	-	-	114,879
Other assets	37,527	1,886	18,862	8,983	-	4,268	71,526
Statutory deposits with Bank Negara Malaysia	11,303	-	-	-	-	-	11,303
Other financial assets <sup>(1)</sup>	296	-	-	-	-	-	296
Other non-financial assets <sup>(2)</sup>	-	-	-	-	-	402,513	402,513
<b>Total assets</b>	<b>3,013,169</b>	<b>38,214</b>	<b>446,981</b>	<b>1,543,247</b>	<b>1,656,789</b>	<b>795,113</b>	<b>7,493,513</b>
<b>Liabilities</b>							
Deposits from customers	1,240,943	353,704	1,837,790	306,823	-	-	3,739,260
Deposits and placements of banks and other financial institutions	-	-	-	-	-	-	-
Trade payables	1,174,321	-	-	-	-	-	1,174,321
Derivative financial liabilities	12,053	12,360	17,094	64,605	-	-	106,112
Other liabilities	157,497	33,878	311,569	162,031	-	-	664,975
Lease liabilities	777	1,567	7,062	7,913	-	-	17,319
Other financial liabilities <sup>(3)</sup>	203	-	-	-	-	-	203
Other non financial liabilities <sup>(4)</sup>	-	-	-	-	-	34,861	34,861
<b>Total liabilities</b>	<b>2,585,794</b>	<b>401,509</b>	<b>2,173,515</b>	<b>541,372</b>	<b>-</b>	<b>34,861</b>	<b>5,737,051</b>
<b>Net liquidity gap</b>	<b>427,375</b>	<b>(363,295)</b>	<b>(1,726,534)</b>	<b>1,001,875</b>	<b>1,656,789</b>	<b>760,252</b>	<b>1,756,462</b>

(1) Other financial assets include amount due from related companies and ultimate holding company.

(2) Other non-financial assets include deferred tax assets, tax recoverable, property and equipment, intangible assets and right-of-use assets.

(3) Other financial liabilities include amount due to related companies and holding company.

(4) Other non-financial liabilities include provision for taxation & deferred tax liabilities.

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### Notes to the unaudited condensed interim financial statements for the financial period ended 30 September 2020

#### 31. Liquidity risk (continued)

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

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
31-12-2019							
<b>Assets</b>							
Short term funds	755,162	-	-	-	-	-	755,162
Financial assets at FVTPL	-	1,637	2,465	68,187	98,264	321,363	491,916
Financial investments at FVOCI	20,503	5,065	244,856	1,397,851	3,071,722	73,958	4,813,955
Financial investments at amortised cost	703	-	-	43,864	-	-	44,567
Loans, advances and financing	503,477	15,004	205,990	172,982	96,144	83,955	1,077,552
Trade receivables	532,868	-	-	-	-	-	532,868
Derivative financial assets	5,820	9,736	9,565	26,389	1,073	-	52,583
Other assets	38,237	229	8,160	10,329	-	7,103	64,058
Statutory deposits with Bank Negara Malaysia	151,400	-	-	-	-	-	151,400
Other financial assets <sup>(1)</sup>	314	-	-	-	-	-	314
Other non-financial assets <sup>(2)</sup>	-	-	-	-	-	413,287	413,287
<b>Total assets</b>	<b>2,008,484</b>	<b>31,671</b>	<b>471,036</b>	<b>1,719,602</b>	<b>3,267,203</b>	<b>899,666</b>	<b>8,397,662</b>
<b>Liabilities</b>							
Deposits from customers	1,760,222	1,007,295	888,561	1,027,048	-	-	4,683,126
Deposits and placements of banks and other financial institutions	642,268	50,136	-	-	-	-	692,404
Trade payables	787,429	-	-	-	-	-	787,429
Derivative financial liabilities	6,484	9,040	9,371	25,640	-	-	50,535
Other liabilities	234,493	38,578	120,237	152,445	-	-	545,753
Lease liabilities	794	1,188	4,787	6,094	-	-	12,863
Other financial liabilities <sup>(3)</sup>	105	-	-	-	-	-	105
Other non-financial liabilities <sup>(4)</sup>	-	-	-	-	-	12,245	12,245
<b>Total liabilities</b>	<b>3,431,795</b>	<b>1,106,237</b>	<b>1,022,956</b>	<b>1,211,227</b>	<b>-</b>	<b>12,245</b>	<b>6,784,460</b>
<b>Net liquidity gap</b>	<b>(1,423,311)</b>	<b>(1,074,566)</b>	<b>(551,920)</b>	<b>508,375</b>	<b>3,267,203</b>	<b>887,421</b>	<b>1,613,202</b>

(1) Other financial assets include amount due from related companies and ultimate holding company.

(2) Other non-financial assets include deferred tax assets, tax recoverable, property and equipment, intangible assets and right-of-use assets.

(3) Other financial liabilities include amount due to related companies and holding company.

(4) Other non-financial liabilities include deferred tax liabilities.

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### Notes to the unaudited condensed interim financial statements for the financial period ended 30 September 2020

#### 31. Liquidity risk (continued)

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

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

	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	> 1-5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
<b>Bank</b>							
<b>30-09-2020</b>							
<b>Assets</b>							
Short term funds	680,760	-	-	-	-	-	680,760
Financial assets at FVTPL	17	-	-	-	54,490	229,854	284,361
Financial investments at FVOCI	250,140	20,386	361,634	1,224,049	1,541,085	25,319	3,422,613
Financial investments at amortised cost	762	-	-	42,348	-	-	43,110
Loans, advances and financing	590,849	-	49,496	180,923	48,285	72,443	941,996
Trade receivables	545,949	-	-	-	-	-	545,949
Amount due from subsidiaries	309	-	-	-	-	-	309
Other assets	37,528	1,886	15,193	5,590	-	2,886	63,083
Derivative financial assets	12,596	13,808	16,905	70,649	-	-	113,958
Statutory deposits with Bank Negara Malaysia	11,200	-	-	-	-	-	11,200
Other non-financial assets <sup>(1)</sup>	-	-	-	-	-	487,762	487,762
<b>Total assets</b>	<b>2,130,110</b>	<b>36,080</b>	<b>443,228</b>	<b>1,523,559</b>	<b>1,643,860</b>	<b>818,264</b>	<b>6,595,101</b>
<b>Liabilities</b>							
Deposits from customers	1,240,943	353,704	1,837,790	306,823	-	-	3,739,260
Deposits and placements of banks and other financial institutions	-	-	-	-	-	-	-
Trade payables	500,057	-	-	-	-	-	500,057
Derivative financial liabilities	12,053	12,360	17,094	64,605	-	-	106,112
Amount due to subsidiaries	-	-	-	-	-	-	-
Other liabilities	153,135	26,190	254,159	33,325	-	-	466,809
Lease liabilities	446	894	4,058	4,163	-	-	9,561
Other non-financial liabilities <sup>(2)</sup>	-	-	-	-	-	34,861	34,861
<b>Total liabilities</b>	<b>1,906,634</b>	<b>393,148</b>	<b>2,113,101</b>	<b>408,916</b>	<b>-</b>	<b>34,861</b>	<b>4,856,660</b>
<b>Net liquidity gap</b>	<b>223,476</b>	<b>(357,068)</b>	<b>(1,669,873)</b>	<b>1,114,643</b>	<b>1,643,860</b>	<b>783,403</b>	<b>1,738,441</b>

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

(2) Other non-financial liabilities include deferred tax liabilities.



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**Notes to the unaudited condensed interim financial statements  
for the financial period ended 30 September 2020****31. Liquidity risk (continued)**

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

	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	> 1-5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
Bank 31-12-2019							
<b>Assets</b>							
Short term funds	270,574	-	-	-	-	-	270,574
Financial assets at FVTPL	-	-	-	51,907	85,335	247,607	384,849
Financial investments at FVOCI	20,503	5,065	244,856	1,397,851	3,071,722	73,958	4,813,955
Financial investments at amortised cost	703	-	-	43,864	-	-	44,567
Loans, advances and financing	503,477	15,004	205,990	172,982	96,144	83,955	1,077,552
Trade receivables	289,593	-	-	-	-	-	289,593
Amount due from subsidiaries	166	-	-	-	-	-	166
Other assets	38,237	229	5,230	9,401	-	3,104	56,201
Derivative financial assets	5,319	9,239	9,565	26,389	1,073	-	51,585
Statutory deposits with Bank Negara Malaysia	151,300	-	-	-	-	-	151,300
Other non-financial assets <sup>(1)</sup>	-	-	-	-	-	492,360	492,360
<b>Total assets</b>	<b>1,279,872</b>	<b>29,537</b>	<b>465,641</b>	<b>1,702,394</b>	<b>3,254,274</b>	<b>900,984</b>	<b>7,632,702</b>
<b>Liabilities</b>							
Deposits from customers	1,760,222	1,007,295	888,561	1,027,048	-	-	4,683,126
Deposits and placements of banks and other financial institutions	642,268	50,136	-	-	-	-	692,404
Trade payables	261,547	-	-	-	-	-	261,547
Derivative financial liabilities	6,484	9,040	9,371	25,640	-	-	50,535
Amount due to subsidiaries	36	-	-	-	-	-	36
Other liabilities	234,611	38,578	47,770	25,135	-	-	346,094
Lease liabilities	474	558	2,068	153	-	-	3,253
Other non-financial liabilities <sup>(2)</sup>	-	-	-	-	-	12,245	12,245
<b>Total liabilities</b>	<b>2,905,642</b>	<b>1,105,607</b>	<b>947,770</b>	<b>1,077,976</b>	<b>-</b>	<b>12,245</b>	<b>6,049,240</b>
<b>Net liquidity gap</b>	<b>(1,625,770)</b>	<b>(1,076,070)</b>	<b>(482,129)</b>	<b>624,418</b>	<b>3,254,274</b>	<b>888,739</b>	<b>1,583,462</b>

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

(2) Other non-financial liabilities include deferred tax liabilities.