

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

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

	Note	The Group		The Bank	
		As at 30-09-2022 RM'000	As at 31-12-2021 RM'000	As at 30-09-2022 RM'000	As at 31-12-2021 RM'000
ASSETS					
Cash and short-term funds		1,024,392	1,940,487	1,022,339	1,207,904
Financial assets at fair value through profit or loss ("FVTPL")	13	94,913	229,924	93,716	95,906
Financial investments at fair value through other comprehensive income ("FVOCI")	13	3,625,078	3,679,464	3,625,078	3,679,464
Financial investments at amortised cost	13	668,485	40,452	668,485	40,452
Loans and advances	14	1,330,001	1,078,409	1,330,001	1,078,409
Trade receivables	15	394,370	526,033	394,370	370,563
Derivative financial assets		162,661	77,269	162,661	76,961
Other assets	16	151,688	69,668	151,484	60,859
Statutory deposits with Bank Negara Malaysia		11,902	10,300	11,800	10,200
Amount due from subsidiaries		-	-	267	310
Amount due from related companies		-	1,065	-	-
Amount due from holding company		44	41	44	41
Amount due from ultimate holding company		-	31	-	-
Investment in subsidiaries	17	-	-	1,794	126,521
Investment in associates	18	-	-	372	1,332
Tax recoverable		39,073	26,963	39,072	26,048
Deferred tax assets		74,738	89,557	74,738	65,860
Property and equipment		7,041	17,277	6,981	7,897
Intangible assets		307,769	323,624	307,645	314,667
Right-of-use ("ROU") assets		14,922	6,240	14,922	3,034
TOTAL ASSETS		7,907,077	8,116,804	7,905,769	7,166,428
LIABILITIES AND EQUITY					
Deposits from customers	19	4,101,304	4,326,059	4,101,304	4,326,059
Deposits and placements of banks and other financial institutions	20	240,262	601,992	240,262	601,992
Trade payables	21	387,890	982,032	387,890	360,641
Lease liabilities		14,492	6,574	14,492	3,139
Derivative financial liabilities		167,246	71,897	167,246	71,897
Amount due to related companies		-	287	-	-
Amount due to holding company		-	200	-	-
Other liabilities	22	323,152	723,601	321,957	393,731
Provision for taxation		1	1	-	-
TOTAL LIABILITIES		5,234,347	6,712,643	5,233,151	5,757,459
Share capital		999,800	999,800	999,800	999,800
Reserves	23	1,672,930	359,676	1,672,818	409,169
		2,672,730	1,359,476	2,672,618	1,408,969
Non-controlling interest		-	44,685	-	-
TOTAL EQUITY		2,672,730	1,404,161	2,672,618	1,408,969
TOTAL LIABILITIES AND EQUITY		7,907,077	8,116,804	7,905,769	7,166,428
COMMITMENTS AND CONTINGENCIES	33	12,195,277	16,011,485	12,195,277	15,964,167
CAPITAL ADEQUACY					
Basel III					
Before deducting proposed dividend:					
Common Equity Tier ("CET 1") capital ratio	32	77.125%	31.426%	97.709%	45.802%
Tier 1 capital ratio	32	77.125%	32.508%	97.709%	45.802%
Total capital ratio	32	77.801%	33.028%	98.565%	46.578%
After deducting proposed dividend:					
CET 1 capital ratio	32	33.344%	31.426%	42.251%	45.802%
Tier 1 capital ratio	32	33.344%	32.508%	42.251%	45.802%
Total capital ratio	32	34.021%	33.028%	43.107%	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 September 2022

The Group	Note	Individual Quarter		Cumulative Quarter	
		Current Financial Period 30-09-2022 RM'000	Preceding Year Corresponding Period 30-09-2021 RM'000	Current Financial Period-to-date 30-09-2022 RM'000	Preceding Year Corresponding Period-to-date 30-09-2021 RM'000
Interest income	24	60,798	47,818	161,605	140,108
Interest expense	25	(35,253)	(29,560)	(96,188)	(92,724)
Net interest income		25,545	18,258	65,417	47,384
Net fee and commission income	26	16,788	30,311	64,970	101,943
Net gains and losses on financial instruments	27	11,654	25,603	35,747	87,589
Other operating income	28	2,732	2,617	6,708	10,207
Net income		56,719	76,789	172,842	247,123
Other operating expenses	29	(43,082)	(39,471)	(126,518)	(131,243)
Operating profit before allowances		13,637	37,318	46,324	115,880
Allowances for credit impairment losses on financial assets	30	3,558	(13,292)	1,629	(34,996)
Impairment losses on non-financial assets	31	(7,068)	-	(7,068)	-
Profit before zakat and taxation		10,127	24,026	40,885	80,884
Zakat		17	(296)	(150)	(1,862)
Profit before taxation		10,144	23,730	40,735	79,022
Taxation		(8,297)	(6,144)	(18,237)	(20,708)
Profit/(loss) from continuing operations		1,847	17,586	22,498	58,314
Profit from discontinued operation	8	1,247,472	26,481	1,303,118	104,787
Net profit after zakat and taxation		1,249,319	44,067	1,325,616	163,101
Attributable to:					
- Equity holder of the Bank		1,245,046	34,416	1,300,652	125,263
- Non-controlling interests		4,273	9,651	24,964	37,838
		1,249,319	44,067	1,325,616	163,101
Basic/fully diluted earnings per share (sen) attributable to equity holder of the Bank					
- Continuing operations		0.24	2.25	2.88	7.48
- Discontinued operation		159.38	2.16	163.87	8.58
		159.62	4.41	166.75	16.06

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

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

The Group	Individual Quarter		Cumulative Quarter	
	Current Financial Period 30-09-2022 RM'000	Preceding Year Corresponding Period 30-09-2021 RM'000	Current Financial Period-to-date 30-09-2022 RM'000	Preceding Year Corresponding Period-to-date 30-09-2021 RM'000
Net profit after zakat and taxation	1,249,319	44,067	1,325,616	163,101
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)	(4,550)	(28,995)	(95,557)	(108,753)
Net credit impairment losses change in financial investments at FVOCI (debt instruments)	(81)	4,029	162	1,082
Net gains on financial investments at FVOCI reclassified to profit or loss on disposal (debt instruments)	-	(4,752)	(2,380)	(31,406)
Deferred tax on financial investments at FVOCI	1,079	8,099	23,492	33,638
Net changes in foreign exchange	(39)	-	(39)	-
<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)	541	1,378	2,418	1,378
Other comprehensive income for the financial period, net of tax	(3,050)	(20,241)	(71,904)	(104,061)
Total comprehensive income for the financial period	1,246,269	23,826	1,253,712	59,040
Attributable to:				
- Equity holder of the Bank	1,241,996	14,175	1,228,748	21,202
- Non-controlling interests	4,273	9,651	24,964	37,838
	1,246,269	23,826	1,253,712	59,040
Total comprehensive income attributable to equity holder of the bank from:				
- Continuing operations	(1,203)	(2,655)	(49,406)	(45,747)
- Discontinued operation	1,243,199	16,830	1,278,154	66,949
	1,241,996	14,175	1,228,748	21,202

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 September 2022

The Bank	Note	Individual Quarter		Cumulative Quarter	
		Current Financial Period 30-09-2022 RM'000	Preceding Year Corresponding Period 30-09-2021 RM'000	Current Financial Period-to-date 30-09-2022 RM'000	Preceding Year Corresponding Period-to-date 30-09-2021 RM'000
Interest income	24	60,793	47,814	161,589	140,093
Interest expense	25	(35,253)	(29,560)	(96,188)	(92,724)
Net interest income		25,540	18,254	65,401	47,369
Net fee and commission income	26	16,514	29,961	63,823	100,871
Net gains and losses on financial instruments	27	11,647	25,596	35,731	87,572
Other operating income	28	1,304,300	51,835	1,339,994	122,928
Net income		1,358,001	125,646	1,504,949	358,740
Other operating expenses	29	(59,354)	(39,062)	(141,673)	(129,849)
Operating profit before allowances		1,298,647	86,584	1,363,276	228,891
Allowances for credit impairment losses on financial assets	30	3,559	(13,294)	1,623	(34,996)
Impairment losses on non-financial assets	31	(11,544)	-	(11,544)	-
Profit before zakat and taxation		1,290,662	73,290	1,353,355	193,895
Zakat		17	(296)	(150)	(1,862)
Profit before taxation		1,290,679	72,994	1,353,205	192,033
Taxation		(7,784)	(6,142)	(17,746)	(20,074)
Net profit after zakat and taxation		1,282,895	66,852	1,335,459	171,959
Attributable to:					
- Equity holder of the Bank		1,282,895	66,852	1,335,459	171,959
Earnings per share (sen):					
- basic/fully diluted		164.47	8.57	171.21	22.05

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 Comprehensive Income
for the financial period ended 30 September 2022

The Bank

	Individual Quarter		Cumulative Quarter	
	Current Financial Period 30-09-2022 RM'000	Preceding Year Corresponding Period 30-09-2021 RM'000	Current Financial Period-to-date 30-09-2022 RM'000	Preceding Year Corresponding Period-to-date 30-09-2021 RM'000
Net profit after zakat and taxation	1,282,895	66,852	1,335,459	171,959
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)	(4,495)	(28,995)	(95,502)	(108,753)
Net credit impairment losses change in financial investments at FVOCI (debt instruments)	(81)	4,029	162	1,082
Net gains on financial investments at FVOCI reclassified to profit or loss on disposal (debt instruments)	-	(4,752)	(2,380)	(31,406)
Deferred tax on financial investments at FVOCI	1,079	8,099	23,492	33,638
<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)	541	1,378	2,418	1,378
Other comprehensive income for the financial period, net of tax	(2,956)	(20,241)	(71,810)	(104,061)
Total comprehensive income for the financial period	1,279,939	46,611	1,263,649	67,898
Attributable to equity holder of the Bank	1,279,939	46,611	1,263,649	67,898

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 September 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	-	-	-	-	-	1,300,652	1,300,652	24,964	1,325,616
Other comprehensive income (net of tax)									
- Financial investments at FVOCI	-	-	-	-	(71,865)	-	(71,865)	-	(71,865)
- Foreign exchange translation reserve	-	-	(39)	-	-	-	(39)	-	(39)
Total comprehensive income	-	-	(39)	-	(71,865)	1,300,652	1,228,748	24,964	1,253,712
- Net gain on disposal of financial investments designated at FVOCI (equity instruments)	-	-	-	-	(3,175)	3,175	-	-	-
Transfer to regulatory reserves	-	2,571	-	-	-	(2,571)	-	-	-
Lapse of the obligation to buy a subsidiary's shares from non-controlling interest	-	-	-	79,337	-	5,169	84,506	49,629	134,135
Disposal of a subsidiary	-	-	-	9,400	-	(9,400)	-	(82,279)	(82,279)
Dividends paid	-	-	-	-	-	-	-	(36,999)	(36,999)
At 30 September 2022	999,800	15,465	-	-	(125,967)	1,783,432	2,672,730	-	2,672,730

<----- 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	-	-	-	-	-	125,263	125,263	37,838	163,101
Other comprehensive income (net of tax)									
- Financial investments at FVOCI	-	-	-	-	(104,061)	-	(104,061)	-	(104,061)
Total comprehensive income	-	-	-	-	(104,061)	125,263	21,202	37,838	59,040
Transfer from regulatory reserves	-	289	-	-	-	(289)	-	-	-
Dividends paid	-	-	-	-	-	(135,000)	(135,000)	(65,776)	(200,776)
At 30 September 2021	999,800	11,261	(205)	(65,909)	(27,070)	559,492	1,477,369	42,647	1,520,016

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 September 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 September 2022

	<----- Non-distributable ----->	<- Distributable ->			
	Share Capital RM'000	Regulatory reserves RM'000	FVOCI revaluation reserves RM'000	Retained profits RM'000	Total equity RM'000
	999,800	12,894	(50,982)	447,257	1,408,969
	-	-	-	1,335,459	1,335,459
	-	-	(71,810)	-	(71,810)
	-	-	(71,810)	1,335,459	1,263,649
	-	-	(3,175)	3,175	-
	-	2,571	-	(2,571)	-
	999,800	15,465	(125,967)	1,783,320	2,672,618

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 September 2021

	<----- Non-distributable ----->	<- Distributable ->			
	Share Capital RM'000	Regulatory reserves RM'000	FVOCI revaluation reserves RM'000	Retained profits RM'000	Total equity RM'000
	999,800	10,972	76,936	510,908	1,598,616
	-	-	-	171,959	171,959
	-	-	(104,061)	-	(104,061)
	-	-	(104,061)	171,959	67,898
	-	289	-	(289)	-
	-	-	-	(135,000)	(135,000)
	999,800	11,261	(27,125)	547,578	1,531,514

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 Condensed Statements of Cash Flows
for the financial period ended 30 September 2022

	Note	The Group		The Bank	
		30-09-2022 RM'000	30-09-2021 RM'000	30-09-2022 RM'000	30-09-2021 RM'000
Cash flow from operating activities					
Profit before taxation from:					
- Continuing operation		40,735	79,022	1,353,205	192,033
- Discontinued operation	8	1,319,262	129,905	-	-
Profit before taxation including discontinued operation		1,359,997	208,927	1,353,205	192,033
Adjustments for non-operating and not involving the movement of cash and cash equivalents		(1,321,078)	(92,548)	(1,426,173)	(216,382)
<i>Operating profit/(loss) before changes in working capital</i>		38,919	116,379	(72,968)	(24,349)
Net changes in operating assets		(398,694)	304,255	(431,128)	190,293
Net changes in operating liabilities		(885,859)	246,519	(525,664)	157,953
Net cash (used in)/generated from operating activities		(1,245,634)	667,153	(1,029,760)	323,897
Tax paid		(33,565)	(44,986)	(16,156)	(24,024)
Zakat paid		(5,247)	(2,600)	(4,666)	(1,938)
Net cash (used in)/generated from operating activities		(1,284,446)	619,567	(1,050,582)	297,935
Cash flow from investing activities					
Interest received from financial investments		108,567	99,711	108,567	99,711
Purchase of financial investments		(1,094,965)	(2,280,023)	(1,061,328)	(2,233,830)
Redemption/disposal of financial investments		450,141	2,440,216	409,497	2,405,991
Dividend income received from:					
- financial investments		1,203	4,344	998	3,878
- subsidiary		-	-	63,000	112,000
Proceeds from disposal of property and equipment		2,561	204	408	3
Purchase of property and equipment		(1,924)	(3,473)	(1,424)	(2,101)
Purchase of intangible assets		(973)	(1,115)	(695)	(265)
Purchase of ROU - assets		(1,700)	-	(1,700)	-
Lapse of the obligation to buy a subsidiary's shares from non-controlling interest		5,169	-	-	-
Proceeds from disposal of a subsidiary	8	-	-	1,354,514	-
Net cash inflow from disposal of a subsidiary	8	946,380	-	-	-
Net cash generated from investing activities		414,459	259,864	871,837	385,387
Cash flow from financing activities					
Lease payments		(5,530)	(7,636)	(3,241)	(4,324)
Dividend paid to non-controlling interest		(36,999)	(65,776)	-	-
Dividend paid to holding company		-	(135,000)	-	(135,000)
Net cash used in financing activities		(42,529)	(208,412)	(3,241)	(139,324)
Net decrease in cash and cash equivalents		(912,516)	671,019	(181,986)	543,998
Cash and cash equivalents at beginning of the financial period		1,871,834	792,386	1,139,251	335,330
Cash and cash equivalents at end of the financial period		959,318	1,463,405	957,265	879,328
Analysis of cash and cash equivalents					
Cash and short term funds		1,024,392	1,531,603	1,022,339	947,526
Amount held on behalf of commissioned dealer's representatives		(65,074)	(68,198)	(65,074)	(68,198)
Cash and cash equivalents at end of the financial period		959,318	1,463,405	957,265	879,328
Cash flows from discontinued operation	8	(339,766)	124,929	-	-

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 September 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 discontinued operation in accordance with MFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". As such, post-tax profit contribution from AHAM of RM66.7 million for the seven months period ended 31 July 2022 ("7M2022") and its post-tax profit contribution for the nine months period ended 30 September 2021 ("9M2021") of RM103.5 million were disclosed as "profit from discontinued operation" in the Income Statements. Refer to Note (8) for further explanation on the discontinued operation.

The Group recorded a profit before zakat and taxation ("PBZT") of RM40.9 million for the 9 months period ended 30 September 2022 ("9M2022"), 49% lower as compared to the previous corresponding financial period of RM80.9 million.

Analysis of the Group's 9M2022 financial performance is as follows:

- Net interest income of RM65.4 million in 9M2022 was 38% higher than the previous corresponding period of RM47.4 million primarily due to higher interest earning assets in the current period under review.
- Net fee and commission income of RM65.0 million in 9M2022 was 36% lower than the previous corresponding period of RM101.9 million. The decrease was primarily due to the lower net brokerage income and lower placement fees earned in the current period.
- Net gains and losses on financial instruments decreased by 59% or RM51.8 million to RM35.7 million in the current period, from RM87.6 million in the previous corresponding period. This was mainly due to lower gains on disposal of financial investments at FVOCI of RM2.4 million (9M2021: RM32.9 million), and lower net trading gains from financial assets at FVTPL of RM32.4 million (9M2021: RM53.6 million).
- Other operating income registered a decrease from RM10.2 million in the previous corresponding period to RM6.7 million in the current period mainly due to lower net foreign exchange gains.
- Operating expenses for the period under review were lower at RM126.5 million compared to RM131.3 million incurred in the previous corresponding period mainly due to lower personnel costs and marketing costs.
- Net write back on credit impairment losses of RM2.0 million compared to net expected credit losses made of RM26.3 million in the previous corresponding period was mainly due to lower ECL made on loans and advances of RM1.1 million (9M2021: RM20.5 million) and financial investments of RM0.5 million (9M2021: RM15.5 million).

2. Prospect for the current financial year

The Group remains positive on the domestic outlook for the second half of 2022 ("2H2022"), in view of the sustained recovery in employment and income, improvement in household spending as well as reopening of international borders (from 1st April 2022). The Group expects the positive spill-over effects from the transition to endemicity and fiscal measures to further support the economy from the Covid-19 pandemic effects.

Nevertheless, the Group is cautious on the economic outlook for 2023. On the external front, the growth momentum in the global economy is expected to moderate, and the Group believes global GDP growth projection will be slower for 2023, which will trend below the long-term average global GDP of 3.4% (1980 to 2020). IMF has recently downgraded global GDP by 0.2ppts for 2023 at 2.7%, while maintaining 2022's global GDP at 3.2%. The balance of risks is tilted firmly to the downside as the projected downgrade in global growth will be associated with the impact of Russia's invasion of Ukraine, persisting inflationary pressures, policy mistakes such as under- or overtightening monetary policy, widespread debt distress in vulnerable emerging markets, as well as weakening of China's economy. In view of external uncertainties, 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 the future decision of monetary policy direction will be data-dependent, where the mandate will be focused on improvement in domestic economic activity, but this hinges on domestic policy measures on the possible introduction of a targeted fuel subsidy on inflationary pressure. However, BNM guided that any future rate hikes will be done in a measured and gradual manner, possibly to evaluate the flexibility for further adjustment of monetary accommodation. In terms of economic growth, the Group is projecting Malaysia's real GDP growth to expand by 6.0% in 2022 (an upward revision from the Group's earlier estimate of 5.2%) before moderating to 4.7% in 2023, where the balance of risks remains tilted to the downside.

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.

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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

Except for the divestment of AHAM which has been disclosed in Note 8, 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 unaudited condensed interim financial statements for the period ended 30 June 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 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.

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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 unaudited condensed interim financial statements for the period ended 30 June 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.

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.

During the current quarter

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, with the Closing Date at 29 July 2022 as agreed by the parties to the SPA.

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.

On 29 July 2022, AHIB received its share of the Provisional Purchase Price of RM1,354.5 million from the Purchaser. Consequently, on 20 July 2022, AHAM ceased to be a subsidiary of AHIB and was deconsolidated from AHIB Group's financial statements. In accordance with the terms and conditions set out in the SPA, the Provisional Purchase Price is subject to a post-closing adjustment to arrive at the Final Purchase Price. The post-closing adjustments is determined based on the adjusted shareholders' equity differential of AHAM Group between the Closing Date and 31 December 2021.

A statement showing the shareholders' equity differential should be prepared by the Purchaser (together with AHAM) and issued to the Vendors in the form prescribed under the SPA within 60 days after the Closing Date. As the said statement has yet to be issued at the date of this Interim Report, the Group and the Bank have recognised an amount receivable from Starlight Asset at an estimated fair value of RM36.7 million, in accordance with the provisions of MFRS 9 'Financial Instruments'.

On 26 September 2022, the Purchaser and AHAM reverted on the draft Adjusted Shareholders' Statement. As the Closing Date Adjusted Shareholders' Equity is higher than the 31 December 2021's Adjusted Shareholders' Equity, contingent consideration due to the disposal of AHAM is estimated to be at RM36.7 million, subject to the agreement between AHIB and the Purchaser. This contingent consideration has been recognised in the unaudited condensed interim financial statements for the financial period ended 30 September 2022.

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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)

Following the completion of the Proposed Divestment, AHAM has ceased to be a subsidiary of the Group, the Bank has recorded a gain on disposal of RM1.27 billion in Note 26 of the unaudited condensed interim financial statements. The Group has accounted for the Proposed Divestment as a discontinued operation in accordance with MFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". Financial information relating to the discontinued operation is as follows: (continued)

	The Group 30-09-2022 RM'000
<u>Cash flows and net assets of AHAM on completion date</u>	
Cash and short-term funds	391,530
Financial assets at fair value through profit or loss ("FVTPL")	117,467
Trade receivables	123,015
Derivative financial assets	264
Other assets	9,535
Amount due from related companies	2,606
Amount due from ultimate holding company	129
Tax recoverable	10,765
Deferred tax assets	14,621
Property and equipment	6,686
Intangible assets	11,552
Right-of-use ("ROU") assets	2,030
Trade payables	(324,088)
Lease liabilities	(2,158)
Amount due to related companies	(275)
Amount due to holding company	(75)
Other liabilities	(138,913)
Non-controlling interest	(82,279)
Total net assets derecognised	142,412
Less: Goodwill	(3,461)
Realisation of foreign exchange reserve and FVOCI reserve	(94)
Gain on disposal of a subsidiary	<u>1,252,380</u>
Sales consideration	1,391,237
Less: Amount receivable from Starlight Asset	(36,723)
Sales consideration received in cash	1,354,514
Less: Professional and legal fees for the divestment of a subsidiary (Note 27)	(16,604)
Less: Cash and short-term funds of the subsidiary disposed	(391,530)
Cash inflow on disposal of a subsidiary	<u>946,380</u>

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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)

Following the completion of the Proposed Divestment, AHAM has ceased to be a subsidiary of the Group, the Bank has recorded a gain on disposal of RM1.27 billion in Note 28 of the unaudited condensed interim financial statements. The Group has accounted for the Proposed Divestment as a discontinued operation in accordance with MFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". Financial information relating to the discontinued operation is as follows: (continued)

The Group

	Cumulative Quarter	
	Current Financial Period-to-date 30-09-2022 RM'000	Preceding Year Corresponding Period-to-date 30-09-2021 RM'000

Unaudited Income Statements

Interest income	1,627	1,702
Interest expense	(760)	(5,219)
Net interest income	867	(3,517)
Fee and commission income	267,821	572,922
Fee and commission expense	(79,925)	(282,254)
Net fee and commission income	187,896	290,668
Net gains and losses on financial instruments	(8,418)	349
Other operating income	4,213	3,080
Net income	184,558	290,580
Other operating expenses	(100,691)	(159,938)
Operating profit before allowances	83,867	130,642
Allowances for credit impairment losses	(37)	(133)
Profit before zakat and taxation	83,830	130,509
Zakat	(344)	(508)
Profit before taxation	83,486	130,001
Taxation	(16,144)	(25,118)
Gain on disposal of a subsidiary	1,252,380	-
Professional and legal fees for the divestment of a subsidiary (Note 27)	(16,604)	(96)
Profit from discontinued operation	1,303,118	104,787
	The Group	
	30-09-2022	30-09-2021
	RM'000	RM'000
Net cash (used in)/generated from operating activities	(245,340)	318,191
Net cash generated from investing activities	8,112	(12,172)
Net cash used in financing activities	(102,538)	(181,090)
Net (decrease)/increase in cash generated by the discontinued operation	(339,766)	124,929

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 September 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, except for the Divestment of AHAM highlighted in Note 8 of the unaudited condensed interim financial statements. Following the completion of the Proposed Divestment, AHAM has ceased to be a subsidiary of the Group.

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11. Dividends

On 18 August 2022, the Directors have approved the declaration and payment of a single-tier special dividend of 164.128 sen per share amounting to RM1,280,200,000 in respect of the financial year ending 31 December 2022, subject to BNM's approval.

12. Significant event subsequent to the financial period

There is no significant event subsequent to the financial period.

13. Securities portfolio

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

	The Group		The Bank	
	30-09-2022 RM'000	31-12-2021 RM'000	30-09-2022 RM'000	31-12-2021 RM'000
At fair value				
Money market instruments				
Malaysian government securities	10,340	-	10,340	-
Malaysian government islamic investment issues	30,115	-	30,115	-
	<u>40,455</u>	<u>-</u>	<u>40,455</u>	<u>-</u>
Quoted securities				
Unit trusts in Malaysia	35,237	118,501	34,040	65,626
Shares and warrants in Malaysia	18,879	30,862	18,879	29,297
Shares and warrants outside Malaysia	340	79,553	340	983
	<u>54,456</u>	<u>228,916</u>	<u>53,259</u>	<u>95,906</u>
Unquoted securities				
Corporate bonds and/or Sukuk in Malaysia	2	1,008	2	-
	<u>2</u>	<u>1,008</u>	<u>2</u>	<u>-</u>
	<u>94,913</u>	<u>229,924</u>	<u>93,716</u>	<u>95,906</u>

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

	The Group and the Bank	
	30-09-2022 RM'000	31-12-2021 RM'000
At fair value		
Money market instruments		
Malaysian government islamic investment issues	1,078,198	1,137,984
Malaysian government securities	785,797	768,784
Cagamas bonds	124,130	90,757
Khazanah bonds	9,723	9,625
	<u>1,997,848</u>	<u>2,007,150</u>
Unquoted securities		
Corporate bonds and/or Sukuk in Malaysia	1,574,266	1,618,659
Corporate bonds and/or Sukuk outside Malaysia	29,049	26,958
Shares in Malaysia [^]	23,915	26,697
	<u>3,625,078</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	
	30-09-2022 RM'000	31-12-2021 RM'000
Shares in Malaysia:		
Cagamas Berhad	22,662	22,191
Malaysian Rating Corporation Berhad	1,253	1,184
RAM Holdings Berhad	-	3,322
	<u>23,915</u>	<u>26,697</u>

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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 30-09-2022	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	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)	(12)	-	-	(12)
New originated or purchased	204	-	-	204
Changes due to change in credit risk	(30)	-	-	(30)
At end of the financial period	414	19,107	-	19,521

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	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 and the 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.

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**Notes to the unaudited condensed interim financial statements
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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 30-09-2022	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)	(347,632)	-	-	(347,632)
New originated or purchased	411,930	-	-	411,930
Changes due to interest accruals	(18,251)	(1,114)	-	(19,365)
Changes due to fair value	(97,066)	(817)	-	(97,883)
Other adjustments:				
- Foreign exchange and other adjustments	-	1,346	-	1,346
At end of the financial period	3,473,160	128,003	-	3,601,163

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 and the 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.

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13. Securities portfolio (continued)

(iii) Financial investments at amortised cost

	The Group and the Bank	
	30-09-2022	31-12-2021
	RM'000	RM'000
At fair value		
Money market instruments		
Malaysian government islamic investment issues	89,654	-
Malaysian government securities	67,284	-
	<u>156,938</u>	<u>-</u>
Unquoted securities		
Corporate bonds and/or Sukuk in Malaysia	496,795	40,484
Corporate bonds and/or Sukuk outside Malaysia	15,118	-
Redeemable secured loan stocks	15,000	15,000
	<u>683,851</u>	<u>55,484</u>
Expected credit losses	(15,366)	(15,032)
	<u>668,485</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	Lifetime ECL	Lifetime ECL	Total
	ECL	not Credit	Credit	
30-09-2022	Stage 1	Impaired	Impaired	RM'000
	RM'000	Stage 2	Stage 3	
	RM'000	RM'000	RM'000	RM'000
At beginning of the financial period	32	-	15,000	15,032
Derecognised during the financial period (other than write-offs)	(2)	-	-	(2)
New originated or purchased	379	-	-	379
Changes due to change in credit risk	(43)	-	-	(43)
At end of the financial period	<u>366</u>	<u>-</u>	<u>15,000</u>	<u>15,366</u>
		Lifetime ECL	Lifetime ECL	
	12-month	not Credit	Credit	
	ECL	Impaired	Impaired	
The Group and the Bank	Stage 1	Stage 2	Stage 3	Total
31-12-2021	RM'000	RM'000	RM'000	RM'000
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	Lifetime ECL	Lifetime ECL	Total
	ECL	not Credit	Credit	
30-09-2022	Stage 1	Impaired	Impaired	RM'000
	RM'000	Stage 2	Stage 3	
	RM'000	RM'000	RM'000	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	649,398	-	-	649,398
Changes due to interest accruals	3,905	-	-	3,905
Other adjustments:				
- Foreign exchange and other adjustments	64	-	-	64
At end of the financial period	<u>668,851</u>	<u>-</u>	<u>15,000</u>	<u>683,851</u>
		Lifetime ECL	Lifetime ECL	
	12-month	not Credit	Credit	
	ECL	Impaired	Impaired	
The Group and the Bank	Stage 1	Stage 2	Stage 3	Total
31-12-2021	RM'000	RM'000	RM'000	RM'000
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>

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14. Loans and advances

	The Group and the Bank	
	30-09-2022	31-12-2021
	RM'000	RM'000
(i) By Type of Loans		
Term loans:		
- Syndicated term loans	103,000	102,552
- Other term loans	104,595	122,620
Share margin financing	1,052,489	782,767
Revolving credits	123,635	122,679
Staff loans	3,491	3,892
Gross loans and advances	1,387,210	1,134,510
Less : expected credit losses	(57,209)	(56,101)
Total net loans and advances	1,330,001	1,078,409
(ii) By Type of Customers		
Domestic business enterprises:		
- Small medium enterprises	9,016	11,805
- Others	372,703	387,583
Domestic non-bank financial institutions	268,726	233,148
Individuals	736,270	499,770
Foreign individuals	495	2,204
Total gross loans and advances	1,387,210	1,134,510
(iii) By Interest Rate Sensitivity		
Fixed rate		
- Other fixed rate loans	36,545	36,545
- Housing loans	1,974	2,364
- Hire purchase receivables	1,517	1,528
Variable rate		
- Cost-plus	1,314,002	1,064,226
- Other floating rate	33,172	29,847
Total gross loans and advances	1,387,210	1,134,510
(iv) By Economic Purpose		
Purchase of securities	1,134,407	885,939
Purchase of landed properties of which		
- Residential	1,974	2,364
- Non-residential	34,409	42,231
Working capital	70,972	80,250
Construction	38,316	40,425
Purchase of transport vehicles	36,745	33,443
Merger and acquisition	21,525	-
Others	48,862	49,858
Total gross loans and advances	1,387,210	1,134,510

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14. Loans and advances (continued)

	The Group and the Bank	
	30-09-2022	31-12-2021
	RM'000	RM'000
(v) By Economic Sectors		
Household	736,766	501,974
Finance, insurance and business services	275,047	237,259
Real estate	121,511	133,736
Construction	92,970	91,666
Transport, storage and communication	84,934	84,001
Agriculture	29,047	35,067
Manufacturing	26,065	29,541
Wholesale, retail trade, restaurants & hotels	10,933	11,326
Education, health and others	7,804	7,801
Mining and quarrying	2,126	2,139
Electricity, gas and water supply	7	-
Total gross loans and advances	1,387,210	1,134,510
(vi) By Geographical Distribution		
Wilayah Persekutuan	901,050	631,334
Selangor	270,132	260,506
Johor	70,121	59,284
Sarawak	45,822	59,196
Terengganu	34,930	35,158
Sabah	30,821	35,546
Pulau Pinang	22,565	41,331
Kedah	5,005	4,192
Perak	4,408	4,600
Negeri Sembilan	2,356	3,363
Total gross loans and advances	1,387,210	1,134,510
(vii) By Maturity Structure		
Maturing within one year	1,189,791	895,159
One year to three years	43,820	47,579
Three years to five years	63,728	66,103
Over five years	89,871	125,669
Total gross loans and advances	1,387,210	1,134,510

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14. Loans and advances (continued)

	The Group and the Bank	
	30-09-2022	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>(10,216)</u>	<u>(6,764)</u>
At end of the financial period	<u>72,312</u>	<u>82,528</u>
Gross impaired loans as a percentage of gross loans and advances	<u>5.21%</u>	<u>7.27%</u>
(ix) Impaired loans and advances analysed by economic sector		
Construction	36,545	36,545
Real estate	27,797	32,076
Manufacturing	5,844	6,669
Mining and quarrying	2,126	2,139
Transport, storage and communication	-	5,099
Total impaired loans and advances	<u>72,312</u>	<u>82,528</u>
(x) Impaired loans and advances analysed by economic purpose		
Working capital	42,389	48,314
Purchase of securities	21,797	26,075
Purchase of transport vehicles	2,126	2,139
Others	6,000	6,000
Total impaired loans and advances	<u>72,312</u>	<u>82,528</u>
(xi) Impaired loans and advances by geographical distribution		
Sarawak	36,545	36,545
Selangor	33,641	43,844
Wilayah Persekutuan	2,126	2,139
Total impaired loans and advances	<u>72,312</u>	<u>82,528</u>

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14. Loans and advances (continued)

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

The Group and the Bank 30-09-2022	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	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)	(21)	-	(5,046)	(5,067)
New loans originated or purchased	87	-	-	87
Changes due to change in credit risk	(98)	4,456	1,729	6,087
Changes in model/risk parameters	-	-	-	-
Write-offs	-	-	-	-
Other adjustments:				
- Foreign exchange and other adjustments	1	-	-	1
At end of the financial period	1,014	26,760	29,435	57,209

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
At end of the financial year	1,045	22,304	32,752	56,101

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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	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
30-09-2022				
At beginning of the 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)	(917)	917	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	-	-	-	-
Total transfer between stages	(917)	917	-	-
Loans derecognised during the financial period (other than write-offs)	(102,344)	-	(4,470)	(106,814)
New loans originated or purchased	614,581	781	-	615,362
Changes due to change in credit risk	(253,884)	(3,354)	(5,746)	(262,984)
Other adjustments:				
- Foreign exchange and other adjustments	3,856	3,280	-	7,136
At end of the financial period	1,251,562	63,336	72,312	1,387,210
The Group and the Bank				
31-12-2021				
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)
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

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15. Trade receivables

	The Group		The Bank	
	30-09-2022 RM'000	31-12-2021 RM'000	30-09-2022 RM'000	31-12-2021 RM'000
Amount in respect of asset management related fees receivables	-	155,703	-	-
Amount due from clients:				
- performing accounts	213,247	324,833	213,247	324,833
- impaired accounts (a)	354	942	354	942
Amount due from brokers	181,253	46,088	181,253	46,088
Amount due from Bursa Securities Clearing Sdn. Bhd.	-	-	-	-
	394,854	527,566	394,854	371,863
Less: expected credit losses	(484)	(1,533)	(484)	(1,300)
	394,370	526,033	394,370	370,563

(a) Movement of impaired amount due from clients

	The Group and the Bank	
	30-09-2022 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	984	3,126
Amount recovered	(1,572)	(3,571)
At end of the financial period/year	354	942

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

The Group 30-09-2022	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	1,778	979	2,757
Amount written back	(2,095)	(1,478)	(3,573)
Due to disposal of AHAM	(233)	-	(233)
At end of financial period	135	349	484

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	685	848	1,533

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15. Trade receivables (continued)

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

The Bank 30-09-2022	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	1,778	979	2,757
Amount written back	(2,095)	(1,478)	(3,573)
At end of financial period	<u>135</u>	<u>349</u>	<u>484</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	
	30-09-2022 RM'000	31-12-2021 RM'000	30-09-2022 RM'000	31-12-2021 RM'000
Other debtors, deposits and prepayments	96,817	46,364	96,610	37,646
Amount receivable from Starlight Asset *	36,723	-	36,723	-
Securities lending	17,730	22,537	17,730	22,537
Clearing guarantee fund	1,670	1,924	1,670	1,924
Clearing fund	2,550	2,532	2,550	2,532
Transferable membership	250	350	250	250
	<u>155,740</u>	<u>73,707</u>	<u>155,533</u>	<u>64,889</u>
Less : expected credit losses ("ECL")	(4,052)	(4,039)	(4,049)	(4,030)
	<u>151,688</u>	<u>69,668</u>	<u>151,484</u>	<u>60,859</u>

Movement in credit impaired accounts

	The Group		The Bank	
	30-09-2022 RM'000	31-12-2021 RM'000	30-09-2022 RM'000	31-12-2021 RM'000
At beginning of the financial period/year	4,107	4,575	4,100	4,575
Additional during the period	1,591	2,825	1,537	2,818
Amount recovered	(1,628)	(3,293)	(1,568)	(3,293)
At end of the financial period/year	<u>4,070</u>	<u>4,107</u>	<u>4,069</u>	<u>4,100</u>

* This represents the fair value of the amount receivable from Starlight Asset in respect of the divestment of the Bank's entire 63% equity interest in AHAM as disclosed in Note 8.

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16. Other assets (continued)

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

The Group 30-09-2022	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	63	1,579	1,642
Amount written back	(56)	(1,573)	(1,629)
At end of the financial period	<u>16</u>	<u>4,036</u>	<u>4,052</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 30-09-2022	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	53	1,524	1,577
Amount written back	(45)	(1,513)	(1,558)
At end of the financial period	<u>15</u>	<u>4,034</u>	<u>4,049</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>

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17. Investment in subsidiaries

	The Bank	
	30-09-2022	31-12-2021
	RM'000	RM'000
Unquoted shares at cost at beginning of the financial year	126,521	126,521
Disposal of AHAM (a)	(121,211)	-
Accumulated impairment losses (b)	(3,516)	-
Unquoted shares at cost at end of the financial year	1,794	126,521

- (a) As set out in Note 8, Affin Hwang Asset Management Berhad was disposed of on 29 July 2022.
- (b) During the financial period, impairment losses of RM3.5 million (31.12.2021: Nil) were recognised for investments in Affin Hwang Nominees (Asing) Sdn. Bhd., Affin Hwang Nominees (Tempatan) Sdn. Bhd., AHC Global Sdn. Bhd. and AHC Associates Sdn. Bhd. as the recoverable amount of the investment was less than the carrying value.

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

	Percentage of equity held	
	30-09-2022	31-12-2021
	%	%
Held by the Bank -		
Affin Hwang Investment Bank Berhad	20	20
Held by subsidiaries of AHIB -		
Affin Hwang Nominees (Asing) Sdn. Bhd.	20	20
Affin Hwang Nominees (Tempatan) Sdn. Bhd.	20	20
AHC Global Sdn. Bhd.	20	20
AHC Associates Sdn. Bhd.	20	20

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

18. Investment in associates

	The Group		The Bank	
	30-09-2022	31-12-2021	30-09-2022	31-12-2021
	RM'000	RM'000	RM'000	RM'000
Cost at beginning of the financial year	-	4,108	1,332	1,332
Net redemption investments in funds	-	(4,108)	-	-
Accumulated impairment losses (a)	-	-	(960)	-
Cost at end of the financial year	-	-	372	1,332

- (a) During the financial period, an impairment losses of RM0.96 million (31.12.2021: Nil) was recognised for investment in Affin Hwang Trustee Berhad.
- (b) Information about associates:

The Group	Name	Principal Activities	Issued and paid up share capital	Percentage of equity held	
				30-09-2022	31-12-2021
			RM'000	%	%
Direct associate of AHAM:					
TradePlus S&P New China Tracker *	Investment in equity instruments		-	0%	6%
The Bank	Name	Principal Activities	Issued and paid up share capital	Percentage of equity held	
			RM'000	30-09-2022	31-12-2021
				%	%
Affin Hwang Trustee Berhad ("AHTB") **	Provision of trustee services		6,500	20%	20%

* The fund has been derecognised as AHAM's associate in the financial year ended 31 December 2021.

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

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19. Deposits from customers

	The Group and the Bank	
	30-09-2022	31-12-2021
	RM'000	RM'000
(i) By Type of Deposits		
Fixed deposits	3,247,797	3,476,620
Negotiable instruments of deposits	755,817	754,595
Other deposits	97,690	94,844
	<u>4,101,304</u>	<u>4,326,059</u>
(ii) By Maturity Structure		
Due within six months	3,570,784	3,365,700
Six months to one year	316,624	205,764
One year to three years	213,896	754,595
	<u>4,101,304</u>	<u>4,326,059</u>
(iii) By Type of Customer		
Domestic non-banking financial institutions	2,021,666	2,342,749
Business enterprises	1,063,533	844,637
Domestic banking institutions	755,586	754,595
Government and statutory bodies	200,414	320,009
Individuals	38,294	37,159
Foreign entities	11,282	16,387
Other entities	10,529	10,523
	<u>4,101,304</u>	<u>4,326,059</u>

20. Deposits and placements of banks and other financial institutions

	The Group and the Bank	
	30-09-2022	31-12-2021
	RM'000	RM'000
Licensed banks	150,119	501,673
Licensed investment banks	90,143	100,319
	<u>240,262</u>	<u>601,992</u>

21. Trade payables

	The Group		The Bank	
	30-09-2022	31-12-2021	30-09-2022	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	95,109	119,404	95,109	119,106
Amount due to brokers	172,765	111,803	172,765	111,803
Amount due to Bursa Securities Clearing Sdn. Bhd.	120,016	129,732	120,016	129,732
Amount due to external funds managers	-	535	-	-
	<u>387,890</u>	<u>982,032</u>	<u>387,890</u>	<u>360,641</u>

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22. Other liabilities

	The Group		The Bank	
	30-09-2022 RM'000	31-12-2021 RM'000	30-09-2022 RM'000	31-12-2021 RM'000
Commissioned dealer's representative trust balances	65,074	68,653	65,074	68,653
Amounts payable to commissioned and salaried dealer's representatives	61,901	95,426	61,901	95,426
Accrued employee benefit	27,550	114,434	27,378	43,749
Securities borrowing	82,125	106,823	82,125	106,823
Other creditors and accruals	68,563	129,313	67,540	59,154
Puttable liabilities	-	189,026	-	-
	305,213	703,675	304,018	373,805
Add: expected credit losses - loans commitments and financial guarantees	17,939	19,926	17,939	19,926
	323,152	723,601	321,957	393,731

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

The Group and the Bank 30-09-2022	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	1	2,000	17,925
New loan commitments/financial guarantees issued	10	-	-	10
Changes due to change in credit risk	3	(2,000)	-	(1,997)
At end of the financial period	14	-	17,925	17,939

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	33	600	17,925
Changes due to change in credit risk	(32)	1,400	-	1,368
At end of the financial year	1	2,000	17,925	19,926

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23. Reserves

	The Group		The Bank	
	30-09-2022 RM'000	31-12-2021 RM'000	30-09-2022 RM'000	31-12-2021 RM'000
FVOCI revaluation reserves (a)	(125,967)	(50,927)	(125,967)	(50,982)
Regulatory reserves (b)	15,465	12,894	15,465	12,894
Other reserves (c)	-	(88,737)	-	-
Foreign exchange reserves	-	39	-	-
	<u>(110,502)</u>	<u>(126,731)</u>	<u>(110,502)</u>	<u>(38,088)</u>
Retained profits	<u>1,783,432</u>	<u>486,407</u>	<u>1,783,320</u>	<u>447,257</u>
	<u>1,672,930</u>	<u>359,676</u>	<u>1,672,818</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 represent the Group's obligations 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 Senior Management 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.

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.

Following the completion of the Proposed Divestment on 29 July 2022 whereby AHAM ceased to be a subsidiary of the Bank, the SCR provision was derecognised accordingly.

- (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.

Following the completion of the Proposed Divestment on 29 July 2022, AHAM has ceased to be a subsidiary of the Bank. This resulted in the derecognition of the option to buy AVA shares from non-controlling interest.

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24. Interest income

	The Group			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period Ended	Period Ended	Period-to-date	Period-to-date
	30-09-2022	30-09-2021	30-09-2022	30-09-2021
	RM'000	RM'000	RM'000	RM'000
Loans and advances	16,951	13,899	45,966	37,446
Money at call and deposit placements with financial institutions	9,517	4,445	20,282	16,975
Financial investments at FVOCI	27,602	27,612	82,325	77,832
Financial investments at amortised cost	5,922	594	10,062	1,762
Others	806	1,268	2,970	6,093
	60,798	47,818	161,605	140,108
of which:				
Interest income earned on impaired loans and advances	589	1,414	1,437	2,595

	The Bank			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period Ended	Period Ended	Period-to-date	Period-to-date
	30-09-2022	30-09-2021	30-09-2022	30-09-2021
	RM'000	RM'000	RM'000	RM'000
Loans and advances	16,951	13,899	45,966	37,446
Money at call and deposit placements with financial institutions	9,512	4,441	20,266	16,960
Financial investments at FVOCI	27,602	27,612	82,325	77,832
Financial investments at amortised cost	5,922	594	10,062	1,762
Others	806	1,268	2,970	6,093
	60,793	47,814	161,589	140,093
of which:				
Interest income earned on impaired loans and advances	589	1,414	1,437	2,595

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25. Interest expense

	The Group			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period Ended	Period Ended	Period-to-date	Period-to-date
	30-09-2022	30-09-2021	30-09-2022	30-09-2021
	RM'000	RM'000	RM'000	RM'000
Deposits from customers	30,669	27,213	84,563	87,235
Deposits and placements of banks and other financial institutions	4,029	2,220	10,661	5,029
Obligations on securities sold under repurchase agreements	48	-	149	-
Lease liabilities	146	57	203	213
Foreign currency borrowings	-	-	-	38
Others	361	70	612	209
	35,253	29,560	96,188	92,724

	The Bank			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period Ended	Period Ended	Period-to-date	Period-to-date
	30-09-2022	30-09-2021	30-09-2022	30-09-2021
	RM'000	RM'000	RM'000	RM'000
Deposits from customers	30,669	27,213	84,563	87,235
Deposits and placements of banks and other financial institutions	4,029	2,220	10,661	5,029
Obligations on securities sold under repurchase agreements	48	-	149	-
Lease liabilities	146	57	203	213
Foreign currency borrowings	-	-	-	38
Others	361	70	612	209
	35,253	29,560	96,188	92,724

26. Net fee and commission income

	The Group			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period Ended	Period Ended	Period-to-date	Period-to-date
	30-09-2022	30-09-2021	30-09-2022	30-09-2021
	RM'000	RM'000	RM'000	RM'000
Fee and commission income				
Net brokerage income	9,714	21,031	43,957	73,894
Loans related fees	2,502	2,223	7,457	6,044
Corporate advisory fees	1,991	1,123	4,697	4,019
Arrangement fees	526	320	2,781	849
Placement fees	335	2,235	577	5,406
Underwriting commissions	229	-	370	900
Others	1,491	3,379	5,131	10,831
	16,788	30,311	64,970	101,943

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26. Net fee and commission income (continued)

	The Bank			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period Ended	Period Ended	Period-to-date	Period-to-date
	30-09-2022	30-09-2021	30-09-2022	30-09-2021
	RM'000	RM'000	RM'000	RM'000
Fee and commission income				
Net brokerage income	9,714	21,031	43,957	73,894
Loans related fees	2,502	2,223	7,457	6,044
Corporate advisory fees	1,991	1,123	4,697	4,019
Arrangement fees	526	320	2,781	849
Placement fees	335	2,235	577	5,406
Underwriting commissions	229	-	370	900
Others	1,217	3,029	3,984	9,759
	16,514	29,961	63,823	100,871

27. Net gains and losses on financial instruments

	The Group			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period Ended	Period Ended	Period-to-date	Period-to-date
	30-09-2022	30-09-2021	30-09-2022	30-09-2021
	RM'000	RM'000	RM'000	RM'000
Gains/(losses) arising on financial assets at FVTPL				
- net gains on disposal	4,312	10,884	16,841	36,966
- unrealised gains/(losses)	1,835	3,123	17	(2,563)
- gross dividend income	541	1,090	1,549	3,939
- interest income	5,193	5,000	14,018	15,297
Gains/(losses) on derivative instruments				
- realised gains	63	193	41	205
- unrealised (losses)/gains	(789)	948	(1,865)	1,339
- interest income	4,365	5,519	14,372	16,799
- interest expense	(3,943)	(5,981)	(11,833)	(17,663)
Gains arising on financial investments at FVOCI				
- net gains on disposal	-	4,710	2,417	32,940
- gross dividend income	77	117	190	330
	11,654	25,603	35,747	87,589

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

	The Bank			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period Ended	Period Ended	Period-to-date	Period-to-date
	30-09-2022	30-09-2021	30-09-2022	30-09-2021
	RM'000	RM'000	RM'000	RM'000
Gains/(losses) arising on financial assets at FVTPL				
- net gains on disposal	4,312	10,884	16,843	36,965
- unrealised gains/(losses)	1,835	3,125	19	(2,559)
- gross dividend income	534	1,081	1,529	3,919
- interest income	5,193	5,000	14,018	15,297
Gains/(losses) on derivative instruments				
- realised gains	63	193	41	205
- unrealised (losses)/gains	(789)	948	(1,865)	1,339
- interest income	4,365	5,519	14,372	16,799
- interest expense	(3,943)	(5,981)	(11,833)	(17,663)
Gains arising on financial investments at FVOCI				
- net gains on disposal	-	4,710	2,417	32,940
- gross dividend income	77	117	190	330
	<u>11,647</u>	<u>25,596</u>	<u>35,731</u>	<u>87,572</u>

28. Other operating income

	The Group			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period Ended	Period Ended	Period-to-date	Period-to-date
	30-09-2022	30-09-2021	30-09-2022	30-09-2021
	RM'000	RM'000	RM'000	RM'000
Foreign exchange (losses)/gains				
- realised	3,343	5,108	6,120	11,245
- unrealised	(972)	(2,525)	(179)	(1,227)
Gains on disposal of property and equipment	221	1	407	4
Others	140	33	360	185
	<u>2,732</u>	<u>2,617</u>	<u>6,708</u>	<u>10,207</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
	30-09-2022	30-09-2021	30-09-2022	30-09-2021
	RM'000	RM'000	RM'000	RM'000
Foreign exchange (losses)/gains				
- realised	3,343	5,108	6,120	11,245
- unrealised	(972)	(2,525)	(179)	(1,227)
Gains on disposal of property and equipment	221	1	407	4
Gross dividend income from subsidiary *	31,500	49,000	63,000	112,000
Gain of disposal of a subsidiary	1,270,023	-	1,270,023	-
Others	185	251	623	906
	<u>1,304,300</u>	<u>51,835</u>	<u>1,339,994</u>	<u>122,928</u>

* During the financial period ended 30 September 2022, the Bank completed the divestment of 7,000,000 ordinary shares in Affin Hwang Asset Management Berhad, representing 63.0% of the equity interest in AHAM, and recorded a gain on disposal of RM1.23 billion. The details are disclosed in Note 8 of the unaudited condensed interim financial statements.

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29. Other operating expenses

	The Group			
	Individual Quarter Current Financial Period Ended 30-09-2022 RM'000	Preceding Year Corresponding Period Ended 30-09-2021 RM'000	Cumulative Quarter Current Financial Period-to-date 30-09-2022 RM'000	Preceding Year Corresponding Period-to-date 30-09-2021 RM'000
Personnel costs				
Salaries, allowances and bonuses	22,284	21,888	69,007	75,534
Defined contribution plan	3,607	3,519	11,150	12,167
Other personnel costs	3,597	2,308	9,436	4,314
	29,488	27,715	89,593	92,015
Marketing expenses				
Business promotion and advertisement	171	284	1,111	1,707
Brokerage and commission expenses	121	117	373	267
Entertainment	111	7	261	78
Travelling and accommodation	195	(108)	(2)	59
Others	-	-	-	2
	598	300	1,743	2,113
Establishment cost				
Repair and maintenance	2,520	1,251	4,949	4,757
Depreciation – ROU	2,370	1,434	4,203	4,313
Rental of premises and equipment	786	612	3,015	1,854
Depreciation of property and equipment	852	1,752	2,451	4,618
Electricity, water and sewerage	406	386	1,057	1,231
Insurance and indemnities	243	208	797	690
Amortisation of intangible assets	215	255	717	832
Others	-	2	-	13
	7,392	5,900	17,189	18,308
Administration and general expenses				
Subscription	2,377	2,054	6,600	5,977
Telecommunication expenses	1,856	2,070	5,482	6,721
Directors' remuneration	629	525	1,820	1,809
Professional fees	(297)	239	1,111	1,098
Auditors' remuneration	152	136	457	472
Others	887	532	2,523	2,730
	5,604	5,556	17,993	18,807
Total other operating expenses	43,082	39,471	126,518	131,243

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29. Other operating expenses (continued)

	The Bank			
	Individual Quarter Current Financial Period Ended 30-09-2022 RM'000	Preceding Year Corresponding Period Ended 30-09-2021 RM'000	Cumulative Quarter Current Financial Period-to-date 30-09-2022 RM'000	Preceding Year Corresponding Period-to-date 30-09-2021 RM'000
Personnel costs				
Salaries, allowances and bonuses	22,138	21,608	68,157	74,727
Defined contribution plan	3,582	3,474	11,007	12,037
Other personnel costs	3,584	2,281	9,412	4,228
	29,304	27,363	88,576	90,992
Marketing expenses				
Business promotion and advertisement	171	284	1,111	1,707
Brokerage and commission expenses	109	104	321	238
Entertainment	111	6	259	76
Travelling and accommodation	195	(108)	(4)	58
	586	286	1,687	2,079
Establishment cost				
Repair and maintenance	2,516	1,220	4,876	4,658
Depreciation – ROU	2,370	1,434	4,203	4,313
Rental of premises and equipment	759	589	2,939	1,780
Depreciation of property and equipment	798	1,731	2,339	4,556
Electricity, water and sewerage	406	386	1,056	1,230
Insurance and indemnities	243	208	797	686
Amortisation of intangible assets	192	232	648	763
Others	-	2	-	13
	7,284	5,802	16,858	17,999
Administration and general expenses				
Subscription	2,373	2,050	6,584	5,962
Telecommunication expenses	1,853	2,066	5,459	6,705
Directors' remuneration	629	525	1,820	1,809
Professional fees	774	262	1,124	1,027
Auditors' remuneration	150	134	450	462
Others	882	526	2,511	2,718
	6,661	5,563	17,948	18,683
Professional and legal fees for the divestment of a subsidiary *	15,519	48	16,604	96
Total other operating expenses	59,354	39,062	141,673	129,849

* This represents the professional and legal fees incurred by the Group in relation to the divestment of its entire 63% equity interest in AHAM which was completed on 29 July 2022. The details are disclosed in Note 8 of the unaudited condensed interim financial statements.

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30. Allowances for credit impairment losses on financial assets

	The Group			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period Ended	Period Ended	Period-To-Date	Period-To-Date
	30-09-2022	30-09-2021	30-09-2022	30-09-2021
	RM'000	RM'000	RM'000	RM'000
Expected credit losses (made)/written back on:				
- loans and advances	3,009	(7,623)	(1,108)	(20,510)
- trade receivables	(126)	(42)	816	1,069
- financial investments	(154)	(6,094)	(496)	(15,498)
- deposits and placements with financial institutions	4	(95)	4	(95)
- other assets	313	511	(13)	(33)
- loans commitments and financial guarantees	73	10	1,987	30
Bad debts recovered	439	41	439	41
	<u>3,558</u>	<u>(13,292)</u>	<u>1,629</u>	<u>(34,996)</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
	30-09-2022	30-09-2021	30-09-2022	30-09-2021
	RM'000	RM'000	RM'000	RM'000
Expected credit losses (made)/written back on:				
- loans and advances	3,009	(7,623)	(1,108)	(20,510)
- trade receivables	(126)	(42)	816	1,069
- financial investments	(154)	(6,094)	(496)	(15,498)
- deposits and placements with financial institutions	4	(95)	4	(95)
- other assets	314	509	(19)	(33)
- loans commitments and financial guarantees	73	10	1,987	30
Bad debts recovered	439	41	439	41
	<u>3,559</u>	<u>(13,294)</u>	<u>1,623</u>	<u>(34,996)</u>

31. Impairment losses on non-financial assets

	The Group			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period Ended	Period Ended	Period-To-Date	Period-To-Date
	30-09-2022	30-09-2021	30-09-2022	30-09-2021
	RM'000	RM'000	RM'000	RM'000
Impairment losses (made)/written back on:				
- goodwill	(7,068)	-	(7,068)	-
	<u>(7,068)</u>	<u>-</u>	<u>(7,068)</u>	<u>-</u>

	The Bank			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period Ended	Period Ended	Period-To-Date	Period-To-Date
	30-09-2022	30-09-2021	30-09-2022	30-09-2021
	RM'000	RM'000	RM'000	RM'000
Impairment losses (made)/written back on:				
- goodwill	(7,068)	-	(7,068)	-
- investment in subsidiaries	(3,516)	-	(3,516)	-
- investment in associates	(960)	-	(960)	-
	<u>(11,544)</u>	<u>-</u>	<u>(11,544)</u>	<u>-</u>

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32. Capital adequacy

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

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

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

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

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

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

	The Group		The Bank	
	30-09-2022 RM'000	31-12-2021 RM'000	30-09-2022 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)	-	-
Foreign exchange reserves	-	39	-	-
Retained profits	1,760,336	499,301	1,764,140	460,151
Unrealised losses on FVOCI instruments	(125,967)	(50,927)	(125,967)	(50,982)
	2,634,169	1,359,476	2,637,973	1,408,969
Less : Regulatory adjustments				
Goodwill and other intangible assets	(307,769)	(323,624)	(307,645)	(314,667)
Investment in subsidiaries/associates	-	-	(3,657)	(133,184)
Regulatory reserves	(15,465)	(12,894)	(15,465)	(12,894)
Deferred tax assets	(74,738)	(89,557)	(74,738)	(65,860)
Other CET1 regulatory adjustments specified by BNM	19,043	23,166	19,062	22,957
Total CET 1 capital	2,255,240	956,567	2,255,530	905,321
Additional Tier 1 Capital				
Qualifying non-controlling interests	-	32,933	-	-
Total Tier 1 capital (a)	2,255,240	989,500	2,255,530	905,321
Tier 2 capital				
Qualifying loss provisions #	19,779	15,808	19,759	15,328
Total Tier 2 capital (b)	19,779	15,808	19,759	15,328
Total Capital (a) + (b)	2,275,019	1,005,308	2,275,289	920,649
Proposed dividends	1,280,200	-	1,280,200	-

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

	The Group		The Bank	
	30-09-2022 RM'000	31-12-2021 RM'000	30-09-2022 RM'000	31-12-2021 RM'000
Breakdown of risk-weighted assets in the various categories of risk-weights:				
Credit risk	1,582,317	1,679,548	1,580,691	1,226,244
Market risk	210,643	242,749	210,643	235,762
Operational risk	1,131,181	1,121,552	517,092	514,584
Total Risk-Weighted Assets	2,924,141	3,043,849	2,308,426	1,976,590

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32. 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	
	30-09-2022 RM'000	31-12-2021 RM'000	30-09-2022 RM'000	31-12-2021 RM'000
Capital Ratios:				
<u>With transitional arrangements</u>				
CET 1 capital ratio	77.125%	31.426%	97.709%	45.802%
Tier 1 capital ratio	77.125%	32.508%	97.709%	45.802%
Total capital ratio	77.801%	33.028%	98.565%	46.578%
CET 1 capital ratio (net of proposed dividends)	33.344%	31.426%	42.251%	45.802%
Tier 1 capital ratio (net of proposed dividends)	33.344%	32.508%	42.251%	45.802%
Total capital ratio (net of proposed dividends)	34.021%	33.028%	43.107%	46.578%
<u>Before transitional arrangements</u>				
CET 1 capital ratio	76.474%	30.665%	96.883%	44.641%
Tier 1 capital ratio	76.474%	31.747%	96.883%	44.641%
Total capital ratio	77.150%	32.437%	97.739%	45.416%
CET 1 capital ratio (net of proposed dividends)	32.693%	30.665%	41.425%	44.641%
Tier 1 capital ratio (net of proposed dividends)	32.693%	31.747%	41.425%	44.641%
Total capital ratio (net of proposed dividends)	33.370%	32.437%	42.281%	45.416%

33. Commitments and contingencies

	The Group		The Bank	
	30-09-2022 Principal amount RM'000	31-12-2021 Principal amount RM'000	30-09-2022 Principal amount RM'000	31-12-2021 Principal amount RM'000
Transaction related contingent items	64,606	85,606	64,606	85,606
Forward asset purchases	5,000	-	5,000	-
Irrevocable commitments to extend credit:				
- maturity less than one year	14,191	5,697	14,191	5,697
- maturity more than one year	17,418	15,489	17,418	15,489
Interest rate related contracts:				
- less than one year	1,040,000	780,000	1,040,000	780,000
- one year to less than five years	2,065,000	2,150,000	2,065,000	2,150,000
Foreign exchange related contracts:				
- less than one year	6,803,652	11,043,848	6,803,652	10,996,530
- one year to less than five years	888,702	814,323	888,702	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	1,291,049	1,116,522	1,291,049	1,116,522
Other/Miscellaneous Commitments and Contingencies				
- less than one year	60	-	60	-
- one year to less than five years	5,599	-	5,599	-
Total	12,195,277	16,011,485	12,195,277	15,964,167

34. Credit exposures arising from transactions with connected parties

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

(i) The aggregate value of outstanding credit exposures with connected parties (RM'000)	666,791
(ii) The percentage of outstanding credit exposures to connected parties as a proportion of credit exposures	12.1%
(iii) The percentage of outstanding credit exposures with connected parties which is non-performing or in default	Nil

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35. 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 30-09-2022	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets				
Financial assets at FVTPL				
- Money market instruments	-	40,455	-	40,455
- Corporate bonds or sukuk	-	2	-	2
- Shares, warrants and unit trusts	54,456	-	-	54,456
Financial investments at FVOCI				
- Money market instruments	-	1,997,848	-	1,997,848
- Corporate bonds or sukuk	-	1,603,315	-	1,603,315
- Shares	-	-	23,915	23,915
Derivative financial assets	-	162,661	-	162,661
Amount receivable from Starlight Asset	-	-	36,723	36,723
Total	54,456	3,804,281	60,638	3,919,375
Liabilities				
Derivative financial liabilities	-	167,246	-	167,246
Other liabilities -equities trading	2,430	-	-	2,430
Total	2,430	167,246	-	169,676
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

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35. 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 30-09-2022	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets				
Financial assets at FVTPL				
- Money market instruments	-	40,455	-	40,455
- Corporate bonds or sukuk	-	2	-	2
- Shares, warrants and unit trusts	53,259	-	-	53,259
Financial investments at FVOCI				
- Money market instruments	-	1,997,848	-	1,997,848
- Corporate bonds or sukuk	-	1,603,315	-	1,603,315
- Shares	-	-	23,915	23,915
Derivative financial assets	-	162,661	-	162,661
Other assets - contingent consideration	-	-	36,723	36,723
Total	53,259	3,804,281	60,638	3,918,178
Liabilities				
Derivative financial liabilities	-	167,246	-	167,246
Other liabilities - equities trading	2,430	-	-	2,430
Total	2,430	167,246	-	169,676
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

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35. 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	
	30-09-2022	31-12-2021
	RM'000	RM'000
Opening	26,697	25,319
FVOCI revaluation reserves	(2,782)	1,378
Other assets - contingent consideration	36,723	-
Closing	<u>60,638</u>	<u>26,697</u>

Effect of changes in significant unobservable assumptions to reasonably possible alternatives

As at end of the current reporting date and last financial year ended 31 December 2021, financial instruments measured with valuation techniques using significant unobservable inputs (Level 3) are unquoted shares held for socio economic purpose.

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36. Liquidity risk

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

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

Group	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	> 1-5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
30-09-2022							
Assets							
Cash and short-term funds	1,024,392	-	-	-	-	-	1,024,392
Financial assets at FVTPL	2	-	-	-	40,454	54,457	94,913
Financial investments at FVOCI	29,049	55,922	170,800	2,265,228	1,080,164	23,915	3,625,078
Financial investments at amortised cost	9,988	-	45,744	282,902	329,851	-	668,485
Loans and advances	1,059,452	43,631	65,890	67,026	51,126	42,876	1,330,001
Trade receivables	394,370	-	-	-	-	-	394,370
Derivative financial assets	26,988	63,039	34,684	37,950	-	-	162,661
Other assets	96,297	38,268	6,747	3,382	200	2,882	147,776
Statutory deposits with Bank Negara Malaysia	11,902	-	-	-	-	-	11,902
Other financial assets ⁽¹⁾	44	-	-	-	-	-	44
Other non-financial assets ⁽²⁾	-	-	16	3,896	-	443,543	447,455
Total assets	2,652,484	200,860	323,881	2,660,384	1,501,795	567,673	7,907,077
Liabilities							
Deposits from customers	1,731,269	1,089,816	1,066,323	213,896	-	-	4,101,304
Deposits and placements of banks and other financial institutions	240,262	-	-	-	-	-	240,262
Trade payables	387,890	-	-	-	-	-	387,890
Derivative financial liabilities	30,594	69,380	32,554	34,718	-	-	167,246
Other liabilities	167,338	17,541	81,805	28,918	-	-	295,602
Lease liabilities	288	576	3,881	9,747	-	-	14,492
Other non-financial liabilities ⁽³⁾	-	4,156	23,394	-	-	1	27,551
Total liabilities	2,557,641	1,181,469	1,207,957	287,279	-	1	5,234,347
Net liquidity gap	94,843	(980,609)	(884,076)	2,373,105	1,501,795	567,672	2,672,730

(1) Other financial assets include amount due from holding company.

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

(3) Other non-financial liabilities include provision for taxation and accrued employee benefits.

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36. Liquidity risk (continued)

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

	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	> 1-5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
Group 31-12-2021							
Assets							
Cash and short-term funds	1,940,487	-	-	-	-	-	1,940,487
Financial assets at FVTPL	-	-	-	1,235	-	228,689	229,924
Financial investments at FVOCI	5,103	9,972	114,367	2,222,784	1,300,541	26,697	3,679,464
Financial investments at amortised cost	-	-	25,289	15,163	-	-	40,452
Loans and advances	782,611	2,585	109,503	81,084	52,850	49,776	1,078,409
Trade receivables	526,033	-	-	-	-	-	526,033
Derivative financial assets	10,723	15,702	18,186	32,658	-	-	77,269
Other assets	37,247	1,141	12,815	7,939	-	4,326	63,468
Statutory deposits with Bank Negara Malaysia	10,300	-	-	-	-	-	10,300
Other financial assets ⁽¹⁾	1,137	-	-	-	-	-	1,137
Other non-financial assets ⁽²⁾	-	-	3,490	2,710	-	463,661	469,861
Total assets	3,313,641	29,400	283,650	2,363,573	1,353,391	773,149	8,116,804
Liabilities							
Deposits from customers	1,655,584	1,037,569	878,311	754,595	-	-	4,326,059
Deposits and placements of banks and other financial institutions	200,893	300,703	100,396	-	-	-	601,992
Trade payables	982,032	-	-	-	-	-	982,032
Derivative financial liabilities	13,777	14,828	17,594	25,698	-	-	71,897
Other liabilities	203,884	24,100	346,139	35,044	-	-	609,167
Lease liabilities	795	1,181	3,511	1,087	-	-	6,574
Other financial liabilities ⁽³⁾	487	-	-	-	-	-	487
Other non-financial liabilities ⁽⁴⁾	-	73,767	40,668	-	-	-	114,435
Total liabilities	3,057,452	1,452,148	1,386,619	816,424	-	-	6,712,643
Net liquidity gap	256,189	(1,422,748)	(1,102,969)	1,547,149	1,353,391	773,149	1,404,161

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

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

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

(4) Other non-financial liabilities include provision for taxation and accrued employee benefits.

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36. Liquidity risk (continued)

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

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

Bank	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	> 1-5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
30-09-2022							
Assets							
Cash and short-term funds	1,022,339	-	-	-	-	-	1,022,339
Financial assets at FVTPL	2	-	-	-	40,454	53,260	93,716
Financial investments at FVOCI	29,049	55,922	170,800	2,265,228	1,080,164	23,915	3,625,078
Financial investments at amortised cost	9,988	-	45,744	282,902	329,851	-	668,485
Loans and advances	1,059,452	43,631	65,890	67,026	51,126	42,876	1,330,001
Trade receivables	394,370	-	-	-	-	-	394,370
Amount due from subsidiaries	267	-	-	-	-	-	267
Other assets	96,298	38,267	6,559	3,382	200	2,882	147,588
Derivative financial assets	26,988	63,039	34,684	37,950	-	-	162,661
Statutory deposits with Bank Negara Malaysia	11,800	-	-	-	-	-	11,800
Other financial assets ⁽¹⁾	44	-	-	-	-	-	44
Other non-financial assets ⁽²⁾	-	-	-	3,896	-	445,524	449,420
Total assets	2,650,597	200,859	323,677	2,660,384	1,501,795	568,457	7,905,769
Liabilities							
Deposits from customers	1,731,269	1,089,816	1,066,323	213,896	-	-	4,101,304
Deposits and placements of banks and other financial institutions	240,262	-	-	-	-	-	240,262
Trade payables	387,890	-	-	-	-	-	387,890
Derivative financial liabilities	30,594	69,380	32,554	34,718	-	-	167,246
Other liabilities	167,338	16,549	81,774	28,918	-	-	294,579
Lease liabilities	288	576	3,881	9,747	-	-	14,492
Other non-financial liabilities ⁽³⁾	-	3,984	23,394	-	-	-	27,378
Total liabilities	2,557,641	1,180,305	1,207,926	287,279	-	-	5,233,151
Net liquidity gap	92,956	(979,446)	(884,249)	2,373,105	1,501,795	568,457	2,672,618

(1) Other financial assets includes amount due from holding company.

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

(3) Other non-financial liabilities include accrued employee benefits.

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36. Liquidity risk (continued)

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

	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	> 1-5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
Bank 31-12-2021							
Assets							
Cash and short-term funds	1,207,904	-	-	-	-	-	1,207,904
Financial assets at FVTPL	-	-	-	-	-	95,906	95,906
Financial investments at FVOCI	5,103	9,972	114,367	2,222,784	1,300,541	26,697	3,679,464
Financial investments at amortised cost	-	-	25,289	15,163	-	-	40,452
Loans and advances	782,611	2,585	109,503	81,084	52,850	49,776	1,078,409
Trade receivables	370,563	-	-	-	-	-	370,563
Amount due from subsidiaries	310	-	-	-	-	-	310
Other assets	37,247	1,141	12,717	4,147	-	2,897	58,149
Derivative financial assets	10,415	15,702	18,186	32,658	-	-	76,961
Statutory deposits with Bank Negara Malaysia	10,200	-	-	-	-	-	10,200
Other financial assets ⁽¹⁾	41	-	-	-	-	-	41
Other non-financial assets ⁽²⁾	-	-	-	2,710	-	545,359	548,069
Total assets	2,424,394	29,400	280,062	2,358,546	1,353,391	720,635	7,166,428
Deposits from customers	1,655,584	1,037,569	878,311	754,595	-	-	4,326,059
Deposits and placements of banks and other financial institutions	200,893	300,703	100,396	-	-	-	601,992
Trade payables	360,641	-	-	-	-	-	360,641
Derivative financial liabilities	13,777	14,828	17,594	25,698	-	-	71,897
Other liabilities	195,835	16,445	102,658	35,044	-	-	349,982
Lease liabilities	466	539	2,006	128	-	-	3,139
Other non-financial liabilities ⁽³⁾	-	3,081	40,668	-	-	-	43,749
Total liabilities	2,427,196	1,373,165	1,141,633	815,465	-	-	5,757,459
Net liquidity gap	(2,802)	(1,343,765)	(861,571)	1,543,081	1,353,391	720,635	1,408,969

(1) Other financial assets includes amount due from holding company.

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

(3) Other non-financial liabilities include accrued employee benefits.