

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

Condensed Interim Financial Statements
Unaudited Statements of Financial Position
as at 30 June 2022

	Note	The Group		The Bank	
		As at 30-06-2022 RM'000	As at 31-12-2021 RM'000	As at 30-06-2022 RM'000	As at 31-12-2021 RM'000
ASSETS					
Cash and short-term funds		672,505	1,940,487	670,113	1,207,904
Financial assets at fair value through profit or loss ("FVTPL")	13	184,982	229,924	183,792	95,906
Financial investments at fair value through other comprehensive income ("FVOCI")	13	3,643,932	3,679,464	3,643,932	3,679,464
Financial investments at amortised cost	13	392,495	40,452	392,495	40,452
Loans and advances	14	1,245,063	1,078,409	1,245,063	1,078,409
Trade receivables	15	241,368	526,033	241,368	370,563
Derivative financial assets		128,779	77,269	128,779	76,961
Other assets	16	93,672	69,668	93,397	60,859
Statutory deposits with Bank Negara Malaysia		19,801	10,300	19,700	10,200
Amount due from subsidiaries		-	-	404	310
Amount due from related companies		-	1,065	-	-
Amount due from holding company		1	41	1	41
Amount due from ultimate holding company		-	31	-	-
Investment in subsidiaries		-	-	126,521	126,521
Investment in associates		-	-	1,332	1,332
Tax recoverable		37,848	26,963	37,847	26,048
Deferred tax assets		78,930	89,557	78,418	65,860
Property and equipment		7,201	17,277	7,089	7,897
Intangible assets		311,566	323,624	314,880	314,667
Right-of-use ("ROU") assets		1,737	6,240	1,737	3,034
		<u>7,059,880</u>	<u>8,116,804</u>	<u>7,186,868</u>	<u>7,166,428</u>
Non-current assets held for sale	8	626,950	-	-	-
TOTAL ASSETS		<u>7,686,830</u>	<u>8,116,804</u>	<u>7,186,868</u>	<u>7,166,428</u>
LIABILITIES AND EQUITY					
Deposits from customers	17	4,580,449	4,326,059	4,580,449	4,326,059
Deposits and placements of banks and other financial institutions	18	437,253	601,992	437,253	601,992
Obligations on securities sold under repurchase agreements	19	49,242	-	49,242	-
Trade payables	20	306,011	982,032	306,011	360,641
Lease liabilities		1,800	6,574	1,800	3,139
Derivative financial liabilities		127,324	71,897	127,324	71,897
Amount due to related companies		-	287	-	-
Amount due to holding company		-	200	-	-
Other liabilities	21	293,712	723,601	292,110	393,731
Provision for taxation		1	1	-	-
		<u>5,795,792</u>	<u>6,712,643</u>	<u>5,794,189</u>	<u>5,757,459</u>
Non-current liabilities held for sale	8	497,934	-	-	-
TOTAL LIABILITIES		<u>6,293,726</u>	<u>6,712,643</u>	<u>5,794,189</u>	<u>5,757,459</u>
Share capital		999,800	999,800	999,800	999,800
Reserves	22	346,428	359,676	392,879	409,169
		<u>1,346,228</u>	<u>1,359,476</u>	<u>1,392,679</u>	<u>1,408,969</u>
Non-controlling interest		46,876	44,685	-	-
TOTAL EQUITY		<u>1,393,104</u>	<u>1,404,161</u>	<u>1,392,679</u>	<u>1,408,969</u>
TOTAL LIABILITIES AND EQUITY		<u>7,686,830</u>	<u>8,116,804</u>	<u>7,186,868</u>	<u>7,166,428</u>
COMMITMENTS AND CONTINGENCIES	31	<u>13,671,244</u>	<u>16,011,485</u>	<u>13,615,000</u>	<u>15,964,167</u>
CAPITAL ADEQUACY					
Basel III					
Before deducting proposed dividend:					
CET 1 capital ratio	30	28.881%	31.426%	38.927%	45.802%
Tier 1 capital ratio	30	29.794%	32.508%	38.927%	45.802%
Total capital ratio	30	30.469%	33.028%	39.714%	46.578%
After deducting proposed dividend:					
CET 1 capital ratio	30	28.881%	31.426%	38.927%	45.802%
Tier 1 capital ratio	30	29.794%	32.508%	38.927%	45.802%
Total capital ratio	30	30.469%	33.028%	39.714%	46.578%

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 2021.

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

Condensed Interim Financial Statements
Unaudited Income Statements
for the financial period ended 30 June 2022

The Group	Note	Individual Quarter		Cumulative Quarter	
		Current Financial Period 30-06-2022 RM'000	Preceding Year Corresponding Period 30-06-2021 RM'000	Current Financial Period-to-date 30-06-2022 RM'000	Preceding Year Corresponding Period-to-date 30-06-2021 RM'000
Interest income	23	51,818	45,441	100,807	92,290
Interest expense	24	(31,463)	(31,693)	(60,935)	(63,164)
Net interest income		20,355	13,748	39,872	29,126
Fee and commission income	25(a)	21,772	30,240	48,182	71,632
Fee and commission expense	25(b)	-	-	-	-
Net fee and commission income		21,772	30,240	48,182	71,632
Net gains and losses on financial instruments	26	9,871	33,342	24,093	61,986
Other operating income	27	2,112	3,584	3,976	7,590
Net income		54,110	80,914	116,123	170,334
Other operating expenses	28	(41,763)	(37,237)	(83,436)	(91,772)
Operating profit before allowances		12,347	43,677	32,687	78,562
Allowances for credit impairment losses	29	5,378	(12,106)	(1,929)	(21,704)
Profit before zakat and taxation		17,725	31,571	30,758	56,858
Zakat		(17)	(627)	(167)	(1,566)
Profit before taxation		17,708	30,944	30,591	55,292
Taxation		(5,394)	(7,496)	(9,940)	(14,564)
Profit/(loss) from continuing operations		12,314	23,448	20,651	40,728
Profit from discontinuing operation	8	28,659	43,198	55,646	78,306
Net profit after zakat and taxation		40,973	66,646	76,297	119,034
Attributable to:					
- Equity holder of the Bank		30,176	51,130	55,606	90,847
- Non-controlling interests		10,797	15,516	20,691	28,187
		40,973	66,646	76,297	119,034
Basic/fully diluted earnings per share (sen) attributable to equity holder of the Bank					
- Continuing operations		1.58	3.01	2.65	5.22
- Discontinuing operation		2.29	3.55	4.48	6.43
		3.87	6.56	7.13	11.65

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

Condensed Interim Financial Statements
Unaudited Statements of Comprehensive Income
for the financial period ended 30 June 2022

The Group	Individual Quarter		Cumulative Quarter	
	Current Financial Period 30-06-2022 RM'000	Preceding Year Corresponding Period 30-06-2021 RM'000	Current Financial Period-to-date 30-06-2022 RM'000	Preceding Year Corresponding Period-to-date 30-06-2021 RM'000
Net profit after zakat and taxation	40,973	66,646	76,297	119,034
Other comprehensive income:				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Net fair value change in financial investments at FVOCI (debt instruments)	(58,484)	23,588	(91,007)	(79,758)
Net credit impairment losses change in financial investments at FVOCI (debt instruments)	170	(9,004)	243	(2,947)
Net gains on financial investments at FVOCI reclassified to profit or loss on disposal (debt instruments)	-	(9,847)	(2,380)	(26,654)
Deferred tax on financial investments at FVOCI	14,036	(3,298)	22,413	25,539
<u>Items that will not be reclassified subsequently to profit or loss</u>				
Net fair value change in financial investments designated at FVOCI (equity instruments)	1,877	-	1,877	-
Other comprehensive income for the financial period, net of tax	(42,401)	1,439	(68,854)	(83,820)
Total comprehensive income for the financial period	(1,428)	68,085	7,443	35,214
Attributable to:				
- Equity holder of the Bank	(12,225)	52,569	(13,248)	7,027
- Non-controlling interests	10,797	15,516	20,691	28,187
	(1,428)	68,085	7,443	35,214
Total comprehensive income attributable to equity holder of the bank from:				
- Continuing operations	(30,087)	24,887	(48,203)	(43,092)
- Discontinuing operation	17,862	27,682	34,955	50,119
	(12,225)	52,569	(13,248)	7,027

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

Condensed Interim Financial Statements
Unaudited Income Statements
for the financial period ended 30 June 2022

The Bank	Note	Individual Quarter		Cumulative Quarter	
		Current Financial Period 30-06-2022 RM'000	Preceding Year Corresponding Period 30-06-2021 RM'000	Current Financial Period-to-date 30-06-2022 RM'000	Preceding Year Corresponding Period-to-date 30-06-2021 RM'000
Interest income	23	51,810	45,436	100,796	92,279
Interest expense	24	(31,463)	(31,693)	(60,935)	(63,164)
Net interest income		20,347	13,743	39,861	29,115
Fee and commission income	25(a)	21,301	29,773	47,309	70,910
Fee and commission expense	25(b)	-	-	-	-
Net fee and commission income		21,301	29,773	47,309	70,910
Net gains and losses on financial instruments	26	9,868	33,337	24,084	61,976
Other operating income	27	33,715	38,803	35,694	71,093
Net income		85,231	115,656	146,948	233,094
Other operating expenses	28	(41,314)	(36,730)	(82,319)	(90,787)
Operating profit before allowances		43,917	78,926	64,629	142,307
Allowances for credit impairment losses	29	5,353	(12,105)	(1,936)	(21,702)
Profit before zakat and taxation		49,270	66,821	62,693	120,605
Zakat		(17)	(627)	(167)	(1,566)
Profit before taxation		49,253	66,194	62,526	119,039
Taxation		(5,392)	(7,495)	(9,962)	(13,932)
Net profit after zakat and taxation		43,861	58,699	52,564	105,107
Attributable to:					
- Equity holder of the Bank		43,861	58,699	52,564	105,107
Earnings per share (sen):					
- basic/fully diluted		5.62	7.53	6.74	13.48

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

Condensed Interim Financial Statements
Unaudited Statements of Comprehensive Income
for the financial period ended 30 June 2022

The Bank	Individual Quarter		Cumulative Quarter	
	Current Financial Period 30-06-2022 RM'000	Preceding Year Corresponding Period 30-06-2021 RM'000	Current Financial Period-to-date 30-06-2022 RM'000	Preceding Year Corresponding Period-to-date 30-06-2021 RM'000
Net profit after zakat and taxation	43,861	58,699	52,564	105,107
Other comprehensive income:				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Net fair value change in financial investments at FVOCI (debt instruments)	(58,484)	23,588	(91,007)	(79,758)
Net credit impairment losses change in financial investments at FVOCI (debt instruments)	170	(9,004)	243	(2,947)
Net gains on financial investments at FVOCI reclassified to profit or loss on disposal (debt instruments)	-	(9,847)	(2,380)	(26,654)
Deferred tax on financial investments at FVOCI	14,036	(3,298)	22,413	25,539
<u>Items that will not be reclassified subsequently to profit or loss</u>				
Net fair value change in financial investments designated at FVOCI (equity instruments)	1,877	-	1,877	-
Other comprehensive income for the financial period, net of tax	(42,401)	1,439	(68,854)	(83,820)
Total comprehensive income for the financial period	1,460	60,138	(16,290)	21,287
Attributable to equity holder of the Bank	1,460	60,138	(16,290)	21,287

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

Condensed Interim Financial Statements
Unaudited Statements of Changes in Equity
for the financial period ended 30 June 2022

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

	Share Capital RM'000	Regulatory reserves RM'000	Foreign exchange reserves RM'000	Other reserves # RM'000	FVOCI revaluation reserves RM'000	Retained profits RM'000	Sub-total RM'000	Non- controlling interest RM'000	Total equity RM'000
The Group									
At 1 January 2022	999,800	12,894	39	(88,737)	(50,927)	486,407	1,359,476	44,685	1,404,161
Comprehensive income:									
Net profit for the financial period	-	-	-	-	-	55,606	55,606	20,691	76,297
Other comprehensive income (net of tax)									
- Financial investments at FVOCI	-	-	-	-	(68,854)	-	(68,854)	-	(68,854)
Total comprehensive income	-	-	-	-	(68,854)	55,606	(13,248)	20,691	7,443
- Net gain on disposal of financial investments designated at FVOCI (equity instruments)	-	-	-	-	(3,175)	3,175	-	-	-
Transfer to regulatory reserves	-	842	-	-	-	(842)	-	-	-
Dividends paid	-	-	-	-	-	-	-	(18,500)	(18,500)
At 30 June 2022	999,800	13,736	39	(88,737)	(122,956)	544,346	1,346,228	46,876	1,393,104

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

	Share Capital RM'000	Regulatory reserves RM'000	Foreign exchange reserves RM'000	Other reserves RM'000	FVOCI revaluation reserves RM'000	Retained profits RM'000	Sub-total RM'000	Non- controlling interest RM'000	Total equity RM'000
At 1 January 2021	999,800	10,972	(205)	(65,909)	76,991	569,518	1,591,167	70,585	1,661,752
Comprehensive income:									
Net profit for the financial period	-	-	-	-	-	90,847	90,847	28,187	119,034
Other comprehensive income (net of tax)									
- Financial investments at FVOCI	-	-	-	-	(83,820)	-	(83,820)	-	(83,820)
Total comprehensive income	-	-	-	-	(83,820)	90,847	7,027	28,187	35,214
Transfer from regulatory reserves	-	(394)	-	-	-	394	-	-	-
Dividends paid	-	-	-	-	-	(35,000)	(35,000)	(36,999)	(71,999)
At 30 June 2021	999,800	10,578	(205)	(65,909)	(6,829)	625,759	1,563,194	61,773	1,624,967

Other reserves represents corresponding debit arising from Group's obligation to purchase subsidiaries' shares held by non-controlling interest as disclosed in Note 20 (c) (i) and (ii) of the unaudited condensed interim financial statements.

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 2021.

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

Condensed Interim Financial Statements
Unaudited Statements of Changes in Equity
for the financial period ended 30 June 2022

The Bank

At 1 January 2022

Comprehensive income:

Net profit for the financial period

Other comprehensive income (net of tax)

- Financial investments at FVOCI

Total comprehensive income

- Net gain on disposal of financial investments designated
at FVOCI (equity instruments)

Transfer to regulatory reserves

At 30 June 2022

	<----- Non-distributable ----->	<- Distributable ->			
	Share Capital	Regulatory reserves	FVOCI revaluation reserves	Retained profits	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000
	999,800	12,894	(50,982)	447,257	1,408,969
	-	-	-	52,564	52,564
	-	-	(68,854)	-	(68,854)
	-	-	(68,854)	52,564	(16,290)
	-	-	(3,175)	3,175	-
	-	842	-	(842)	-
	999,800	13,736	(123,011)	502,154	1,392,679

At 1 January 2021

Comprehensive income:

Net profit for the financial period

Other comprehensive income (net of tax)

- Financial investments at FVOCI

Total comprehensive income

Transfer from regulatory reserves

Dividends paid

At 30 June 2021

	<----- Non-distributable ----->	<- Distributable ->			
	Share Capital	Regulatory reserves	FVOCI revaluation reserves	Retained profits	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000
	999,800	10,972	76,936	510,908	1,598,616
	-	-	-	105,107	105,107
	-	-	(83,820)	-	(83,820)
	-	-	(83,820)	105,107	21,287
	-	(394)	-	394	-
	-	-	-	(35,000)	(35,000)
	999,800	10,578	(6,884)	581,409	1,584,903

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

Condensed Interim Financial Statements
Unaudited Condensed Statements of Cash Flows
for the financial period ended 30 June 2022

	Note	The Group		The Bank	
		30-06-2022 RM'000	30-06-2021 RM'000	30-06-2022 RM'000	30-06-2021 RM'000
Cash flow from operating activities					
Profit before taxation from:					
- Continuing operation		30,591	55,292	62,526	119,039
- Discontinuing operation	8	69,182	97,396	-	-
Profit before taxation including discontinuing operation		99,773	152,688	62,526	119,039
Adjustments for non-operating and not involving the movement of cash and cash equivalents		(50,181)	(69,042)	(98,133)	(137,857)
<i>Operating profit/(loss) before changes in working capital</i>		49,592	83,646	(35,607)	(18,818)
Net changes in operating assets		(519,362)	(143,704)	(213,041)	(126,874)
Net changes in operating liabilities		(408,791)	242,541	49,137	186,834
Net cash (used in)/generated from operating activities		(878,561)	182,483	(199,511)	41,142
Tax paid		(26,821)	(36,166)	(11,906)	(24,024)
Zakat paid		(4,673)	(1,888)	(4,666)	(1,888)
Net cash (used in)/generated from operating activities		(910,055)	144,429	(216,083)	15,230
Cash flow from investing activities					
Interest received from financial investments		72,051	72,184	72,051	72,184
Purchase of financial investments		(771,276)	(1,359,380)	(747,648)	(1,320,920)
Redemption/disposal of financial investments		366,938	1,994,822	326,294	1,963,574
Dividend income received from:					
- financial investments		926	2,962	744	2,806
- subsidiary		-	-	31,500	63,000
Proceeds from disposal of property and equipment		609	114	186	3
Purchase of property and equipment		(1,093)	(2,598)	(732)	(1,365)
Purchase of intangible assets		(1,987)	(743)	(669)	(149)
Net cash (used in)/generated from investing activities		(333,832)	707,361	(318,274)	779,133
Cash flow from financing activities					
Lease payments		(4,093)	(5,118)	(1,932)	(2,883)
Dividend paid to non-controlling interest		(18,500)	(36,999)	-	-
Dividend paid to holding company		-	(35,000)	-	(35,000)
Net cash used in financing activities		(22,593)	(77,117)	(1,932)	(37,883)
Net (decrease)/increase in cash and cash equivalents		(1,266,480)	774,673	(536,289)	756,480
Cash and cash equivalents at beginning of the financial period		1,871,835	792,386	1,139,252	335,330
Cash and cash equivalents at end of the financial period		605,355	1,567,059	602,963	1,091,810
Analysis of cash and cash equivalents					
Cash and short term funds		672,505	1,636,520	670,113	1,161,271
Amount held on behalf of commissioned dealer's representatives		(67,150)	(69,461)	(67,150)	(69,461)
Cash and cash equivalents at end of the financial period		605,355	1,567,059	602,963	1,091,810
Cash flows from discontinuing operation	8	(380,467)	32,458	-	-

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 2021.

Affin Hwang Investment Bank Berhad (Incorporated in Malaysia)

Notes to the unaudited condensed interim financial statements for the financial period ended 30 June 2022

1. Review of financial performance

The Group had accounted for the proposed divestment of 7,000,000 ordinary shares in Affin Hwang Asset Management Berhad ("AHAM"), representing 63.0% equity interest in AHAM ("Proposed Divestment") as a discontinuing operation in accordance with MFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". As such, post-tax profit contribution from AHAM of RM55.6 million for the six months period ended 30 June 2022 ("1H2022") and its post-tax profit contribution in the previous corresponding period ("1H2021") of RM78.3 million were disclosed as "profit from discontinuing operation" in the Income Statements. Refer to Note (8) for further explanation on the discontinuing operation.

For the six months ended 30 June 2022, the Group recorded a profit before zakat and taxation ("PBZT") of RM30.8 million for the 6 months period ended 30 June 2022 ("1H 2022"), 46% lower as compared to the previous corresponding financial period of RM56.9 million.

Analysis of the Group's 1H2022 financial performance is as follows:

- Net interest income of RM39.9 million in 1H2022 was 37% higher than the previous corresponding period of RM29.1 million primarily due to higher interest earning assets in the current period under review.
- Net fee and commission income of RM48.2 million in 1H2022 was 33% lower than the previous corresponding period of RM71.6 million. The decrease was primarily due to the lower net brokerage income and lower private placement fees earned in the current period.
- Net gains and losses on financial instruments a 61% decrease by RM37.9 million to RM24.1 million in the current period, from RM62.0 million in the previous corresponding period mainly due to lower gains on disposal of financial investments at FVOCI of RM2.4 million (1H 2021: RM28.2 million), lower net trading gains from financial assets at FVTPL of RM20.5 million (1H 2021: RM33.5 million), offset by net gains on derivative instruments of RM1.0 million (1H 2021: net gains of RM1 thousand).
- Other operating income registered a decrease from RM7.6 million in the previous corresponding period to RM4.0 million in the current period mainly due to lower net foreign exchange gains.
- Operating expenses incurred for the period under review were lower at RM83.4 million compared to RM91.8 million incurred in the previous corresponding period mainly due to lower personnel costs.
- Lower net credit impairment losses of RM1.9 million compared to RM21.7 million in the previous corresponding period was mainly due to lower ECL made on financial investments of RM0.3 million (1H 2021: RM3.3 million), partially offset by higher ECL write back on loans and advances of RM2.7 million (1H 2021: ECL made of RM9.5 million).

2. Prospect for the current financial year

The Group remains positive on the domestic macro outlook in the second half of 2022 ("2H2022"), in view of the sustained recovery in employment and income, improvement in household spending from minimum SOP restrictions as well as reopening of international borders (from 1st April 2022). With Malaysia reopening its international borders and transitioned to the endemic phase, effective from 1 April 2022, the Group believe this will help in revitalising the country's tourism sector and tourism-related activities. The Group expects the spill-over effects from the expansionary fiscal injection and Budget 2022 measures to further stimulate the economy from the Covid-19 pandemic effects. In fact, the ongoing implementation of stimulus measures will bode well for the recovery of the country's economy. Additional cash assistance from Bantuan Keluarga Malaysia (BKM), the Targeted Repayment Assistance (TRA), extension of the Wage Subsidy Programme, reskilling and upskilling programmes, as well as additional financing facilities for SMEs will provide some support to the growth in private consumption and assist the labour market conditions.

However, the Group is cautious on the economic outlook in 2023. On the external front, the growth momentum in the global economy is expected to be skewed to the downside, and the Group believes IMF will likely be downgrading its global GDP growth projection for 2022 and 2023 further, which will likely trend below the long-term average global GDP of 3.4% (1980 to 2020). The projected downgrade in global growth will be associated with the ongoing conflict in Ukraine, volatile commodity prices, a sharper-than-expected slowdown in China's economy, as well as tightening monetary policy and rising policy interest rates in some advanced economies. The revision also reflects potential risks surrounding the Covid-19 pandemic development, especially in China. In view of external uncertainty, the Group believes that Malaysia's economy will rely more on internally generated growth, especially from private consumption in 2022 and 2023.

The Group opines that BNM will likely raise its OPR by another 25bps at the September MPC meeting to 2.50% by end-2022, and likely another two 25bps rate hikes to 3.00% in 2023, on improvement in domestic economic activity from private consumption. BNM guided that any future rate hike will be done in a measured and gradual manner, but reiterated that unprecedented conditions that necessitated a historically low OPR have continued to recede. In terms of economic growth, the Group is maintaining our forecast for real GDP growth to expand by 5.2% yoy for 2022 as a whole and expect country's real GDP to be slower, at 4.7% for 2023, supported by healthy domestic demand.

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

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

**Notes to the unaudited condensed interim financial statements
for the financial period ended 30 June 2022**

3. Basis of preparation

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

The unaudited condensed interim financial statements should be read in conjunction with the annual financial statements for the financial year ended 31 December 2021. The explanatory notes to the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the Group and the Bank since the financial year ended 31 December 2021.

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 2021, except for the adoption of the Annual Improvements to MFRS 9 "Fees in the 10% Test for Derecognition of Financial Liabilities", amendments to MFRS 3 "Reference to Conceptual Framework", MFRS 116 "Proceeds Before Intended Use", and MFRS 137 "Onerous Contracts - Cost of Fulfilling a Contract" that are effective and applicable to the Group and the Bank for the financial period beginning or after 1 January 2022.

4. Qualification of preceding annual financial statements

The Group's and the Bank's financial statements for financial year ended 31 December 2021 were not qualified by the auditors.

5. Seasonal or cyclical factors

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

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

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

7. Changes in debt and equity securities

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

8. Status of Corporate Proposal

Proposed divestment of 7,000,000 ordinary shares in Affin Hwang Asset Management Berhad ("AHAM"), representing 63.0% of the equity interest in AHAM (Proposed Divestment')

As previously reported in the previous quarter ended 31 March 2022

On 28 January 2022, the Bank, selected key senior management ("KSM") of AHAM and Starlight Asset Sdn Bhd, an investment holding company incorporated by funds managed by CVC Capital Partners ("Starlight Asset" or "Purchaser"), entered into a conditional share sale and purchase agreement ("SPA") for the proposed divestment of 7,594,338 ordinary shares in AHAM ("Sale Shares"), representing approximately 68.35% of the equity interest in AHAM, for a provisional cash consideration of RM1,537.9 million, subject to certain price adjustments as well as the terms and conditions as set out in the SPA. The Bank and AHAM KSM are collectively referred to as the "Vendors".

Vendors	Sale shares		Provisional
	No. of shares	(1) %	cash consideration RM'million
Affin Hwang Investment Bank Berhad	7,000,000	63.00	1,417.5
AHAM KSM (2)	594,338	5.35	120.4
Total	7,594,338	68.35	1,537.9

(1) Based on the total of 11,111,000 ordinary shares in AHAM in issue as at as at 31 December 2021.

(2) Comprising selected AHAM KSM who exercised their AHAM stock options into AHAM Shares pursuant to the stock option scheme for its key employees in 2014.

The Bank's provisional cash consideration is based on the Purchaser's offer for 100% equity interest in AHAM at an equity value of RM2,250.0 million ("Ascribed Value"), which includes an agreed pre-closing dividend of at least RM100.0 million to be declared by AHAM to its shareholders prior to the completion of the Proposed Divestment. Hence, the Bank's provisional cash consideration ("Provisional Purchase Price") is the Ascribed Value attributable to the Bank's Sale Shares, i.e. 63.0% of the Ascribed Value, or RM1,147.5 million.

Affin Hwang Investment Bank Berhad

(Incorporated in Malaysia)

Notes to the unaudited condensed interim financial statements for the financial period ended 30 June 2022

8. Status of Corporate Proposal (continued)

Proposed divestment of 7,000,000 ordinary shares in Affin Hwang Asset Management Berhad ("AHAM"), representing 63.0% of the equity interest in AHAM (Proposed Divestment') (continued)

As previously reported in the previous quarter ended 31 March 2022 (continued)

Subject to the post-closing adjustments, the final divestment consideration ("Final Purchase Price") may differ from the Provisional Purchase Price in the event that there is a change in the shareholders' equity of AHAM and its subsidiaries ("AHAM Group") between 31 December 2021 and the closing date of the SPA.

The Proposed Divestment is subject to the following:

- the approval of the shareholders of the holding company, Affin Bank Berhad ("ABB") at an Extraordinary General Meeting to be convened on 25 May 2022; and
- obtaining a written approval from the Securities Commission Malaysia ("SC") for the following:
 - sale and purchase of the Sale Shares as it will result in the change in the controller of AHAM and AIIMAN Asset Management Sdn. Bhd. ("AIIMAN");
 - change in AHAM's name; and
 - the Purchaser to be a "related corporation" of AHAM and AIIMAN or an entity as may be approved by the SC pursuant to the Licensing Handbook issued by the SC.

Upon completion of the Proposed Divestment, AHAM will cease to be a subsidiary of the Group.

During the current quarter

On 9 May 2022, the first tranche of the pre-closing dividend, amounting to RM50.0 million was declared and paid by AHAM to its shareholders, of which the Bank's share was RM31.5 million.

On 25 May 2022, the shareholders of ABB at an extraordinary general meeting had approved the Proposed Divestment.

On 1 July 2022, approval from SC for the Proposed Divestment was obtained, subject to the following conditions:

- (i) no adverse findings against the Proposed Divestment direct or indirect; and
- (ii) the Proposed Divestment shall not adversely affect the soundness of both AHAM and AIIMAN or the interest of existing clients of AHAM Group.

Accordingly, as the last of the Conditions Precedents have been met, the SPA has become unconditional on 1 July 2022.

On 22 July 2022, the second tranche of the pre-closing dividend, which amounted to RM50.0 million, was declared and paid by AHAM to its shareholders, of which the Bank's share was RM31.5 million.

As per the SPA, the Closing Date is on 31 July 2022. As this date falls on Sunday, the parties to the SPA have agreed for the Closing Date to be on 29 July 2022. As per terms of the SPA, the Purchaser will remit the Provisional Purchase Price, less the pre-closing dividend on the Closing Date. Any differential between Final Purchase Price and the Provisional Purchase Price will be paid by the Purchaser within 7 days after the Final Purchase Price is determined.

The Group has accounted for the Proposed Divestment as a discontinuing operation in accordance with MFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". Financial information relating to the discontinuing operation is as follows:

<u>Unaudited Statements of Financial Position</u>	The Group 30-06-2022 RM'000
Cash and short-term funds	350,829
Financial assets at fair value through profit or loss ("FVTPL")	104,612
Trade receivables	111,746
Derivative financial assets	253
Other assets	9,337
Amount due from related companies	2,208
Amount due from ultimate holding company	148
Tax recoverable	11,114
Deferred tax assets	14,387
Property and equipment	7,466
Intangible assets	12,705
Right-of-use ("ROU") assets	2,145
Non-current assets held for sale	626,950

Affin Hwang Investment Bank Berhad

(Incorporated in Malaysia)

**Notes to the unaudited condensed interim financial statements
for the financial period ended 30 June 2022****8. Status of Corporate Proposal (continued)**

Proposed divestment of 7,000,000 ordinary shares in Affin Hwang Asset Management Berhad ("AHAM"), representing 63.0% of the equity interest in AHAM (Proposed Divestment") (continued)

During the current quarter (continued)

The Group has accounted for the Proposed Divestment as a discontinuing operation in accordance with MFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". Financial information relating to the discontinuing operation is as follows: (continued)

<u>Unaudited Statements of Financial Position</u>	The Group 30-06-2022 RM'000
Trade payables	223,589
Lease liabilities	2,275
Amount due to related companies	27
Amount due to holding company	79
Other liabilities	271,964
Non-current liabilities held for sale	497,934

The Group	Individual Quarter		Cumulative Quarter	
	Current Financial Period 30-06-2022 RM'000	Preceding Year Corresponding Period 30-06-2021 RM'000	Current Financial Period-to-date 30-06-2022 RM'000	Preceding Year Corresponding Period-to-date 30-06-2021 RM'000
<u>Unaudited Income Statements</u>				
Interest income	723	585	1,371	1,156
Interest expense	(1,284)	(2,783)	(2,016)	(3,493)
Net interest income	(561)	(2,198)	(645)	(2,337)
Fee and commission income	112,565	178,673	234,099	420,830
Fee and commission expense	(32,886)	(65,219)	(70,799)	(218,437)
Net fee and commission income	79,679	113,454	163,300	202,393
Net gains and losses on financial instruments	(5,647)	2,985	(10,373)	2,772
Other operating income	2,106	525	2,622	2,092
Net income	75,577	114,766	154,904	204,920
Other operating expenses	(41,232)	(58,923)	(85,393)	(107,019)
Operating profit before allowances	34,345	55,843	69,511	97,901
Allowances for credit impairment losses	(40)	2	(37)	(134)
Profit before zakat and taxation	34,305	55,845	69,474	97,767
Zakat	(133)	(145)	(292)	(371)
Profit before taxation	34,172	55,700	69,182	97,396
Taxation	(5,513)	(12,502)	(13,536)	(19,090)
Net profit after zakat and taxation/ Profit from discontinuing operation	28,659	43,198	55,646	78,306

	The Group	
	30-06-2022 RM'000	30-06-2021 RM'000
Net cash (used in)/generated from operating activities	(345,252)	127,023
Net cash generated from investing activities	17,196	7,670
Net cash used in financing activities	(52,411)	(102,235)
Net (decrease)/increase in cash generated by the discontinuing operation	(380,467)	32,458

The Proposed Divestment is not expected to have any effect on the earnings and earnings per share ("EPS") of the Group for the financial period ended 30 June 2022 as the Proposed Divestment is expected to be completed in the 3rd quarter of 2022. Subject to relevant regulatory approval, the gain on disposal will be declared as a special dividend to ABB.

9. Material litigations

There is no material litigation during the financial period ended 30 June 2022.

10. Changes in the composition of the Group

There is no change to the composition of the Group as at end of the financial reporting period, as the Proposed Divestment is expected to be completed in the 3rd quarter of 2022.

Affin Hwang Investment Bank Berhad

(Incorporated in Malaysia)

Notes to the unaudited condensed interim financial statements for the financial period ended 30 June 2022

11. Dividends

The Directors did not recommend any payment of interim dividend for the financial period ended 30 June 2022.

12. Significant event subsequent to the financial period

There is no material subsequent event during the financial period, other than as disclosed in Note 8 on the proposed divestment of 7,000,000 ordinary shares in Affin Hwang Asset Management Berhad, representing 63.0% of the equity interest in AHAM.

13. Securities portfolio

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

	The Group		The Bank	
	30-06-2022 RM'000	31-12-2021 RM'000	30-06-2022 RM'000	31-12-2021 RM'000
At fair value				
Money market instruments				
Malaysian government securities	20,469	-	20,469	-
Malaysian government islamic investment issues	69,231	-	69,231	-
	<u>89,700</u>	<u>-</u>	<u>89,700</u>	<u>-</u>
Quoted securities				
Unit trusts in Malaysia	65,000	118,501	63,810	65,626
Shares and warrants in Malaysia	29,777	30,862	29,777	29,297
Shares and warrants outside Malaysia	498	79,553	498	983
	<u>95,275</u>	<u>228,916</u>	<u>94,085</u>	<u>95,906</u>
Unquoted securities				
Corporate bonds and/or Sukuk in Malaysia	7	1,008	7	-
Investment fund	-	-	-	-
	<u>7</u>	<u>1,008</u>	<u>7</u>	<u>-</u>
	<u>184,982</u>	<u>229,924</u>	<u>183,792</u>	<u>95,906</u>

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

	The Group and the Bank	
	30-06-2022 RM'000	31-12-2021 RM'000
At fair value		
Money market instruments		
Malaysian government islamic investment issues	1,078,541	1,137,984
Malaysian government securities	783,799	768,784
Cagamas bonds	124,307	90,757
Khazanah bonds	9,658	9,625
	<u>1,996,305</u>	<u>2,007,150</u>
Unquoted securities		
Corporate bonds and/or Sukuk in Malaysia	1,596,055	1,618,659
Corporate bonds and/or Sukuk outside Malaysia	28,197	26,958
Shares in Malaysia ^	23,375	26,697
	<u>3,643,932</u>	<u>3,679,464</u>

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

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

	The Group and the Bank	
	30-06-2022 RM'000	31-12-2021 RM'000
Shares in Malaysia:		
Cagamas Berhad	22,191	22,191
Malaysian Rating Corporation Berhad	1,184	1,184
RAM Holdings Berhad	-	3,322
	<u>23,375</u>	<u>26,697</u>

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

**Notes to the unaudited condensed interim financial statements
for the financial period ended 30 June 2022**

13. Securities portfolio (continued)

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

(b) Movements in expected credit losses ("ECL") for financial investments at FVOCI:

The Group and the Bank 30-06-2022	12-month ECL Stage 1 RM'000	Lifetime ECL not Credit Impaired Stage 2 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
At beginning of the financial period	252	19,107	-	19,359
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 period				
(other than write-offs)	(2)	-	-	(2)
New originated or purchased	172	-	-	172
Changes due to change in credit risk	73	-	-	73
Changes in model/risk parameters	-	-	-	-
Write-offs	-	-	-	-
Other adjustments:				
- Foreign exchange and other adjustments	-	-	-	-
At end of the financial period	495	19,107	-	19,602

The Group and the Bank 31-12-2021	12-month ECL Stage 1 RM'000	Lifetime ECL not Credit Impaired Stage 2 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
At beginning of the financial year	4,749	4,219	12,170	21,138
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)	(522)	522	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	-	-	-	-
Total transfer between stages	(522)	522	-	-
Derecognised during the financial year				
(other than write-offs)	(1,534)	-	-	(1,534)
New originated or purchased	1,778	-	-	1,778
Changes due to change in credit risk	(1,844)	14,366	(724)	11,798
Changes in model/risk parameters	(2,374)	-	-	(2,374)
Write-offs	-	-	(11,446)	(11,446)
Other adjustments:				
- Foreign exchange and other adjustments	(1)	-	-	(1)
At end of the financial year	252	19,107	-	19,359

The gross carrying amount of financial investments at FVOCI is at fair value. ECL are provided based on Exposure at Default ("EAD") of the assets. In the case of Stage 3 financial investments at FVOCI for the Group & Bank, ECL of Stage 3 is higher than the gross carrying amount, as the EAD of the asset is higher than its fair value. ECL is recognised in reserves with the corresponding entry to income statement.

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

**Notes to the unaudited condensed interim financial statements
for the financial period ended 30 June 2022**

13. Securities portfolio (continued)

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

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

The Group and the Bank 30-06-2022	12-month	Lifetime ECL	Lifetime ECL	Total RM'000
	ECL Stage 1 RM'000	not Credit Impaired Stage 2 RM'000	Credit Impaired Stage 3 RM'000	
At beginning of the financial period	3,524,179	128,588	-	3,652,767
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 period (other than write-offs)	(297,632)	-	-	(297,632)
New originated or purchased	371,911	-	-	371,911
Changes due to interest accruals	(13,814)	(31)	-	(13,845)
Changes due to fair value	(93,032)	(355)	-	(93,387)
Write-offs	-	-	-	-
Other adjustments:				
- Foreign exchange and other adjustments	-	743	-	743
At end of the financial period	3,491,612	128,945	-	3,620,557

The Group and the Bank 31-12-2021	12-month	Lifetime ECL	Lifetime ECL	Total 31-12-2021 RM'000
	ECL Stage 1 RM'000	not Credit Impaired Stage 2 RM'000	Credit Impaired Stage 3 RM'000	
At beginning of the financial year	3,940,061	104,544	4,457	4,049,062
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)	(24,794)	24,794	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	-	-	-	-
Total transfer between stages	(24,794)	24,794	-	-
Derecognised during the financial year (other than write-offs)	(2,475,283)	-	-	(2,475,283)
New originated or purchased	2,293,726	-	-	2,293,726
Changes due to interest accruals	(35,086)	(107)	-	(35,193)
Changes due to fair value	(174,426)	(1,072)	(118)	(175,616)
Write-offs	-	-	(4,525)	(4,525)
Other adjustments:				
- Foreign exchange and other adjustments	(19)	429	186	596
At end of the financial year	3,524,179	128,588	-	3,652,767

The gross carrying amount of financial investments at FVOCI is at fair value. ECL are provided based on Exposure at Default ("EAD") of the assets. In the case of Stage 3 financial investments at FVOCI for the Group & Bank, ECL of Stage 3 is higher than the gross carrying amount, as the EAD of the asset is higher than its fair value. ECL is recognised in reserves with the corresponding entry to income statement.

Affin Hwang Investment Bank Berhad

(Incorporated in Malaysia)

Notes to the unaudited condensed interim financial statements for the financial period ended 30 June 2022

13. Securities portfolio (continued)

(iii) Financial investments at amortised cost

	The Group and the Bank	
	30-06-2022	31-12-2021
	RM'000	RM'000
At fair value		
Money market instruments		
Malaysian government islamic investment issues	70,020	-
Malaysian government securities	49,533	-
	<u>119,553</u>	<u>-</u>
Unquoted securities		
Corporate bonds and/or Sukuk in Malaysia	273,073	40,484
Redeemable secured loan stocks	15,000	15,000
	<u>407,626</u>	<u>55,484</u>
Expected credit losses	(15,131)	(15,032)
	<u>392,495</u>	<u>40,452</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-month ECL Stage 1 RM'000	Lifetime ECL not Credit Impaired Stage 2 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
At beginning of the financial period	32	-	15,000	15,032
Derecognised during the financial period (other than write-offs)	(3)	-	-	(3)
New originated or purchased	87	-	-	87
Changes due to change in credit risk	15	-	-	15
At end of the financial period	<u>131</u>	<u>-</u>	<u>15,000</u>	<u>15,131</u>
	12-month ECL Stage 1 RM'000	Lifetime ECL not Credit Impaired Stage 2 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
The Group and the Bank				
31-12-2021				
At beginning of the financial year	60	-	12,922	12,982
Changes due to change in credit risk	(28)	-	2,078	2,050
At end of the financial year	<u>32</u>	<u>-</u>	<u>15,000</u>	<u>15,032</u>

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

The Group and the Bank	12-month ECL Stage 1 RM'000	Lifetime ECL not Credit Impaired Stage 2 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
At beginning of the financial period	40,484	-	15,000	55,484
Derecognised during the financial period (other than write-offs)	(25,000)	-	-	(25,000)
New originated or purchased	375,737	-	-	375,737
Changes due to interest accruals	1,405	-	-	1,405
At end of the financial period	<u>392,626</u>	<u>-</u>	<u>15,000</u>	<u>407,626</u>
	12-month ECL Stage 1 RM'000	Lifetime ECL not Credit Impaired Stage 2 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
The Group and the Bank				
31-12-2021				
At beginning of the financial year	40,497	-	15,000	55,497
Changes due to interest accruals	(13)	-	-	(13)
At end of the financial period	<u>40,484</u>	<u>-</u>	<u>15,000</u>	<u>55,484</u>

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

**Notes to the unaudited condensed interim financial statements
for the financial period ended 30 June 2022**

14. Loans and advances

	The Group and the Bank	
	30-06-2022	31-12-2021
	RM'000	RM'000
(i) By Type of Loans		
Term loans:		
- Syndicated term loans	101,688	102,552
- Other term loans	108,232	122,620
Share margin financing	969,318	782,767
Revolving credits	122,525	122,679
Staff loans	3,518	3,892
Gross loans and advances	1,305,281	1,134,510
Less : expected credit losses	(60,218)	(56,101)
Total net loans and advances	1,245,063	1,078,409
(ii) By Type of Customers		
Domestic business enterprises:		
- Small medium enterprises	9,712	11,805
- Others	375,960	387,583
Domestic non-bank financial institutions	257,563	233,148
Individuals	661,509	499,770
Foreign individuals	537	2,204
Total gross loans and advances	1,305,281	1,134,510
(iii) By Interest Rate Sensitivity		
Fixed rate		
- Other fixed rate loans	36,545	36,545
- Housing loans	2,042	2,364
- Hire purchase receivables	1,476	1,528
Variable rate		
- Cost-plus	1,233,671	1,064,226
- Other floating rate	31,547	29,847
Total gross loans and advances	1,305,281	1,134,510
(iv) By Economic Purpose		
Purchase of securities	1,075,678	885,939
Purchase of landed properties of which		
- Residential	2,043	2,364
- Non-residential	37,021	42,231
Working capital	74,404	80,250
Construction	31,884	40,425
Purchase of transport vehicles	35,082	33,443
Others	49,169	49,858
Total gross loans and advances	1,305,281	1,134,510

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

**Notes to the unaudited condensed interim financial statements
for the financial period ended 30 June 2022**

14. Loans and advances (continued)

	The Group and the Bank	
	30-06-2022	31-12-2021
	RM'000	RM'000
(v) By Economic Sectors		
Household	662,046	501,974
Finance, insurance and business services	263,937	237,259
Real estate	128,309	133,736
Construction	87,362	91,666
Transport, storage and communication	82,542	84,001
Agriculture	31,058	35,067
Manufacturing	29,147	29,541
Wholesale, retail trade, restaurants & hotels	10,951	11,326
Education, health and others	7,798	7,801
Mining and quarrying	2,131	2,139
Total gross loans and advances	1,305,281	1,134,510
(vi) By Geographical Distribution		
Wilayah Persekutuan	818,713	631,334
Selangor	267,564	260,506
Johor	57,800	59,284
Sarawak	56,644	59,196
Pulau Pinang	31,954	41,331
Sabah	31,430	35,546
Terengganu	28,498	35,158
Kedah	5,026	4,192
Perak	4,415	4,600
Negeri Sembilan	3,237	3,363
Total gross loans and advances	1,305,281	1,134,510
(vii) By Maturity Structure		
Maturing within one year	1,108,042	895,159
One year to three years	43,854	47,579
Three years to five years	60,722	66,103
Over five years	92,663	125,669
Total gross loans and advances	1,305,281	1,134,510

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

**Notes to the unaudited condensed interim financial statements
for the financial period ended 30 June 2022**

14. Loans and advances (continued)

	The Group and the Bank	
	30-06-2022	31-12-2021
	RM'000	RM'000
(viii) Movements of impaired loans and advances		
At beginning of the financial period	82,528	89,292
Amount recovered	<u>(9,186)</u>	<u>(6,764)</u>
At end of the financial period	<u><u>73,342</u></u>	<u><u>82,528</u></u>
Gross impaired loans as a percentage of gross loans and advances	<u><u>5.62%</u></u>	<u><u>7.27%</u></u>
(ix) Impaired loans and advances analysed by economic sector		
Construction	36,545	36,545
Real estate	28,397	32,076
Manufacturing	6,269	6,669
Transport, storage and communication	-	5,099
Mining and quarrying	2,131	2,139
Total impaired loans and advances	<u><u>73,342</u></u>	<u><u>82,528</u></u>
(x) Impaired loans and advances analysed by economic purpose		
Working capital	42,814	48,314
Purchase of securities	22,397	26,075
Purchase of transport vehicles	2,131	2,139
Others	6,000	6,000
Total impaired loans and advances	<u><u>73,342</u></u>	<u><u>82,528</u></u>
(xi) Impaired loans and advances by geographical distribution		
Sarawak	36,545	36,545
Selangor	34,666	43,844
Wilayah Persekutuan	2,131	2,139
Total impaired loans and advances	<u><u>73,342</u></u>	<u><u>82,528</u></u>

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

**Notes to the unaudited condensed interim financial statements
for the financial period ended 30 June 2022**

14. Loans and advances (continued)

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

The Group and the Bank 30-06-2022	12-month ECL Stage 1 RM'000	Lifetime ECL not Credit Impaired Stage 2 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
At beginning of financial period	1,045	22,304	32,752	56,101
Transfer between stages due to change in credit risk:				
- Transfer to 12-months ECL (Stage 1)	-	-	-	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	-	-	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	-	-	-	-
Total transfer between stages	-	-	-	-
Loans derecognised during the period (other than write-offs)	(14)	-	(4,670)	(4,684)
New loans originated or purchased	22	-	-	22
Changes due to change in credit risk	(119)	7,114	1,784	8,779
Changes in model/risk parameters	-	-	-	-
Write-offs	-	-	-	-
Other adjustments:				
- Foreign exchange and other adjustments	-	-	-	-
At end of financial period	934	29,418	29,866	60,218

The Group and the Bank 31-12-2021	12-month ECL Stage 1 RM'000	Lifetime ECL not Credit Impaired Stage 2 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
At beginning of the financial year	1,781	8,150	21,052	30,983
Transfer between stages due to change in credit risk:				
- Transfer to 12-months ECL (Stage 1)	7	(7)	-	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(748)	748	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	-	-	-	-
Total transfer between stages	(741)	741	-	-
Loans derecognised during the financial year (other than write-offs)	(192)	-	(2,514)	(2,706)
New loans originated or purchased	65	-	-	65
Changes due to change in credit risk	132	13,413	14,214	27,759
Changes in model/risk parameters	-	-	-	-
Write-offs	-	-	-	-
Other adjustments:				
- Foreign exchange and other adjustments	-	-	-	-
At end of the financial year	1,045	22,304	32,752	56,101

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

**Notes to the unaudited condensed interim financial statements
for the financial period ended 30 June 2022**

14. Loans and advances (continued)

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

The Group and the Bank 30-06-2022	12-month	Lifetime ECL	Lifetime ECL	Total RM'000
	ECL Stage 1 RM'000	not Credit Impaired Stage 2 RM'000	Credit Impaired Stage 3 RM'000	
At beginning of financial period	990,270	61,712	82,528	1,134,510
Transfer between stages due to change in credit risk:				
- Transfer to 12-months ECL (Stage 1)	-	-	-	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(48)	48	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	-	-	-	-
Total transfer between stages	(48)	48	-	-
Loans derecognised during the financial period (other than write-offs)	(66,749)	-	(4,471)	(71,220)
New loans originated or purchased	415,975	-	-	415,975
Changes due to change in credit risk	(172,540)	(393)	(4,715)	(177,648)
Changes in model/risk parameters	-	-	-	-
Write-offs	-	-	-	-
Other adjustments:				
- Foreign exchange and other adjustments	1,965	1,699	-	3,664
At end of financial period	1,168,873	63,066	73,342	1,305,281

The Group and the Bank 31-12-2021	12-month	Lifetime ECL	Lifetime ECL	Total RM'000
	ECL Stage 1 RM'000	not Credit Impaired Stage 2 RM'000	Credit Impaired Stage 3 RM'000	
At beginning of the financial year	800,505	88,549	89,292	978,346
Transfer between stages due to change in credit risk:				
- Transfer to 12-months ECL (Stage 1)	36,015	(36,015)	-	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(9,683)	9,683	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	-	-	-	-
Total transfer between stages	26,332	(26,332)	-	-
Loans derecognised during the financial year (other than write-offs)	(136,608)	-	(3,088)	(139,696)
New loans originated or purchased	667,384	-	-	667,384
Changes due to change in credit risk	(367,749)	(1,568)	(3,676)	(372,993)
Changes in model/risk parameters	-	-	-	-
Write-offs	-	-	-	-
Other adjustments:				
- Foreign exchange and other adjustments	406	1,063	-	1,469
At end of the financial year	990,270	61,712	82,528	1,134,510

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

**Notes to the unaudited condensed interim financial statements
for the financial period ended 30 June 2022**

15. Trade receivables

	The Group		The Bank	
	30-06-2022 RM'000	31-12-2021 RM'000	30-06-2022 RM'000	31-12-2021 RM'000
Amount in respect of asset management related fees receivables	-	155,703	-	-
Amount due from clients:				
- performing accounts	172,094	324,833	172,094	324,833
- impaired accounts (a)	279	942	279	942
Amount due from brokers	62,788	46,088	62,788	46,088
Amount due from Bursa Securities Clearing Sdn. Bhd.	6,565	-	6,565	-
	<u>241,726</u>	<u>527,566</u>	<u>241,726</u>	<u>371,863</u>
Less: expected credit losses	(358)	(1,533)	(358)	(1,300)
	<u>241,368</u>	<u>526,033</u>	<u>241,368</u>	<u>370,563</u>

(a) Movement of impaired amount due from clients

	The Group and the Bank	
	30-06-2022 RM'000	31-12-2021 RM'000
At beginning of the financial period/year	942	1,387
Classified as impaired during the financial period/year	740	3,126
Amount recovered	(1,403)	(3,571)
At end of the financial period/year	<u>279</u>	<u>942</u>

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

The Group 30-06-2022	Lifetime ECL not Credit Impaired RM'000	Lifetime ECL Credit Impaired RM'000	Total Impaired RM'000
	At beginning of financial period	685	848
Allowance made	1,766	696	2,462
Amount written back	(2,095)	(1,309)	(3,404)
Transfer to Non-current Assets Held for Sale	(233)	-	(233)
At end of financial period	<u>123</u>	<u>235</u>	<u>358</u>

The Group 31-12-2021	Lifetime ECL not Credit Impaired RM'000	Lifetime ECL Credit Impaired RM'000	Total Impaired RM'000
	At beginning of the financial year	2,335	474
Allowance made	2,000	3,031	5,031
Amount written back	(3,650)	(2,657)	(6,307)
At end of the financial year	<u>685</u>	<u>848</u>	<u>1,533</u>

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

**Notes to the unaudited condensed interim financial statements
for the financial period ended 30 June 2022**

15. Trade receivables (continued)

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

The Bank 30-06-2022	Lifetime ECL not Credit Impaired RM'000	Lifetime ECL Credit Impaired RM'000	Total RM'000
At beginning of financial period	452	848	1,300
Allowance made	1,766	696	2,462
Amount written back	(2,095)	(1,309)	(3,404)
At end of financial period	<u>123</u>	<u>235</u>	<u>358</u>

The Bank 31-12-2021	Lifetime ECL not Credit Impaired RM'000	Lifetime ECL Credit Impaired RM'000	Total RM'000
At beginning of the financial year	2,246	474	2,720
Allowance made	1,856	3,031	4,887
Amount written back	(3,650)	(2,657)	(6,307)
At end of the financial year	<u>452</u>	<u>848</u>	<u>1,300</u>

16. Other assets

	The Group		The Bank	
	30-06-2022 RM'000	31-12-2021 RM'000	30-06-2022 RM'000	31-12-2021 RM'000
Other debtors, deposits and prepayments	83,103	46,364	82,826	37,646
Securities lending	10,252	22,537	10,252	22,537
Clearing guarantee fund	1,889	1,924	1,889	1,924
Clearing fund	2,543	2,532	2,543	2,532
Transferable membership	250	350	250	250
	<u>98,037</u>	<u>73,707</u>	<u>97,760</u>	<u>64,889</u>
Less : expected credit losses ("ECL")	(4,365)	(4,039)	(4,363)	(4,030)
	<u>93,672</u>	<u>69,668</u>	<u>93,397</u>	<u>60,859</u>

Movement in credit impaired accounts

	The Group		The Bank	
	30-06-2022 RM'000	31-12-2021 RM'000	30-06-2022 RM'000	31-12-2021 RM'000
At beginning of the financial period/year	4,107	4,575	4,100	4,575
Classified as impaired during the financial period/year	1,267	2,825	1,228	2,818
Amount recovered	(979)	(3,293)	(933)	(3,293)
At end of the financial period/year	<u>4,395</u>	<u>4,107</u>	<u>4,395</u>	<u>4,100</u>

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

**Notes to the unaudited condensed interim financial statements
for the financial period ended 30 June 2022**

16. Other assets (continued)

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

The Group 30-06-2022	Lifetime ECL not Credit Impaired RM'000	Lifetime ECL Credit Impaired RM'000	Total RM'000
At beginning of the financial period	9	4,030	4,039
Allowance made	40	1,238	1,278
Amount written back	(28)	(924)	(952)
At end of the financial period	<u>21</u>	<u>4,344</u>	<u>4,365</u>
The Group 31-12-2021	Lifetime ECL not Credit Impaired RM'000	Lifetime ECL Credit Impaired RM'000	Total RM'000
At beginning of the financial year	18	3,948	3,966
Allowance made	58	2,770	2,828
Amount written back	(67)	(2,688)	(2,755)
At end of the financial year	<u>9</u>	<u>4,030</u>	<u>4,039</u>
The Bank 30-06-2022	Lifetime ECL not Credit Impaired RM'000	Lifetime ECL Credit Impaired RM'000	Total RM'000
At beginning of the financial period	7	4,023	4,030
Allowance made	32	1,198	1,230
Amount written back	(19)	(878)	(897)
At end of the financial period	<u>20</u>	<u>4,343</u>	<u>4,363</u>
The Bank 31-12-2021	Lifetime ECL not Credit Impaired RM'000	Lifetime ECL Credit Impaired RM'000	Total RM'000
At beginning of the financial year	18	3,948	3,966
Allowance made	40	2,763	2,803
Amount written back	(51)	(2,688)	(2,739)
At end of the financial year	<u>7</u>	<u>4,023</u>	<u>4,030</u>

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

**Notes to the unaudited condensed interim financial statements
for the financial period ended 30 June 2022**

17. Deposits from customers

	The Group and the Bank	
	30-06-2022	31-12-2021
	RM'000	RM'000
(i) By Type of Deposits		
Fixed deposits	3,728,646	3,476,620
Negotiable instruments of deposits	754,518	754,595
Other deposits	97,285	94,844
	<u>4,580,449</u>	<u>4,326,059</u>
(ii) By Maturity Structure		
Due within six months	3,726,250	3,365,700
Six months to one year	653,660	205,764
One year to three years	200,539	754,595
	<u>4,580,449</u>	<u>4,326,059</u>
(iii) By Type of Customer		
Domestic non-banking financial institutions	2,249,354	2,342,749
Business enterprises	1,173,605	844,637
Domestic banking institutions	754,518	754,595
Government and statutory bodies	344,743	320,009
Individuals	38,079	37,159
Foreign entities	11,125	16,387
Other entities	9,025	10,523
	<u>4,580,449</u>	<u>4,326,059</u>

18. Deposits and placements of banks and other financial institutions

	The Group and the Bank	
	30-06-2022	31-12-2021
	RM'000	RM'000
Licensed banks	437,253	501,673
Licensed investment banks	-	100,319
	<u>437,253</u>	<u>601,992</u>

19. Obligations on securities sold under repurchase agreements

	The Group and the Bank	
	30-06-2022	31-12-2021
	RM'000	RM'000
Financial investments at FVOCI	49,242	-

20. Trade payables

	The Group		The Bank	
	30-06-2022	31-12-2021	30-06-2022	31-12-2021
	RM'000	RM'000	RM'000	RM'000
Amount due to unit trust funds	-	555,850	-	-
Amount due to unit holders	-	64,708	-	-
Amount due to clients	67,159	119,404	67,159	119,106
Amount due to brokers	238,852	111,803	238,852	111,803
Amount due to Bursa Securities Clearing Sdn. Bhd.	-	129,732	-	129,732
Amount due to external funds managers	-	535	-	-
	<u>306,011</u>	<u>982,032</u>	<u>306,011</u>	<u>360,641</u>

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

**Notes to the unaudited condensed interim financial statements
for the financial period ended 30 June 2022**

21. Other liabilities

	The Group		The Bank	
	30-06-2022 RM'000	31-12-2021 RM'000	30-06-2022 RM'000	31-12-2021 RM'000
Commissioned dealer's representative trust balances	67,150	68,653	67,150	68,653
Amounts payable to commissioned and salaried dealer's representatives	70,756	95,426	70,756	95,426
Accrued employee benefit	24,953	114,434	24,838	43,749
Securities borrowing	63,108	106,823	63,108	106,823
Other creditors and accruals	49,733	129,313	48,246	59,154
Puttable liabilities	-	189,026	-	-
	<u>275,700</u>	<u>703,675</u>	<u>274,098</u>	<u>373,805</u>
Add: expected credit losses - loans commitments and financial guarantees	18,012	19,926	18,012	19,926
	<u>293,712</u>	<u>723,601</u>	<u>292,110</u>	<u>393,731</u>

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

The Group and the Bank	12-month	Lifetime ECL	Lifetime ECL	Total
	ECL	not Credit	Credit	
30-06-2022	Stage 1	Impaired	Impaired	
	RM'000	RM'000	RM'000	RM'000
At beginning of the financial period	1	2,000	17,925	19,926
New loan commitments/financial guarantees issued	10	-	-	10
Changes due to change in credit risk	76	(2,000)	-	(1,924)
At end of the financial period	<u>87</u>	<u>-</u>	<u>17,925</u>	<u>18,012</u>

The Group and the Bank	12-month	Lifetime ECL	Lifetime ECL	Total
	ECL	not Credit	Credit	
31-12-2021	Stage 1	Impaired	Impaired	
	RM'000	RM'000	RM'000	RM'000
At beginning of the financial year	33	600	17,925	18,558
Changes due to change in credit risk	(32)	1,400	-	1,368
At end of the financial year	<u>1</u>	<u>2,000</u>	<u>17,925</u>	<u>19,926</u>

Affin Hwang Investment Bank Berhad

(Incorporated in Malaysia)

Notes to the unaudited condensed interim financial statements for the financial period ended 30 June 2022

22. Reserves

	The Group		The Bank	
	30-06-2022 RM'000	31-12-2021 RM'000	30-06-2022 RM'000	31-12-2021 RM'000
FVOCI revaluation reserves (a)	(122,956)	(50,927)	(123,011)	(50,982)
Regulatory reserves (b)	13,736	12,894	13,736	12,894
Other reserves (c)	(88,737)	(88,737)	-	-
Foreign exchange reserves	39	39	-	-
	<u>(197,918)</u>	<u>(126,731)</u>	<u>(109,275)</u>	<u>(38,088)</u>
Retained profits	<u>544,346</u>	<u>486,407</u>	<u>502,154</u>	<u>447,257</u>
	<u>346,428</u>	<u>359,676</u>	<u>392,879</u>	<u>409,169</u>

- (a) The FVOCI revaluation reserves, net of deferred tax represent the unrealised gains or losses arising from a change in the fair value of investments classified as financial investments at FVOCI, as well as the expected credit loss allowance for financial investments at FVOCI. The gains or losses are transferred to the income statement upon disposal or when the securities becomes impaired.
- (b) Pursuant to BNM Financial Reporting policy dated 27 September 2019, the Group and the Bank shall maintain, in aggregate, loss allowance for non-credit-impaired exposures and regulatory reserves of no less than 1% of all credit exposures, net of loss allowance for credit-impaired exposures.
- (c) Other reserves represents the Group's obligation/option to purchase subsidiaries' shares held by non-controlling interest.
- (i) Obligation to buy Affin Hwang Asset Management Berhad's ("AHAM") shares from non-controlling interest

The Bank's subsidiary, Affin Hwang Asset Management Berhad ("AHAM"), established and implemented a stock option incentive scheme for its key employees in 2014. The stock option incentive scheme was designed to provide long-term incentives for key employees to improve the growth and profitability of the subsidiary and to encourage them to continue in the employment of the subsidiary. In 2019, the options holders fully exercised the 1000 employee stock options 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 as at 31 December 2020. As at 30 June 2022, no option holders have exercised their rights in relation to the shares buy back.

The SCR provision represents a purchase of AHAM'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 statements. In the event of a change in the estimated future redemption amount of SCR, the remeasurement amounts will be recognised in equity as the changes in the Bank's ownership interest in AHAM does not result in the Bank losing control of AHAM.

- (ii) Option to buy AccelVantage Academy Sdn Bhd's ("AVA") shares from non-controlling interest

This represents the present value of an option to purchase AccelVantage Academy Sdn Bhd's ("AVA") shares pursuant to the terms of the exit mechanism in a shareholders agreement entered into between the Bank's subsidiary, AHAM and GV Capital Dynamic Sdn Bhd ("GVCD").

AHAM is granted a call option to acquire the entire 49% equity shares in AVA held by GVCD within 90 days of the call option period. The exercise price under the call option is determined based on pre-agreed formula.

The financial liability at Group is initially recognised at the present value of the redemption amount and accreted through finance charges in the income statements over the contract period, up to the final redemption amount. In the event of a change in the exercise price under the call option, the remeasurement amounts will be recognised in equity as the changes in AHAM's ownership interest in AVA does not result in AHAM losing control of AVA.

Affin Hwang Investment Bank Berhad

(Incorporated in Malaysia)

Notes to the unaudited condensed interim financial statements for the financial period ended 30 June 2022

23. 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
	30-06-2022	30-06-2021	30-06-2022	30-06-2021
	RM'000	RM'000	RM'000	RM'000
Loans and advances	15,235	12,197	29,015	23,547
Money at call and deposit placements with financial institutions	4,901	7,518	10,765	12,530
Financial investments at FVOCI	27,588	22,841	54,723	50,220
Financial investments at amortised cost	3,154	587	4,140	1,168
Others	940	2,298	2,164	4,825
	51,818	45,441	100,807	92,290
of which:				
Interest income earned on impaired loans and advances	365	554	848	1,181

	The Bank			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period Ended	Period Ended	Period-to-date	Period-to-date
	30-06-2022	30-06-2021	30-06-2022	30-06-2021
	RM'000	RM'000	RM'000	RM'000
Loans and advances	15,235	12,197	29,015	23,547
Money at call and deposit placements with financial institutions	4,893	7,513	10,754	12,519
Financial investments at FVOCI	27,588	22,841	54,723	50,220
Financial investments at amortised cost	3,154	587	4,140	1,168
Others	940	2,298	2,164	4,825
	51,810	45,436	100,796	92,279
of which:				
Interest income earned on impaired loans and advances	365	554	848	1,181

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

**Notes to the unaudited condensed interim financial statements
for the financial period ended 30 June 2022**

24. Interest expense

	The Group			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period Ended	Period Ended	Period-to-date	Period-to-date
	30-06-2022	30-06-2021	30-06-2022	30-06-2021
	RM'000	RM'000	RM'000	RM'000
Deposits from customers	28,020	29,678	53,894	60,022
Deposits and placements of banks and other financial institutions	3,157	1,870	6,632	2,809
Obligations on securities sold under repurchase agreements	101	-	101	-
Lease liabilities	27	66	57	156
Foreign currency borrowings	-	-	-	38
Others	158	79	251	139
	31,463	31,693	60,935	63,164

	The Bank			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period Ended	Period Ended	Period-to-date	Period-to-date
	30-06-2022	30-06-2021	30-06-2022	30-06-2021
	RM'000	RM'000	RM'000	RM'000
Deposits from customers	28,020	29,678	53,894	60,022
Deposits and placements of banks and other financial institutions	3,157	1,870	6,632	2,809
Obligations on securities sold under repurchase agreements	101	-	101	-
Lease liabilities	27	66	57	156
Foreign currency borrowings	-	-	-	38
Others	158	79	251	139
	31,463	31,693	60,935	63,164

25. Net fee and commission income

	The Group			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period Ended	Period Ended	Period-to-date	Period-to-date
	30-06-2022	30-06-2021	30-06-2022	30-06-2021
	RM'000	RM'000	RM'000	RM'000
(a) Fee and commission income				
Net brokerage income	14,930	22,682	34,243	52,863
Private placement fees	-	-	242	3,171
Loans related fees	2,676	2,046	4,955	3,821
Corporate advisory fees	1,584	1,419	2,706	2,896
Underwriting commissions	-	-	141	900
Arrangement fees	784	104	2,255	529
Others	1,798	3,989	3,640	7,452
	21,772	30,240	48,182	71,632
(b) Fee and commission expense				
Commission and referral expenses	-	-	-	-
Net fee and commission income	21,772	30,240	48,182	71,632

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

**Notes to the unaudited condensed interim financial statements
for the financial period ended 30 June 2022**

25. Net fee and commission income (continued)

	The Bank			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period Ended	Period Ended	Period-to-date	Period-to-date
	30-06-2022	30-06-2021	30-06-2022	30-06-2021
	RM'000	RM'000	RM'000	RM'000
(a) Fee and commission income				
Net brokerage income	14,930	22,682	34,243	52,863
Loans related fees	2,676	2,046	4,955	3,821
Private placement fees	-	-	242	3,171
Corporate advisory fees	1,584	1,419	2,706	2,896
Underwriting commissions	-	-	141	900
Arrangement fees	784	104	2,255	529
Others	1,327	3,522	2,767	6,730
	<u>21,301</u>	<u>29,773</u>	<u>47,309</u>	<u>70,910</u>
(b) Fee and commission expense				
Commission and referral expenses	-	-	-	-
Net fee and commission income	<u>21,301</u>	<u>29,773</u>	<u>47,309</u>	<u>70,910</u>

26. Net gains and losses on financial instruments

	The Group			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period Ended	Period Ended	Period-to-date	Period-to-date
	30-06-2022	30-06-2021	30-06-2022	30-06-2021
	RM'000	RM'000	RM'000	RM'000
Gains/(losses) arising on financial assets at FVTPL				
- net gains on disposal	5,199	9,757	12,529	26,082
- unrealised (losses)/gains	(619)	3,528	(1,818)	(5,686)
- gross dividend income	471	1,444	1,008	2,849
- interest income	4,153	6,323	8,825	10,297
Gains/(losses) on derivative instruments				
- realised (losses)/gains	(56)	20	(22)	12
- unrealised (losses)/gains	(338)	1,315	(1,076)	391
- interest income	4,982	5,648	10,007	11,280
- interest expense	(4,034)	(5,873)	(7,890)	(11,682)
Gains arising on financial investments at FVOCI				
- net gains on disposal	-	10,967	2,417	28,230
- gross dividend income *	113	213	113	213
	<u>9,871</u>	<u>33,342</u>	<u>24,093</u>	<u>61,986</u>

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

**Notes to the unaudited condensed interim financial statements
for the financial period ended 30 June 2022**

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

	The Bank			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period Ended	Period Ended	Period-to-date	Period-to-date
	30-06-2022	30-06-2021	30-06-2022	30-06-2021
	RM'000	RM'000	RM'000	RM'000
Gains/(losses) arising on financial assets at FVTPL				
- net gains on disposal	5,201	9,756	12,531	26,081
- unrealised (losses)/gains	(618)	3,530	(1,816)	(5,684)
- gross dividend income	465	1,438	995	2,838
- interest income	4,153	6,323	8,825	10,297
Gains/(losses) on derivative instruments				
- realised (losses)/gains	(56)	20	(22)	12
- unrealised (losses)/gains	(338)	1,315	(1,076)	391
- interest income	4,982	5,648	10,007	11,280
- interest expense	(4,034)	(5,873)	(7,890)	(11,682)
Gains arising on financial investments at FVOCI				
- net gains on disposal	-	10,967	2,417	28,230
- gross dividend income *	113	213	113	213
	<u>9,868</u>	<u>33,337</u>	<u>24,084</u>	<u>61,976</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 RM0.11 million (30-06-2021 : RM0.21 million).

27. Other operating income

	The Group			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period Ended	Period Ended	Period-to-date	Period-to-date
	30-06-2022	30-06-2021	30-06-2022	30-06-2021
	RM'000	RM'000	RM'000	RM'000
Foreign exchange gains/(losses)				
- realised	5,297	(1,323)	2,777	6,137
- unrealised	(3,413)	4,803	793	1,298
Gains on disposal of property and equipment	-	-	186	3
Others	228	104	220	152
	<u>2,112</u>	<u>3,584</u>	<u>3,976</u>	<u>7,590</u>

	The Bank			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period Ended	Period Ended	Period-to-date	Period-to-date
	30-06-2022	30-06-2021	30-06-2022	30-06-2021
	RM'000	RM'000	RM'000	RM'000
Foreign exchange gains/(losses)				
- realised	5,297	(1,323)	2,777	6,137
- unrealised	(3,413)	4,803	793	1,298
Gains on disposal of property and equipment	-	-	186	3
Gross dividend income from subsidiary	31,500	35,000	31,500	63,000
Others	331	323	438	655
	<u>33,715</u>	<u>38,803</u>	<u>35,694</u>	<u>71,093</u>

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

**Notes to the unaudited condensed interim financial statements
for the financial period ended 30 June 2022**

28. Other operating expenses

	The Group			
	Individual Quarter		Cumulative Quarter	
	Current Financial Period Ended	Preceding Year Corresponding Period Ended	Current Financial Period-to-date	Preceding Year Corresponding Period-to-date
	30-06-2022 RM'000	30-06-2021 RM'000	30-06-2022 RM'000	30-06-2021 RM'000
Personnel costs				
Salaries, allowances and bonuses	23,550	20,999	46,723	53,646
Defined contribution plan	3,807	3,398	7,543	8,648
Other personnel costs	2,735	(341)	5,839	2,006
	<u>30,092</u>	<u>24,056</u>	<u>60,105</u>	<u>64,300</u>
Marketing expenses				
Business promotion and advertisement	500	653	940	1,423
Entertainment	74	48	150	71
Brokerage expenses	108	82	252	150
Travelling and accomodation	(241)	82	(197)	167
Others	-	-	-	2
	<u>441</u>	<u>865</u>	<u>1,145</u>	<u>1,813</u>
Establishment cost				
Repair and maintenance	1,301	1,703	2,429	3,506
Rental of premises and equipment	1,217	627	2,229	1,242
Depreciation – ROU	828	1,439	1,833	2,879
Depreciation of property and equipment	815	1,447	1,599	2,866
Electricity, water and sewerage	401	426	651	845
Insurance and indemnities	243	266	554	482
Amortisation of intangible assets	255	290	502	577
Others	-	6	-	11
	<u>5,060</u>	<u>6,204</u>	<u>9,797</u>	<u>12,408</u>
Administration and general expenses				
Subscription	1,992	1,344	4,223	3,923
Telecommunication expenses	1,762	2,334	3,626	4,651
Professional fees	911	667	1,408	859
Directors' remuneration	596	524	1,191	1,276
Auditors' remuneration	153	201	305	336
Others	756	1,042	1,636	2,206
	<u>6,170</u>	<u>6,112</u>	<u>12,389</u>	<u>13,251</u>
Total other operating expenses	<u>41,763</u>	<u>37,237</u>	<u>83,436</u>	<u>91,772</u>

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

**Notes to the unaudited condensed interim financial statements
for the financial period ended 30 June 2022**

28. Other operating expenses (continued)

	The Bank			
	Individual Quarter		Cumulative Quarter	
	Current Financial Period Ended	Preceding Year Corresponding Period Ended	Current Financial Period-to-date	Preceding Year Corresponding Period-to-date
	30-06-2022 RM'000	30-06-2021 RM'000	30-06-2022 RM'000	30-06-2021 RM'000
Personnel costs				
Salaries, allowances and bonuses	23,241	20,720	46,019	53,119
Defined contribution plan	3,757	3,353	7,425	8,563
Other personnel costs	2,747	(370)	5,828	1,947
	<u>29,745</u>	<u>23,703</u>	<u>59,272</u>	<u>63,629</u>
Marketing expenses				
Business promotion and advertisement	500	653	940	1,423
Brokerage expenses	98	75	212	134
Entertainment	72	47	148	70
Travelling and accomodation	(242)	82	(199)	166
	<u>428</u>	<u>857</u>	<u>1,101</u>	<u>1,793</u>
Establishment cost				
Repair and maintenance	1,269	1,671	2,360	3,438
Rental of premises and equipment	1,192	601	2,180	1,191
Depreciation – ROU	828	1,439	1,833	2,879
Depreciation of property and equipment	778	1,427	1,541	2,825
Electricity, water and sewerage	400	425	650	844
Insurance and indemnities	243	267	554	478
Amortisation of intangible assets	232	267	456	531
Others	-	6	-	11
	<u>4,942</u>	<u>6,103</u>	<u>9,574</u>	<u>12,197</u>
Administration and general expenses				
Subscription	1,984	1,337	4,211	3,912
Telecommunication expenses	1,760	2,331	3,606	4,639
Directors' remuneration	596	532	1,191	1,284
Professional fees	957	641	1,435	813
Auditors' remuneration	150	194	300	328
Others	752	1,032	1,629	2,192
	<u>6,199</u>	<u>6,067</u>	<u>12,372</u>	<u>13,168</u>
Total other operating expenses	<u>41,314</u>	<u>36,730</u>	<u>82,319</u>	<u>90,787</u>

Affin Hwang Investment Bank Berhad

(Incorporated in Malaysia)

Notes to the unaudited condensed interim financial statements for the financial period ended 30 June 2022

29. Allowances for credit impairment losses

	The Group			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period Ended	Period Ended	Period-To-Date	Period-To-Date
	30-06-2022	30-06-2021	30-06-2022	30-06-2021
	RM'000	RM'000	RM'000	RM'000
Expected credit losses (made)/written back on:				
- loans and advances	2,743	(9,465)	(4,117)	(12,887)
- trade receivables	1,028	1,129	942	1,111
- financial investments	(251)	(3,345)	(342)	(9,404)
- deposits and placements with financial institutions	(2)	303	-	-
- other assets	(56)	(722)	(326)	(544)
- loans commitments and financial guarantees	1,916	(6)	1,914	20
	<u>5,378</u>	<u>(12,106)</u>	<u>(1,929)</u>	<u>(21,704)</u>

	The Bank			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period Ended	Period Ended	Period-To-Date	Period-To-Date
	30-06-2022	30-06-2021	30-06-2022	30-06-2021
	RM'000	RM'000	RM'000	RM'000
Expected credit losses (made)/written back on:				
- loans and advances	2,743	(9,465)	(4,117)	(12,887)
- trade receivables	1,027	1,129	942	1,111
- financial investments	(251)	(3,345)	(342)	(9,404)
- deposits and placements with financial institutions	(2)	303	-	-
- other assets	(80)	(721)	(333)	(542)
- loans commitments and financial guarantees	1,916	(6)	1,914	20
	<u>5,353</u>	<u>(12,105)</u>	<u>(1,936)</u>	<u>(21,702)</u>

30. Capital adequacy

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

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

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

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

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

Affin Hwang Investment Bank Berhad

(Incorporated in Malaysia)

Notes to the unaudited condensed interim financial statements for the financial period ended 30 June 2022

30. Capital adequacy (continued)

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

	The Group		The Bank	
	30-06-2022 RM'000	31-12-2021 RM'000	30-06-2022 RM'000	31-12-2021 RM'000
Basel III				
Common Equity Tier (CET) 1 Capital :				
Share capital	999,800	999,800	999,800	999,800
Other reserves	(88,737)	(88,737)	-	-
Foreign exchange reserves	39	39	-	-
Retained profits	502,476	499,301	463,326	460,151
Unrealised losses on FVOCI instruments	(122,956)	(50,927)	(123,011)	(50,982)
	1,290,622	1,359,476	1,340,115	1,408,969
Less : Regulatory adjustments				
Goodwill and other intangible assets	(324,271)	(323,624)	(314,880)	(314,667)
Investment in subsidiaries/associates	-	-	(133,184)	(133,184)
Regulatory reserves	(13,736)	(12,894)	(13,736)	(12,894)
55% of cumulative gains on FVOCI instruments	-	-	-	-
Deferred tax assets	(93,317)	(89,557)	(78,418)	(65,860)
Other CET1 regulatory adjustments specified by BNM	21,055	23,166	20,872	22,957
Total CET 1 capital	880,353	956,567	820,769	905,321
Additional Tier 1 Capital				
Qualifying non-controlling interests	27,834	32,933	-	-
Total Tier 1 capital (a)	908,187	989,500	820,769	905,321
Tier 2 capital				
Qualifying loss provisions #	20,561	15,808	16,592	15,328
Total Tier 2 capital (b)	20,561	15,808	16,592	15,328
Total Capital (a) + (b)	928,748	1,005,308	837,361	920,649
Proposed dividends	-	-	-	-

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

	The Group		The Bank	
	30-06-2022 RM'000	31-12-2021 RM'000	30-06-2022 RM'000	31-12-2021 RM'000
Breakdown of risk-weighted assets in the various categories of risk-weights:				
Credit risk	1,644,876	1,679,548	1,327,338	1,226,244
Market risk	250,279	242,749	265,264	235,762
Operational risk	1,153,038	1,121,552	515,876	514,584
Total Risk-Weighted Assets	3,048,193	3,043,849	2,108,478	1,976,590

Capital Ratios:

With transitional arrangements

CET 1 capital ratio	28.881%	31.426%	38.927%	45.802%
Tier 1 capital ratio	29.794%	32.508%	38.927%	45.802%
Total capital ratio	30.469%	33.028%	39.714%	46.578%
CET 1 capital ratio (net of proposed dividends)	28.881%	31.426%	38.927%	45.802%
Tier 1 capital ratio (net of proposed dividends)	29.794%	32.508%	38.927%	45.802%
Total capital ratio (net of proposed dividends)	30.469%	33.028%	39.714%	46.578%

Before transitional arrangements

CET 1 capital ratio	28.190%	30.665%	37.937%	44.641%
Tier 1 capital ratio	29.104%	31.747%	37.937%	44.641%
Total capital ratio	29.778%	32.437%	38.724%	45.416%
CET 1 capital ratio (net of proposed dividends)	28.190%	30.665%	37.937%	44.641%
Tier 1 capital ratio (net of proposed dividends)	29.104%	31.747%	37.937%	44.641%
Total capital ratio (net of proposed dividends)	29.778%	32.437%	38.724%	45.416%

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

**Notes to the unaudited condensed interim financial statements
for the financial period ended 30 June 2022**

31. Commitments and contingencies

	The Group		The Bank	
	30-06-2022	31-12-2021	30-06-2022	31-12-2021
	Principal amount	Principal amount	Principal amount	Principal amount
	RM'000	RM'000	RM'000	RM'000
Transaction related contingent items	64,606	85,606	64,606	85,606
Obligations under underwriting agreement	10,170	-	10,170	-
Irrevocable commitments to extend credit:				
- maturity less than one year	20,379	5,697	20,379	5,697
- maturity more than one year	13,087	15,489	13,087	15,489
Interest rate related contracts:				
- less than one year	1,070,000	780,000	1,070,000	780,000
- one year to less than five years	1,810,000	2,150,000	1,810,000	2,150,000
Foreign exchange related contracts:				
- less than one year	8,629,129	11,043,848	8,572,885	10,996,530
- one year to less than five years	892,885	814,323	892,885	814,323
Any commitments that are unconditionally cancelled at any time by the Bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	1,160,988	1,116,522	1,160,988	1,116,522
Total	13,671,244	16,011,485	13,615,000	15,964,167

32. Credit exposures arising from transactions with connected parties

In compliance with the requirement of BNM's guidelines on Credit Transactions and Exposures with Connected Parties for the Bank (Ref No: BNM/RH/GL 001-25), the following information as at 30 June 2022 are as follows:

(i) The aggregate value of outstanding credit exposures with connected parties (RM'000)	672,636
(ii) The percentage of outstanding credit exposures to connected parties as a proportion of credit exposures	13.2%
(iii) The percentage of outstanding credit exposures with connected parties which is non-performing or in default	Nil

Affin Hwang Investment Bank Berhad

(Incorporated in Malaysia)

Notes to the unaudited condensed interim financial statements for the financial period ended 30 June 2022

33. Fair value measurements

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

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

The Group 30-06-2022	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets				
Financial assets at FVTPL				
- Money market instruments	-	89,700	-	89,700
- Corporate bonds or sukuk	-	7	-	7
- Shares, warrants and unit trusts	95,275	-	-	95,275
Financial investments at FVOCI				
- Money market instruments	-	1,996,305	-	1,996,305
- Corporate bonds or sukuk	-	1,624,252	-	1,624,252
- Shares	-	-	23,375	23,375
Derivative financial assets	-	128,779	-	128,779
Total	95,275	3,839,043	23,375	3,957,693
Liabilities				
Derivative financial liabilities	-	127,324	-	127,324
Other liabilities -equities trading	361	-	-	361
Total	361	127,324	-	127,685

The Group 31-12-2021	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets				
Financial assets at FVTPL				
- Corporate bonds or sukuk	-	1,008	-	1,008
- Shares, warrants and unit trusts	228,916	-	-	228,916
Financial investments at FVOCI				
- Money market instruments	-	2,007,150	-	2,007,150
- Corporate bonds or sukuk	-	1,645,617	-	1,645,617
- Shares	-	-	26,697	26,697
Derivative financial assets	-	77,269	-	77,269
Total	228,916	3,731,044	26,697	3,986,657
Liabilities				
Derivative financial liabilities	-	71,897	-	71,897
Puttable liabilities - investment in funds	33,442	-	-	33,442
Other liabilities -equities trading	2,853	-	-	2,853
Total	36,295	71,897	-	108,192

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

**Notes to the unaudited condensed interim financial statements
for the financial period ended 30 June 2022**

33. Fair value measurements (continued)

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

The Bank 30-06-2022	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets				
Financial assets at FVTPL				
- Money market instruments	-	89,700	-	89,700
- Corporate bonds or sukuk	-	7	-	7
- Shares, warrants and unit trusts	94,085	-	-	94,085
Financial investments at FVOCI				
- Money market instruments	-	1,996,305	-	1,996,305
- Corporate bonds or sukuk	-	1,624,252	-	1,624,252
- Shares	-	-	23,375	23,375
Derivative financial assets	-	128,779	-	128,779
Total	94,085	3,839,043	23,375	3,956,503
Liabilities				
Derivative financial liabilities	-	127,324	-	127,324
Other liabilities - equities trading	361	-	-	361
Total	361	127,324	-	127,685
The Bank 31-12-2021	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets				
Financial assets at FVTPL				
- Shares, warrants and unit trusts	95,906	-	-	95,906
Financial investments at FVOCI				
- Money market instruments	-	2,007,150	-	2,007,150
- Corporate bonds or sukuk	-	1,645,617	-	1,645,617
- Shares	-	-	26,697	26,697
Derivative financial assets	-	76,961	-	76,961
Total	95,906	3,729,728	26,697	3,852,331
Liabilities				
Derivative financial liabilities	-	71,897	-	71,897
Other liabilities - equities trading	2,853	-	-	2,853
Total	2,853	71,897	-	74,750

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

**Notes to the unaudited condensed interim financial statements
for the financial period ended 30 June 2022**

33. Fair value measurements (continued)

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

Where fair value is determined using unquoted market prices in less active markets or quoted prices for similar assets and liabilities, such instruments are generally classified as Level 2. In cases where quoted prices are generally not available, the Group and the Bank then determine fair value based upon valuation techniques that use as inputs, market parameters including but not limited to yield curves, volatilities and foreign exchange rates. The majority of valuation techniques employ only observable market data and so reliability of the fair value measurement is high.

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

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

The Group and the Bank recognise transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. Transfers between fair value hierarchy primarily due to change in the level of trading activity, change in observable market activity related to an input, reassessment of available pricing information and change in the significance of the unobservable input. There were no transfers between Level 1, 2 and 3 of the fair value hierarchy during the financial year (2021: Nil).

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

	The Group and The Bank	
	30-06-2022	31-12-2021
	RM'000	RM'000
Opening	26,697	25,319
FVOCI revaluation reserves	(3,322)	1,378
Closing	23,375	26,697

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 2021, financial instruments measured with valuation techniques using significant unobservable inputs (Level 3) are unquoted shares held for socio economic purpose.