

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

Condensed Interim Financial Statements
Unaudited Statements of Financial Position
as at 30 June 2024

	Note	The Group		The Bank	
		As at 30-06-2024 RM'000	As at 31-12-2023 RM'000	As at 30-06-2024 RM'000	As at 31-12-2023 RM'000
ASSETS					
Cash and short-term funds		403,603	686,512	400,423	684,062
Financial assets at fair value through profit or loss ("FVTPL")	12	238,649	106,836	237,372	105,579
Financial investments at fair value through other comprehensive income ("FVOCI")	12	3,952,411	4,439,658	3,952,411	4,439,658
Financial investments at amortised cost	12	1,056,644	1,056,550	1,056,644	1,056,550
Loans and advances	13	2,165,207	1,953,780	2,165,207	1,953,780
Trade receivables	14	501,663	397,533	501,663	397,533
Derivative financial assets		44,213	141,380	44,213	141,380
Other assets	15	76,645	65,077	76,143	64,823
Statutory deposits with Bank Negara Malaysia		140,102	130,600	140,000	130,500
Amount due from subsidiaries		-	-	522	654
Investment in subsidiaries	16	-	-	1,794	1,794
Investment in an associate	17	-	-	372	372
Tax recoverable		2,840	33,634	2,840	33,631
Deferred tax assets		35,715	27,652	35,715	27,652
Property and equipment		10,394	9,937	10,391	9,932
Intangible assets		306,946	307,321	306,934	307,285
Right-of-use ("ROU") assets		14,803	15,302	14,803	15,302
TOTAL ASSETS		8,949,835	9,371,772	8,947,447	9,370,487
LIABILITIES AND EQUITY					
Deposits from customers	18	4,845,911	4,801,493	4,845,911	4,801,493
Deposits and placements of banks and other financial institutions	19	1,376,600	1,545,169	1,376,600	1,545,169
Obligations on securities sold under repurchase agreements		407,636	813,956	407,636	813,956
Trade payables	20	352,333	214,100	352,333	214,100
Lease liabilities		15,299	17,212	15,299	17,212
Derivative financial liabilities		65,850	82,340	65,850	82,340
Amount due to holding company		23,440	9,324	23,440	9,324
Other liabilities	21	390,968	465,447	388,705	464,158
Provision for taxation		2	1	-	-
TOTAL LIABILITIES		7,478,039	7,949,042	7,475,774	7,947,752
Share capital		999,800	999,800	999,800	999,800
Reserves	22	471,996	422,930	471,873	422,935
TOTAL EQUITY		1,471,796	1,422,730	1,471,673	1,422,735
TOTAL LIABILITIES AND EQUITY		8,949,835	9,371,772	8,947,447	9,370,487
COMMITMENTS AND CONTINGENCIES	31	11,035,060	16,785,067	11,035,060	16,785,067
CAPITAL ADEQUACY					
Basel III					
Before/After deducting proposed dividend:					
Common Equity Tier ("CET 1") capital ratio	30	30.745%	36.670%	32.998%	41.849%
Tier 1 capital ratio	30	30.745%	36.670%	32.998%	41.849%
Total capital ratio	30	31.323%	37.330%	33.620%	42.603%

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 2023.

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

Condensed Interim Financial Statements
Unaudited Income Statements
for the financial period ended 30 June 2024

The Group	Note	Individual Quarter		Cumulative Quarter	
		Current Financial Period 30-06-2024 RM'000	Preceding Year Corresponding Period 30-06-2023 RM'000	Current Financial Period-to-date 30-06-2024 RM'000	Preceding Year Corresponding Period-to-date 30-06-2023 RM'000
Interest income	23	84,596	75,037	172,347	144,630
Interest expense	24	(66,935)	(59,152)	(138,741)	(109,566)
Net interest income		17,661	15,885	33,606	35,064
Net fee and commission income	25	29,494	18,343	57,381	39,556
Net gains and losses on financial instruments	26	17,406	11,212	37,136	19,949
Other operating income	27	2,085	1,183	5,042	2,690
Net income		66,646	46,623	133,165	97,259
Other operating expenses	28	(42,485)	(36,693)	(84,531)	(75,985)
Operating profit before allowances		24,161	9,930	48,634	21,274
Writeback for credit impairment losses on financial assets	29	7,134	1,097	3,417	9,035
Profit before zakat and taxation		31,295	11,027	52,051	30,309
Zakat		(448)	-	(1,337)	-
Profit before taxation		30,847	11,027	50,714	30,309
Taxation		(7,756)	(2,714)	(12,911)	(7,510)
Net profit after zakat and taxation		23,091	8,313	37,803	22,799
Attributable to the equity holder of the Bank		23,091	8,313	37,803	22,799
Earnings per share (sen):					
Basic/fully diluted		2.96	1.07	4.85	2.92

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 2023.

Affin Hwang Investment Bank Berhad
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Condensed Interim Financial Statements
Unaudited Statements of Comprehensive Income
for the financial period ended 30 June 2024

The Group

	Individual Quarter		Cumulative Quarter	
	Current Financial Period 30-06-2024 RM'000	Preceding Year Corresponding Period 30-06-2023 RM'000	Current Financial Period-to-date 30-06-2024 RM'000	Preceding Year Corresponding Period-to-date 30-06-2023 RM'000
Net profit after zakat and taxation	23,091	8,313	37,803	22,799
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)	3,381	13,141	15,066	54,406
Net credit impairment losses change in financial investments at FVOCI (debt instruments)	(2,774)	2,910	(2,822)	2,588
Net gains/(losses) on financial investments at FVOCI reclassified to profit or loss on disposal (debt instruments)	1,491	(1,009)	1,587	(1,388)
Deferred tax on financial investments at FVOCI	(1,167)	(2,911)	(3,996)	(12,724)
<u>Items that will not be reclassified subsequently to profit or loss</u>				
Net fair value change in financial investments designated at FVOCI (equity instruments)	1,428	844	1,428	844
Other comprehensive income for the financial period, net of tax	2,359	12,975	11,263	43,726
Total comprehensive income for the financial period	25,450	21,288	49,066	66,525
Attributable to the equity holder of the Bank	25,450	21,288	49,066	66,525

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Unaudited Income Statements
for the financial period ended 30 June 2024

The Bank	Note	Individual Quarter		Cumulative Quarter	
		Current Financial Period 30-06-2024 RM'000	Preceding Year Corresponding Period 30-06-2023 RM'000	Current Financial Period-to-date 30-06-2024 RM'000	Preceding Year Corresponding Period-to-date 30-06-2023 RM'000
Interest income	23	84,583	75,030	172,324	144,617
Interest expense	24	(66,934)	(59,152)	(138,740)	(109,566)
Net interest income		17,649	15,878	33,584	35,051
Net fee and commission income	25	29,119	17,933	56,628	38,889
Net gains and losses on financial instruments	26	17,394	11,201	37,116	19,924
Other operating income	27	2,079	1,183	4,958	2,690
Net income		66,241	46,195	132,286	96,554
Other operating expenses	28	(42,012)	(36,321)	(83,730)	(75,339)
Operating profit before allowances		24,229	9,874	48,556	21,215
Writeback for credit impairment losses on financial assets	29	7,137	1,098	3,354	9,038
Profit before zakat and taxation		31,366	10,972	51,910	30,253
Zakat		(448)	-	(1,337)	-
Profit before taxation		30,918	10,972	50,573	30,253
Taxation		(7,751)	(2,713)	(12,898)	(7,508)
Net profit after zakat and taxation		23,167	8,259	37,675	22,745
Attributable to the equity holder of the Bank		23,167	8,259	37,675	22,745
Earnings per share (sen):					
Basic/fully diluted		2.97	1.06	4.83	2.92

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 2023.

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Condensed Interim Financial Statements
Unaudited Statements of Comprehensive Income
for the financial period ended 30 June 2024

The Bank

	Individual Quarter		Cumulative Quarter	
	Current Financial Period 30-06-2024 RM'000	Preceding Year Corresponding Period 30-06-2023 RM'000	Current Financial Period-to-date 30-06-2024 RM'000	Preceding Year Corresponding Period-to-date 30-06-2023 RM'000
Net profit after zakat and taxation	23,167	8,259	37,675	22,745
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)	3,381	13,141	15,066	54,406
Net credit impairment losses change in financial investments at FVOCI (debt instruments)	(2,774)	2,910	(2,822)	2,588
Net gains/(losses) on financial investments at FVOCI reclassified to profit or loss on disposal (debt instruments)	1,491	(1,009)	1,587	(1,388)
Deferred tax on financial investments at FVOCI	(1,167)	(2,911)	(3,996)	(12,724)
<u>Items that will not be reclassified subsequently to profit or loss</u>				
Net fair value change in financial investments designated at FVOCI (equity instruments)	1,428	844	1,428	844
Other comprehensive income for the financial period, net of tax	2,359	12,975	11,263	43,726
Total comprehensive income for the financial period	25,526	21,234	48,938	66,471
Attributable to the equity holder of the Bank	25,526	21,234	48,938	66,471

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 2023.

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

Condensed Interim Financial Statements
Unaudited Statements of Changes in Equity
for the financial period ended 30 June 2024

<----- Attributable to equity holder of the Bank ----->
<----- Non-distributable -----> <- Distributable ->

	Share Capital RM'000	Regulatory reserves RM'000	FVOCI revaluation reserves RM'000	Retained profits RM'000	Total equity RM'000
The Group					
At 1 January 2024	999,800	20,728	(26,516)	428,718	1,422,730
Comprehensive income:					
Net profit for the financial period	-	-	-	37,803	37,803
Other comprehensive income (net of tax)					
- Financial investments at FVOCI	-	-	11,263	-	11,263
Total comprehensive income	-	-	11,263	37,803	49,066
Transfer to regulatory reserves	-	8,698	-	(8,698)	-
At 30 June 2024	999,800	29,426	(15,253)	457,823	1,471,796
At 1 January 2023	999,800	16,709	(92,555)	513,272	1,437,226
Comprehensive income:					
Net profit for the financial period	-	-	-	22,799	22,799
Other comprehensive income (net of tax)					
- Financial investments at FVOCI	-	-	43,726	-	43,726
Total comprehensive income	-	-	43,726	22,799	66,525
Transfer from regulatory reserves	-	1,697	-	(1,697)	-
At 30 June 2023	999,800	18,406	(48,829)	534,374	1,503,751

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Condensed Interim Financial Statements
Unaudited Statements of Changes in Equity
for the financial period ended 30 June 2024

<----- Attributable to equity holder of the Bank ----->
<----- Non-distributable -----> <- Distributable ->

	Share Capital RM'000	Regulatory reserves RM'000	FVOCI revaluation reserves RM'000	Retained profits RM'000	Total equity RM'000
The Bank					
At 1 January 2024	999,800	20,728	(26,516)	428,723	1,422,735
Comprehensive income:					
Net profit for the financial period	-	-	-	37,675	37,675
Other comprehensive income (net of tax)					
- Financial investments at FVOCI	-	-	11,263	-	11,263
Total comprehensive income	-	-	11,263	37,675	48,938
Transfer to regulatory reserves	-	8,698	-	(8,698)	-
At 30 June 2024	999,800	29,426	(15,253)	457,700	1,471,673
At 1 January 2023	999,800	16,709	(92,555)	513,268	1,437,222
Comprehensive income:					
Net profit for the financial period	-	-	-	22,745	22,745
Other comprehensive income (net of tax)					
- Financial investments at FVOCI	-	-	43,726	-	43,726
Total comprehensive income	-	-	43,726	22,745	66,471
Transfer from regulatory reserves	-	1,697	-	(1,697)	-
At 30 June 2023	999,800	18,406	(48,829)	534,316	1,503,693

Affin Hwang Investment Bank Berhad
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Condensed Interim Financial Statements
Unaudited Condensed Statements of Cash Flows
for the financial period ended 30 June 2024

	The Group		The Bank	
	30-06-2024 RM'000	30-06-2023 RM'000	30-06-2024 RM'000	30-06-2023 RM'000
Cash flow from operating activities				
Profit before taxation	50,714	30,309	50,573	30,253
Adjustments for non-operating and not involving the movement of cash and cash equivalents	(48,467)	(183,932)	(48,341)	(183,937)
<i>Operating profit/(loss) before changes in working capital</i>	2,247	(153,623)	2,232	(153,684)
Net changes in operating assets	(404,608)	(528,065)	(404,269)	(527,882)
Net changes in operating liabilities	(475,484)	884,590	(476,458)	884,911
Cash (used in)/generated from operating activities	(877,845)	202,902	(878,495)	203,345
Tax refunded/(paid)	5,824	(2,110)	5,832	(2,107)
Net cash (used in)/generated from operating activities	(872,021)	200,792	(872,663)	201,238
Cash flow from investing activities				
Interest received from financial investments	110,174	89,628	110,174	89,628
Purchase of financial investments	(994,528)	(646,294)	(994,528)	(646,294)
Proceeds from redemption/disposal of financial investments	1,479,998	324,564	1,479,998	324,564
Dividend income received from:				
- financial assets	34	18	16	-
- financial investments	113	113	113	113
Proceeds from disposal of property and equipment	238	1	168	1
Purchase of property and equipment	(1,870)	(1,623)	(1,870)	(1,623)
Purchase of intangible assets	(147)	(303)	(147)	(303)
Net cash generated from/(used in) investing activities	594,012	(233,896)	593,924	(233,914)
Cash flow from financing activities				
Lease payments	(4,900)	(1,882)	(4,900)	(1,882)
Net cash used in financing activities	(4,900)	(1,882)	(4,900)	(1,882)
Net decrease in cash and cash equivalents	(282,909)	(34,986)	(283,639)	(34,558)
Cash and cash equivalents at beginning of the financial period	686,512	311,873	684,062	309,523
Cash and cash equivalents at end of the financial period	403,603	276,887	400,423	274,965

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 2023.

Affin Hwang Investment Bank Berhad (Incorporated in Malaysia)

Notes to the unaudited condensed interim financial statements for the financial period ended 30 June 2024

1. Review of financial performance

The Group recorded a profit before taxation ("PBT") of RM50.7 million for the 6 months period ended 30 June 2024 ("6M2024"), 67% higher as compared to the previous corresponding financial period ("6M2023") of RM30.3 million.

Analysis of the Group's 6M2024 financial performance is as follows:

- Net interest income of RM33.6 million in 6M2024 was 4% lower than RM35.1 million in 6M2023 primarily due to higher cost of funding in the current period.
- Net fee and commission income of RM57.4 million in 6M2024 was 45% higher than RM39.6 million in 6M2023. The increase was primarily due to the higher net brokerage income, loan-related fees and corporate advisory fees earned in the current period.
- Net gains and losses on financial instruments of RM37.1 million in 6M2024 was 86% higher than RM19.9 million in 6M2023. The increase was mainly due to higher net gains from financial assets at FVTPL of RM51.3 million (6M2023: RM16.6 million).
- Other operating income registered an increase from RM2.7 million in 6M2023 to RM5.0 million in 6M2024 mainly due to higher foreign exchange gains in the current period.
- Operating expenses in 6M2024 were higher at RM84.5 million (6M2023: RM76.0 million) mainly due to higher personnel costs in the current period.
- Net writeback for credit impairment losses on financial assets in 6M2024 was lower by 62% at RM3.4 million (6M2023: RM9.0 million) mainly due to lower writeback on impairment losses for financial instruments amounting to RM4.8 million (6M2023: RM8.6 million) and additional charges incurred on other assets amounting to RM3.2 million. The decrease was cushioned by higher bad debts recovered during the period amounting to RM1.8 million

2. Prospect for the current financial year

The International Monetary Fund (IMF) and World Bank have both revised their 2024 growth forecasts upwards to 3.2% (from 3.1%) and 2.6% (from 2.4%), respectively, in light of diminishing global inflationary pressures and resurgence in demand. Although downside risks to the global growth outlook persist, they have become more evenly distributed since the beginning of the year, thanks to the resilience shown by major economies in the face of tight financial conditions and the revival of global trade. Global growth is forecasted to remain stable throughout 2024.

On the domestic front, Malaysia's economic growth is projected to accelerate to 4.5% in 2024, a marked improvement from the 3.6% growth observed in 2023. This optimistic outlook is driven by an increase in foreign direct investment (FDI) within the Electrical and Electronics (E&E) sectors, data centres, and potentially, the renewable energy sector. This positive trend is evident from the rapid growth in total investments, which contributed significantly to the GDP growth in the first quarter of 2024. The influx of FDI, coupled with the rebound in external demand, is anticipated to enhance the labour market, thereby fuelling an expansion in private consumption.

Bank Negara Malaysia is expected to maintain the Overnight Policy Rate (OPR) at the current level of 3.0%, which is conducive to fostering economic growth. While private consumption has remained strong in 1Q24, the recent removal of diesel fuel subsidies may result in increased inflationary pressures and a potential slowdown in private consumption. Nevertheless, the cash assistance under the BUDI MADANI programme is expected to cushion the negative impact arising from the subsidy rationalisation programme.

The outlook for the domestic banking sector in 2024 remains favourable, underpinned by moderate loan growth and controlled asset quality. The competition for deposits is expected to subside in the latter half of the year, and Malaysian banks are projected to sustain adequate liquidity reserves and healthy capital adequacy ratios.

The Group remains committed to several key strategic priorities. These include enhancing operational efficiency, expanding its digital capabilities, and strengthening customer engagement. The Group aims to optimize its cost structure while delivering innovative solutions to meet evolving customer needs. Additionally, the Group continues to closely monitor market dynamics, adapting its strategies to capitalize on growth opportunities while maintaining prudent risk management practices.

Affin Hwang Investment Bank Berhad
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**Notes to the unaudited condensed interim financial statements
for the financial period ended 30 June 2024**

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 2023. 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 2023.

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 2023, except for the amendments to MFRS 101 "Presentation of Financial Statements", MFRS 16 "Lease Liability in a Sale and Leaseback" and MFRS 121 "Lack of Exchangeability" that are effective and applicable to the Group and the Bank for the financial period beginning or after 1 January 2024.

4. Qualification of preceding annual financial statements

The Group's and the Bank's financial statements for financial year ended 31 December 2023 were not qualified by the auditors.

5. Seasonal or cyclical factors

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

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

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

8. Material litigations

There is no material litigation during the financial period ended 30 June 2024.

9. Changes in the composition of the Group

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

10. Dividends

The Directors did not recommend any payment of interim dividend for the financial period ended 30 June 2024.

11. Significant event subsequent to the financial period

There is no significant event subsequent to the financial period.

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**Notes to the unaudited condensed interim financial statements
for the financial period ended 30 June 2024**

12. Securities portfolio

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

	The Group		The Bank	
	30-06-2024 RM'000	31-12-2023 RM'000	30-06-2024 RM'000	31-12-2023 RM'000
Quoted securities				
Unit trusts in Malaysia	1,277	1,257	-	-
Shares and warrants in Malaysia	221,008	89,123	221,008	89,123
	<u>222,285</u>	<u>90,380</u>	<u>221,008</u>	<u>89,123</u>
Unquoted securities				
Corporate bonds and/or Sukuk in Malaysia	5	2	5	2
Corporate bonds and/or Sukuk outside Malaysia	16,359	16,454	16,359	16,454
	<u>16,364</u>	<u>16,456</u>	<u>16,364</u>	<u>16,456</u>
	<u>238,649</u>	<u>106,836</u>	<u>237,372</u>	<u>105,579</u>

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

	The Group and the Bank	
	30-06-2024 RM'000	31-12-2023 RM'000
At fair value		
Money market instruments		
Malaysian government islamic investment issues	1,028,956	1,362,482
Malaysian government securities	1,419,643	1,055,875
Cagamas bonds	30,232	65,450
	<u>2,478,831</u>	<u>2,483,807</u>
Unquoted securities		
Corporate bonds and/or Sukuk in Malaysia	1,196,847	1,902,608
Corporate bonds and/or Sukuk outside Malaysia	250,546	28,484
Shares in Malaysia ^	26,187	24,759
	<u>3,952,411</u>	<u>4,439,658</u>

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

Included in the financial investments at FVOCI are Malaysian government islamic issue and Malaysian government securities, which are pledged as collateral for obligations on securities sold under repurchase agreements for the Group and the Bank amounting to RM 318,158,000 (31.12.2023: RM 858,900,000).

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

	The Group and the Bank	
	30-06-2024 RM'000	31-12-2023 RM'000
Unquoted securities		
Shares in Malaysia:		
Cagamas Berhad	24,813	23,420
Malaysian Rating Corporation Berhad	1,374	1,339
	<u>26,187</u>	<u>24,759</u>

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**Notes to the unaudited condensed interim financial statements
for the financial period ended 30 June 2024**

12. Securities portfolio (continued)

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

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

The Group and the Bank 30-06-2024	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	68	21,172	-	21,240
Transfer between stages due to change in credit risk:				
- Transfer to 12-month 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)	-	-	-	-
New financial assets originated or purchased	47	-	-	47
Changes due to change in credit risk	(29)	(2,840)	-	(2,869)
Changes due to change in model/risk parameters	-	-	-	-
Write-offs	-	-	-	-
Other adjustments:				
- Foreign exchange and other adjustments	-	-	-	-
At end of the financial period	86	18,332	-	18,418

The Group and the Bank 31-12-2023	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	803	18,376	-	19,179
Transfer between stages due to change in credit risk:				
- Transfer to 12-month ECL (Stage 1)	-	-	-	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(196)	196	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	-	-	-	-
Total transfer between stages	(196)	196	-	-
Derecognised during the financial year (other than write-offs)	(69)	-	-	(69)
New financial assets originated or purchased	346	-	-	346
Changes due to change in credit risk	(803)	2,619	-	1,816
Changes due to change in model/risk parameters	(13)	(19)	-	(32)
At end of the financial year	68	21,172	-	21,240

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. ECL is recognised in reserves with the corresponding entry to income statement.

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12. Securities portfolio (continued)

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

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

The Group and the Bank 30-06-2024	12-month	Lifetime ECL	Lifetime ECL	Total
	ECL	not Credit	Credit	
	Stage 1	Impaired	Impaired	
	RM'000	RM'000	RM'000	RM'000
At beginning of the financial period	4,267,354	147,545	-	4,414,899
Transfer between stages due to change in credit risk:				
- Transfer to 12-month 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)	(1,487,502)	(5,041)	-	(1,492,543)
New financial assets originated or purchased	994,481	-	-	994,481
Changes in interest accruals and accretion/amortisation	(8,628)	10	-	(8,618)
Changes due to change in fair value	16,547	105	-	16,652
Write-offs	-	-	-	-
Other adjustments:				
- Foreign exchange and other adjustments	1,353	-	-	1,353
At end of the financial period	3,783,605	142,619	-	3,926,224

The Group and the Bank 31-12-2023	12-month	Lifetime ECL	Lifetime ECL	Total
	ECL	not Credit	Credit	
	Stage 1	Impaired	Impaired	
	RM'000	RM'000	RM'000	RM'000
At beginning of the financial year	3,450,924	100,662	-	3,551,586
Transfer between stages due to change in credit risk:				
- Transfer to 12-month ECL (Stage 1)	-	-	-	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(51,028)	51,028	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	-	-	-	-
Total transfer between stages	(51,028)	51,028	-	-
Derecognised during the financial year				
(other than write-offs)	(369,226)	-	-	(369,226)
New financial assets originated or purchased	1,175,929	-	-	1,175,929
Changes in interest accruals and accretion/amortisation	(21,661)	(4,999)	-	(26,660)
Changes due to change in fair value	82,217	854	-	83,071
Write-offs	-	-	-	-
Other adjustments:				
- Foreign exchange and other adjustments	199	-	-	199
At end of the financial year	4,267,354	147,545	-	4,414,899

The gross carrying amount of financial investments at FVOCI is at fair value. ECL is recognised in reserves with the corresponding entry to income statement.

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12. Securities portfolio (continued)

(iii) Financial investments at amortised cost

	The Group and the Bank	
	30-06-2024	31-12-2023
	RM'000	RM'000
At fair value		
Money market instruments		
Malaysian government islamic investment issues	149,442	149,318
Malaysian government securities	190,752	190,695
	<u>340,194</u>	<u>340,013</u>
Unquoted securities		
Corporate bonds and/or Sukuk in Malaysia	678,905	679,060
Corporate bonds and/or Sukuk outside Malaysia	37,835	37,786
Loan stocks in Malaysia	-	8,101
	<u>1,056,934</u>	<u>1,064,960</u>
Expected credit losses	(290)	(8,410)
	<u><u>1,056,644</u></u>	<u><u>1,056,550</u></u>

Included in the financial investments at amortised cost are Malaysian government securities, which are pledged as collateral for obligations on securities sold under repurchase agreements for the Group and the Bank amounting to RM 89,478,000 (31.12.2023: RM 10,000,000).

(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	
30-06-2024	Stage 1	Impaired	Impaired	RM'000
	RM'000	Stage 2	Stage 3	RM'000
At beginning of the financial period	309	-	8,101	8,410
Derecognised during the financial period (other than write-offs)	-	-	-	-
New financial assets originated or purchased	-	-	-	-
Changes due to change in credit risk	(19)	-	-	(19)
Changes due to change in model/risk parameters	-	-	(165)	(165)
Other adjustments	-	-	-	-
Write-offs	-	-	(7,936)	(7,936)
At end of the financial period	<u>290</u>	<u>-</u>	<u>-</u>	<u>290</u>
The Group and the Bank	12-month	Lifetime ECL	Lifetime ECL	Total
31-12-2023	ECL	not Credit	Credit	
	Stage 1	Impaired	Impaired	RM'000
	RM'000	Stage 2	Stage 3	RM'000
At beginning of the financial year	849	-	15,560	16,409
Derecognised during the financial year (other than write-offs)	(12)	-	(7,064)	(7,076)
New financial assets originated or purchased	82	-	-	82
Changes due to change in credit risk	(496)	-	-	(496)
Changes due to change in model/risk parameters	(114)	-	-	(114)
Other adjustments	-	-	(395)	(395)
Write-offs	-	-	-	-
At end of the financial year	<u>309</u>	<u>-</u>	<u>8,101</u>	<u>8,410</u>

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12. Securities portfolio (continued)

(iii) Financial investments at amortised cost (continued)

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

The Group and the Bank 30-06-2024	12-month	Lifetime ECL	Lifetime ECL	Total
	ECL Stage 1 RM'000	not Credit Impaired Stage 2 RM'000	Credit Impaired Stage 3 RM'000	
At beginning of the financial period	1,056,859	-	8,101	1,064,960
Derecognised during the financial period (other than write-offs)	-	-	-	-
New originated or purchased	-	-	-	-
Changes due to interest accruals	18	-	-	18
Write-offs	-	-	(7,936)	(7,936)
Foreign exchange and other adjustments	57	-	(165)	(108)
At end of the financial period	<u>1,056,934</u>	<u>-</u>	<u>-</u>	<u>1,056,934</u>

The Group and the Bank 31-12-2023	12-month	Lifetime ECL	Lifetime ECL	Total
	ECL Stage 1 RM'000	not Credit Impaired Stage 2 RM'000	Credit Impaired Stage 3 RM'000	
At beginning of the financial year	880,496	-	15,560	896,056
Derecognised during the financial year (other than write-offs)	(160,632)	-	(7,064)	(167,696)
New financial assets originated or purchased	332,859	-	-	332,859
Changes in interest accruals and accretion/amortisation	2,565	-	-	2,565
Write-offs	-	-	-	-
Foreign exchange and other adjustments	1,571	-	(395)	1,176
At end of the financial year	<u>1,056,859</u>	<u>-</u>	<u>8,101</u>	<u>1,064,960</u>

13. Loans and advances

(i) By Type of Loans

	The Group and the Bank	
	30-06-2024	31-12-2023
	RM'000	RM'000
Term loans:		
- Syndicated term loans	62,230	41,163
- Other term loans	142,745	144,143
Share margin financing	1,825,024	1,623,784
Revolving credits	181,082	189,339
Staff loans	5,451	6,054
Gross loans and advances	<u>2,216,532</u>	<u>2,004,483</u>
Less: expected credit losses	(51,325)	(50,703)
Total net loans and advances	<u>2,165,207</u>	<u>1,953,780</u>

(ii) By Type of Customers

Domestic business enterprises:		
- Small medium enterprises	100,244	63,388
- Others	410,281	387,726
Domestic non-bank financial institutions	353,267	363,246
Individuals	1,300,582	1,136,465
Foreign individuals	467	453
Foreign business enterprises	51,691	53,205
Total gross loans and advances	<u>2,216,532</u>	<u>2,004,483</u>

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

	The Group and the Bank	
	30-06-2024	31-12-2023
	RM'000	RM'000
(iii) By Interest Rate Sensitivity		
Fixed rate		
- Other fixed rate loans	49,052	47,359
- Housing loans	4,632	5,046
- Hire purchase receivables	818	1,008
Variable rate		
- Cost-plus	2,010,235	1,799,846
- BFR plus *	122,040	122,120
- Other floating rate	29,755	29,104
Total gross loans and advances	2,216,532	2,004,483
* refers to Base Financing Rate (“BFR”) from Affin Bank.		
(iv) By Economic Purpose		
Purchase of securities	1,874,123	1,675,076
Purchase of landed properties of which		
- Residential	4,632	5,046
- Non-residential	12,024	19,650
Working capital	68,473	68,706
Construction	9,151	12,613
Purchase of transport vehicles	21,089	25,109
Others	227,040	198,283
Total gross loans and advances	2,216,532	2,004,483
(v) By Economic Sectors		
Household	1,301,048	1,136,917
Finance, insurance and business services	412,566	399,936
Construction	214,402	193,993
Real estate	168,263	149,932
Transport, storage and communication	34,181	54,645
Agriculture	12,024	18,274
Manufacturing	28,214	26,735
Wholesale, retail trade, hotels and restaurants	5,907	7,129
Education, health and others	17,375	16,335
Electricity, gas and water supply	615	587
Others	21,937	-
Total gross loans and advances	2,216,532	2,004,483
(vi) By Geographical Distribution		
Wilayah Persekutuan	1,504,231	1,335,149
Selangor	366,571	372,212
Johor	157,514	135,747
Sarawak	68,799	54,664
Pulau Pinang	32,030	31,310
Sabah	17,816	24,599
Terengganu	9,151	12,613
Perak	3,711	2,811
Kedah	2,144	3,961
Negeri Sembilan	2,874	2,313
Labuan	29,754	29,104
Other countries	21,937	-
Total gross loans and advances	2,216,532	2,004,483

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

	The Group and the Bank	
	30-06-2024	31-12-2023
	RM'000	RM'000
(vii) By Maturity Structure		
Maturing within one year	2,020,103	1,808,939
One year to three years	75,002	71,699
Three years to five years	27,550	30,171
Over five years	93,877	93,674
Total gross loans and advances	2,216,532	2,004,483
(viii) Movements of impaired loans and advances		
At beginning of the financial period/year	71,288	78,325
Classified as impaired during the financial period	12,288	-
Amount recovered	(10,958)	(10,398)
Interest on credit impaired loans and advances	2,356	3,361
At end of the financial period/year	74,974	71,288
Gross impaired loans as a percentage of gross loans and advances	3.38%	3.56%
(ix) Impaired loans and advances analysed by economic purpose		
Working capital	49,052	47,359
Purchase of securities	19,959	18,032
Others	5,963	5,897
Total impaired loans and advances	74,974	71,288
(x) Impaired loans and advances analysed by economic sector		
Construction	49,052	47,359
Real estate	24,592	23,929
Household	1,330	-
Total impaired loans and advances	74,974	71,288
(xi) Impaired loans and advances by geographical distribution		
Sarawak	49,052	47,359
Selangor	24,592	23,929
Wilayah Persekutuan	1,330	-
Total impaired loans and advances	74,974	71,288

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

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

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
30-06-2024				
At beginning of the financial period	953	17,428	32,322	50,703
Transfer between stages due to change in credit risk:				
- Transfer to 12-month ECL (Stage 1)	-	-	-	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(14)	14	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(2)	-	2	-
Total transfer between stages	(16)	14	2	-
Loans derecognised during the financial period (other than write-offs)	(11)	-	(79)	(90)
New loans originated or purchased	34	-	-	34
Changes due to change in credit risk	159	(2,061)	77	(1,825)
Other adjustments:				
- Foreign exchange and other adjustments	4	143	2,356	2,503
At end of the financial period	1,123	15,524	34,678	51,325
The Group and the Bank				
31-12-2023				
At beginning of the financial year	1,582	26,769	36,389	64,740
Transfer between stages due to change in credit risk:				
- Transfer to 12-month ECL (Stage 1)	-	-	-	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(219)	219	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	-	-	-	-
Total transfer between stages	(219)	219	-	-
Loans derecognised during the financial year (other than write-offs)	(205)	-	(3,172)	(3,377)
New loans originated or purchased	222	-	-	222
Changes due to change in credit risk	(165)	(9,362)	(4,256)	(13,783)
Changes due to change in model/risk parameters	(263)	(198)	-	(461)
- Foreign exchange and other adjustments	1	-	3,361	3,362
At end of the financial year	953	17,428	32,322	50,703

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

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

	12-month ECL Stage 1 RM'000	Lifetime ECL not Credit Impaired Stage 2 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
The Group and the Bank 30-06-2024				
At beginning of the financial period	1,875,134	58,061	71,288	2,004,483
Transfer between stages due to change in credit risk:				
- Transfer to 12-month ECL (Stage 1)	-	-	-	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(68,895)	68,895	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(12,228)	-	12,228	-
Total transfer between stages	(81,123)	68,895	12,228	-
Loans derecognised during the financial period (other than write-offs)	(56,002)	-	(10,958)	(66,960)
New loans originated or purchased	534,117	9,368	-	543,485
Changes due to change in credit risk	(257,277)	(10,407)	-	(267,684)
Other adjustments:				
- Foreign exchange and other adjustments	109	683	2,416	3,208
At end of the financial period	2,014,958	126,600	74,974	2,216,532
The Group and the Bank 31-12-2023				
At beginning of the financial year	1,497,059	59,361	78,325	1,634,745
Transfer between stages due to change in credit risk:				
- Transfer to 12-month ECL (Stage 1)	-	-	-	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(23,534)	23,534	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	-	-	-	-
Total transfer between stages	(23,534)	23,534	-	-
Loans derecognised during the financial year (other than write-offs)	(133,437)	-	(3,180)	(136,617)
New loans originated or purchased	1,023,354	-	-	1,023,354
Changes due to change in credit risk	(489,290)	(26,168)	(7,218)	(522,676)
Other adjustments:				
- Foreign exchange and other adjustments	982	1,334	3,361	5,677
At end of the financial year	1,875,134	58,061	71,288	2,004,483

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14. Trade receivables

	The Group and the Bank	
	30-06-2024	31-12-2023
	RM'000	RM'000
Amount due from clients:		
- performing accounts	343,042	337,519
- impaired accounts (a)	176	114
Amount due from brokers	73,486	33,648
Amount due from Bursa Securities Clearing Sdn. Bhd.	85,227	26,475
	<u>501,931</u>	<u>397,756</u>
Less: expected credit losses	(268)	(223)
	<u><u>501,663</u></u>	<u><u>397,533</u></u>

(a) Movement of impaired amount due from clients

	The Group and the Bank	
	30-06-2024	31-12-2023
	RM'000	RM'000
At beginning of the financial period/year	114	941
Classified as impaired during the financial period/year	3,201	412
Amount recovered	(3,139)	(1,239)
At end of the financial period/year	<u>176</u>	<u>114</u>

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

The Group and the Bank	Lifetime ECL not Credit Impaired RM'000	Lifetime ECL Credit Impaired RM'000	Total RM'000
30-06-2024			
At beginning of financial period	109	114	223
Allowance made	128	3,201	3,329
Amount written back	(145)	(3,139)	(3,284)
At end of financial period	<u>92</u>	<u>176</u>	<u>268</u>
The Group and the Bank			
31-12-2023			
At beginning of the financial year	71	685	756
Allowance made	93	412	505
Amount written back	(55)	(983)	(1,038)
At end of the financial year	<u>109</u>	<u>114</u>	<u>223</u>

15. Other assets

	The Group		The Bank	
	30-06-2024	31-12-2023	30-06-2024	31-12-2023
	RM'000	RM'000	RM'000	RM'000
Other debtors, deposits and prepayments	50,224	22,343	49,697	22,000
Collaterals pledged for derivatives transactions	-	2,700	-	2,700
Securities lending	26,997	37,478	26,997	37,478
Clearing guarantee fund	1,665	1,847	1,665	1,847
Clearing fund	2,917	2,745	2,917	2,745
Transferable membership	250	250	250	250
	<u>82,053</u>	<u>67,363</u>	<u>81,526</u>	<u>67,020</u>
Less: expected credit losses ("ECL")	(5,408)	(2,286)	(5,383)	(2,197)
	<u><u>76,645</u></u>	<u><u>65,077</u></u>	<u><u>76,143</u></u>	<u><u>64,823</u></u>

Movement in credit impaired accounts

	The Group		The Bank	
	30-06-2024	31-12-2023	30-06-2024	31-12-2023
	RM'000	RM'000	RM'000	RM'000
At beginning of the financial period/year	2,293	4,757	2,205	4,753
Additional during the period/year	5,357	1,533	5,274	1,238
Amount recovered	(2,204)	(2,983)	(2,058)	(2,772)
Amount written off	-	(1,014)	-	(1,014)
At end of the financial period/year	<u>5,446</u>	<u>2,293</u>	<u>5,421</u>	<u>2,205</u>

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15. Other assets (continued)

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

The Group	Lifetime ECL not Credit Impaired RM'000	Lifetime ECL Credit Impaired RM'000	Total RM'000
30-06-2024			
At beginning of the financial period	14	2,272	2,286
Allowance made	56	5,356	5,412
Amount written back	(60)	(2,230)	(2,290)
At end of the financial period	<u>10</u>	<u>5,398</u>	<u>5,408</u>
The Group	Lifetime ECL not Credit Impaired RM'000	Lifetime ECL Credit Impaired RM'000	Total RM'000
31-12-2023			
At beginning of the financial year	16	4,733	4,748
Allowance made	44	1,534	1,578
Amount written back	(45)	(2,981)	(3,026)
Amount written off	-	(1,014)	(1,014)
At end of the financial year	<u>14</u>	<u>2,272</u>	<u>2,286</u>
The Bank	Lifetime ECL not Credit Impaired RM'000	Lifetime ECL Credit Impaired RM'000	Total RM'000
30-06-2024			
At beginning of the financial period	14	2,183	2,197
Allowance made	50	5,274	5,324
Amount written back	(55)	(2,083)	(2,138)
At end of the financial period	<u>9</u>	<u>5,374</u>	<u>5,383</u>
The Bank	Lifetime ECL not Credit Impaired RM'000	Lifetime ECL Credit Impaired RM'000	Total RM'000
31-12-2023			
At beginning of the financial year	16	4,729	4,745
Allowance made	32	1,238	1,270
Amount written back	(33)	(2,770)	(2,804)
Amount written off	-	(1,014)	(1,014)
At end of the financial year	<u>14</u>	<u>2,183</u>	<u>2,197</u>

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16. Investment in subsidiaries

	The Bank	
	30-06-2024	31-12-2023
	RM'000	RM'000
Cost		
At beginning of the financial year	5,310	5,310
Additions	-	-
Disposal of a subsidiary	-	-
At the end of the financial period/year	5,310	5,310
Less: Accumulated impairment losses		
At beginning of the financial year	3,516	3,516
Impaired during the financial period/year (a)	-	-
Disposal of a subsidiary	-	-
At the end of the financial period/year	3,516	3,516
Net carrying value		
At the end of the financial period/year	1,794	1,794

(a) During the financial period, no impairment losses was recognised (31.12.2023: RM Nil) for investments in Affin Hwang Nominees (Asing) Sdn. Bhd., Affin Hwang Nominees (Tempatan) Sdn. Bhd., AHC Global Sdn. Bhd. and AHC Associates Sdn. Bhd.

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

	Percentage of equity held	
	30-06-2024	31-12-2023
	%	%
<u>Held by the Bank -</u>		
Affin Hwang Investment Bank Berhad	20	20
<u>Held by subsidiaries of the Bank -</u>		
Affin Hwang Nominees (Asing) 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.

17. Investment in an associate

	The Bank	
	30-06-2024	31-12-2023
	RM'000	RM'000
Cost		
At beginning of the financial year	1,332	1,332
Share of results of associate, net of tax	-	-
Net redemption investments in funds	-	-
At the end of the financial period/year	1,332	1,332
Less: Accumulated impairment losses		
At beginning of the financial year	960	-
Impaired during the financial period/year (a)	-	960
At the end of the financial period/year	960	960
Net carrying value		
At the end of the financial period/year	372	372

(a) During the financial period, no impairment losses was recognised (31.12.2023: RM Nil) for investment in AHTB. Recoverable amount is tested annually or more frequently if events, or changes in circumstances indicate that impairment might be required. Management has assessed the recoverable amount of AHTB based on its VIU, calculated based on the cash flow projections derived from the financial budgets and business plans prepared by management that were updated to reflect the most recent market developments. The impairment test has indicated no impairment loss for the financial year period.

(b) Information about the associate:

The Bank	Name	Principal Activities	Issued and paid up share capital	Percentage of equity held	
				30-06-2024	31-12-2023
			RM'000	%	%
	Affin Hwang Trustee Berhad ("AHTB") #	Provision of trustee services	6,500	20%	20%

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 16 to the condensed interim financial statements.

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18. Deposits from customers

	The Group and the Bank	
	30-06-2024	31-12-2023
	RM'000	RM'000
(i) By Type of Deposits		
Fixed deposits	3,823,938	3,777,394
Negotiable instruments of deposits	1,004,467	1,004,305
Other deposits	17,506	19,794
	<u>4,845,911</u>	<u>4,801,493</u>
(ii) By Maturity Structures		
Due within six months	4,041,350	3,921,919
Six months to one year	250,721	326,359
One year to three years	553,840	553,215
	<u>4,845,911</u>	<u>4,801,493</u>
(iii) By Type of Customers		
Domestic non-banking financial institutions	2,465,260	2,326,611
Business enterprises	1,193,603	1,107,866
Domestic banking institutions	1,004,467	1,004,305
Government and statutory bodies	167,358	308,574
Individuals	-	39,514
Foreign entities	5,383	7,294
Other entities	9,840	7,329
	<u>4,845,911</u>	<u>4,801,493</u>

19. Deposits and placements of banks and other financial institutions

	The Group and the Bank	
	30-06-2024	31-12-2023
	RM'000	RM'000
Licensed banks	1,238,465	1,376,318
Licensed investment banks	138,135	168,851
	<u>1,376,600</u>	<u>1,545,169</u>

20. Trade payables

	The Group and the Bank	
	30-06-2024	31-12-2023
	RM'000	RM'000
Amount due to clients	220,093	174,921
Amount due to brokers	132,240	39,179
	<u>352,333</u>	<u>214,100</u>

Trade payables include amount payable under outstanding contracts from the stock and share broking activities and amounts due to unit trust funds and unit holders from asset management activities. The credit terms of amounts due to creditors range from 1 to 30 days (2023: 1 to 30 days).

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21. Other liabilities

	The Group		The Bank	
	30-06-2024 RM'000	31-12-2023 RM'000	30-06-2024 RM'000	31-12-2023 RM'000
Commissioned dealer's representative trust balances	63,033	64,818	63,033	64,818
Amounts payable to commissioned and salaried dealer's representatives	64,791	58,775	64,791	58,775
Accrued employee benefit	13,775	33,122	13,648	32,896
Securities borrowing	164,252	151,709	164,252	151,709
Other creditors and accruals	61,549	53,114	59,413	52,051
Collaterals pledged for derivatives transactions	5,754	85,846	5,754	85,846
	373,154	447,384	370,891	446,095
Add: expected credit losses - loans commitments and financial guarantees	17,814	18,063	17,814	18,063
	390,968	465,447	388,705	464,158

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

The Group and the Bank 30-06-2024	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	301	17,761
Changes due to change in credit risk:				
- Transfer to 12-month ECL (Stage 1)	-	-	-	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	-	-	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	-	-	-	-
Total transfer between stages	-	-	-	-
New loan commitments/financial guarantees issued	62	-	-	62
Changes due to change in credit risk	(10)	(301)	-	(311)
Changes in model/risk parameters	-	-	-	-
At end of the financial period	53	-	17,761	17,814

The Group and the Bank 31-12-2023	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	69	-	17,925
Changes due to change in credit risk:				
- Transfer to 12-month ECL (Stage 1)	-	-	-	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(52)	52	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	-	-	-	-
Total transfer between stages	(52)	52	-	-
New loan commitments/financial guarantees issued	181	-	-	181
Changes due to change in credit risk	(197)	378	(164)	17
Changes in model/risk parameters	-	(129)	-	(129)
At end of the financial year	1	301	17,761	18,063

22. Reserves

	The Group		The Bank	
	30-06-2024 RM'000	31-12-2023 RM'000	30-06-2024 RM'000	31-12-2023 RM'000
FVOCI revaluation reserves (a)	(15,253)	(26,516)	(15,253)	(26,516)
Regulatory reserves (b)	29,426	20,728	29,426	20,728
	14,173	(5,788)	14,173	(5,788)
Retained profits	457,823	428,718	457,700	428,723
	471,996	422,930	471,873	422,935

(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 29 April 2022, 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.

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23. Interest income

	The Group			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period Ended	Period Ended	Period-to-date	Period-to-date
	30-06-2024	30-06-2023	30-06-2024	30-06-2023
	RM'000	RM'000	RM'000	RM'000
Loans and advances	32,267	27,177	63,679	51,537
Money at call and deposit placements with financial institutions	6,306	6,057	13,524	11,316
Financial investments at FVOCI	32,529	29,639	68,213	57,589
Financial investments at amortised cost	12,069	10,816	24,150	21,644
Others	1,425	1,348	2,781	2,544
	84,596	75,037	172,347	144,630
of which:				
Interest income earned on impaired loans and advances	(177)	509	(94)	990

	The Bank			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period Ended	Period Ended	Period-to-date	Period-to-date
	30-06-2024	30-06-2023	30-06-2024	30-06-2023
	RM'000	RM'000	RM'000	RM'000
Loans and advances	32,267	27,177	63,679	51,537
Money at call and deposit placements with financial institutions	6,293	6,050	13,501	11,303
Financial investments at FVOCI	32,529	29,639	68,213	57,589
Financial investments at amortised cost	12,069	10,816	24,150	21,644
Others	1,425	1,348	2,781	2,544
	84,583	75,030	172,324	144,617
of which:				
Interest income earned on impaired loans and advances	(177)	509	(94)	990

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24. Interest expense

	The Group			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period Ended	Period Ended	Period-to-date	Period-to-date
	30-06-2024	30-06-2023	30-06-2024	30-06-2023
	RM'000	RM'000	RM'000	RM'000
Deposits from customers	53,260	47,240	105,342	91,147
Deposits and placements of banks and other financial institutions	7,741	6,577	19,693	10,867
Deposits on obligations on securities sold under repurchase agreements	3,002	3,675	7,780	4,645
Lease liabilities	156	164	302	284
Others	2,776	1,496	5,624	2,623
	66,935	59,152	138,741	109,566

	The Bank			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period Ended	Period Ended	Period-to-date	Period-to-date
	30-06-2024	30-06-2023	30-06-2024	30-06-2023
	RM'000	RM'000	RM'000	RM'000
Deposits from customers	53,260	47,240	105,342	91,147
Deposits and placements of banks and other financial institutions	7,740	6,577	19,692	10,867
Obligations on securities sold under repurchase agreements	3,002	3,675	7,780	4,645
Lease liabilities	156	164	302	284
Others	2,776	1,496	5,624	2,623
	66,934	59,152	138,740	109,566

25. Net fee and commission income

	The Group			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period Ended	Period Ended	Period-to-date	Period-to-date
	30-06-2024	30-06-2023	30-06-2024	30-06-2023
	RM'000	RM'000	RM'000	RM'000
Fee and commission income				
Net brokerage income	20,472	11,007	37,039	22,746
Loans related fees	4,693	3,473	8,882	6,863
Placement fees	293	-	1,663	1,365
Corporate advisory fees	779	589	3,246	1,646
Underwriting commissions	-	-	-	647
Arrangement fees	285	1,084	610	1,511
Others	2,972	2,190	5,941	4,778
	29,494	18,343	57,381	39,556

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25. Net fee and commission income (continued)

	The Bank			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period Ended	Period Ended	Period-to-date	Period-to-date
	30-06-2024	30-06-2023	30-06-2024	30-06-2023
	RM'000	RM'000	RM'000	RM'000
Fee and commission income				
Net brokerage income	20,473	11,007	37,040	22,746
Loans related fees	4,693	3,473	8,882	6,863
Placement fees	293	-	1,663	1,365
Corporate advisory fees	779	589	3,246	1,646
Underwriting commissions	-	-	-	647
Arrangement fees	285	1,084	610	1,511
Others	2,596	1,780	5,187	4,111
	29,119	17,933	56,628	38,889

26. Net gains and losses on financial instruments

	The Group			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period Ended	Period Ended	Period-to-date	Period-to-date
	30-06-2024	30-06-2023	30-06-2024	30-06-2023
	RM'000	RM'000	RM'000	RM'000
Gains/(Losses) arising on financial assets at FVTPL				
- net gains on disposal	23,346	8,266	31,866	14,079
- unrealised gains/(losses)	5,782	(5,359)	5,365	(8,223)
- gross dividend income	495	209	669	340
- interest income	6,755	5,851	13,449	10,450
Gains/(Losses) on derivative instruments				
- net (losses)/gains on disposal	(9,175)	172	(9,642)	263
- unrealised (losses)/gains	(7,103)	192	(2,180)	39
- interest income	2,887	1,885	6,955	4,067
- interest expense	(2,513)	(1,085)	(6,125)	(2,563)
Gains/(Losses) arising on financial investments at FVOCI				
- net (losses)/gains on disposal	(3,181)	968	(3,334)	1,384
- gross dividend income	113	113	113	113
	17,406	11,212	37,136	19,949

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

	The Bank			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period Ended	Period Ended	Period-to-date	Period-to-date
30-06-2024	30-06-2023	30-06-2024	30-06-2023	
	RM'000	RM'000	RM'000	RM'000
Gains/(Losses) arising on financial assets at FVTPL				
- net gains on disposal	23,346	8,266	31,866	14,079
- unrealised gains/(losses)	5,781	(5,360)	5,364	(8,230)
- gross dividend income	495	199	669	322
- interest income	6,744	5,851	13,430	10,450
Gains/(Losses) on derivative instruments				
- net (losses)/gains on disposal	(9,175)	172	(9,642)	263
- unrealised (losses)/gains	(7,103)	192	(2,180)	39
- interest income	2,887	1,885	6,955	4,067
- interest expense	(2,513)	(1,085)	(6,125)	(2,563)
Gains/(Losses) arising on financial investments at FVOCI				
- net (losses)/gains on disposal	(3,181)	968	(3,334)	1,384
- gross dividend income	113	113	113	113
	17,394	11,201	37,116	19,924

27. Other operating income

	The Group			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period Ended	Period Ended	Period-to-date	Period-to-date
30-06-2024	30-06-2023	30-06-2024	30-06-2023	
	RM'000	RM'000	RM'000	RM'000
Foreign exchange gains/(losses)				
- realised	1,453	(84,508)	65,471	(91,065)
- unrealised	462	85,605	(60,699)	93,686
Gains on disposal of property and equipment	75	-	145	1
Others	95	86	125	68
	2,085	1,183	5,042	2,690

	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
30-09-2023	30-06-2023	30-06-2024	30-06-2023	
	RM'000	RM'000	RM'000	RM'000
Foreign exchange gains/(losses)				
- realised	1,453	(84,508)	65,471	(91,065)
- unrealised	462	85,605	(60,699)	93,686
Gains on disposal of property and equipment	75	-	75	1
Others	89	86	111	68
	2,079	1,183	4,958	2,690

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28. Other operating expenses

	The Group			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period Ended	Period Ended	Period-to-date	Period-to-date
	30-06-2024	30-06-2023	30-06-2024	30-06-2023
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
Salaries, allowances and bonuses	16,747	11,978	33,161	27,051
Defined contribution plan	2,927	1,947	5,636	4,408
Other personnel costs	2,041	1,691	4,891	3,686
	21,715	15,616	43,688	35,145
Marketing expenses				
Business promotion and advertisement	23	275	171	466
Brokerage expenses	91	175	186	225
Entertainment	116	110	322	189
Travelling and accomodation	265	100	493	180
	495	660	1,172	1,060
Establishment cost				
Repair and maintenance	2,787	2,253	4,953	4,367
Rental of premises and equipment	311	1,730	1,233	3,511
Depreciation of ROU assets	2,349	1,863	4,276	3,268
Depreciation of property and equipment	604	667	1,211	1,331
Electricity, water and sewerage	271	361	540	735
Insurance and indemnities	239	292	570	424
Amortisation of intangible assets	183	211	383	417
	6,744	7,377	13,166	14,053
Administration and general expenses				
Subscription fees	2,997	2,498	5,784	5,034
Telecommunication expenses	2,431	2,136	5,115	4,129
Professional fees	987	1,068	1,932	2,238
Directors' remuneration	573	477	1,095	955
Auditors' remuneration	156	152	314	306
Property and equipment written off	248	-	248	-
Management fees #	5,258	5,910	10,253	11,499
Others	881	799	1,764	1,566
	13,531	13,040	26,505	25,727
Total other operating expenses	42,485	36,693	84,531	75,985

The Group and the Bank incur intercompany charges for shared operating costs of Affin Banking Group in Malaysia. The services received for group shared services are in respect of Finance, Company Secretary, Legal, People Office, Procurement, Admin & Facility Management, Information Technology, Corporate Affairs, Internal Audit, Risk Management, Compliance, Treasury & Markets effective from 1 October 2022, and Customer Service Unit (Retail Business, Securities) effective from 1 April 2023.

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28. Other operating expenses (continued)

	The Bank			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period Ended	Period Ended	Period-to-date	Period-to-date
	30-06-2024	30-06-2023	30-06-2024	30-06-2023
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
Salaries, allowances and bonuses	16,431	11,763	32,625	26,697
Defined contribution plan	2,873	1,910	5,550	4,347
Other personnel costs	1,987	1,666	4,811	3,639
	21,291	15,339	42,986	34,683
Marketing expenses				
Business promotion and advertisement	23	275	171	466
Brokerage expenses	85	165	173	204
Entertainment	116	110	322	189
Travelling and accommodation	265	100	493	180
	489	650	1,159	1,039
Establishment cost				
Repair and maintenance	2,775	2,238	4,929	4,335
Rental of premises and equipment	311	1,711	1,233	3,467
Depreciation of ROU assets	2,349	1,863	4,276	3,268
Depreciation of property and equipment	603	654	1,210	1,329
Electricity, water and sewerage	271	361	540	735
Insurance and indemnities	239	292	570	424
Amortisation of intangible assets	170	200	358	393
	6,718	7,319	13,116	13,951
Administration and general expenses				
Subscription fees	2,992	2,488	5,774	5,015
Telecommunication expenses	2,431	2,136	5,115	4,126
Professional fees	981	1,054	1,920	2,208
Directors' remuneration	573	477	1,095	955
Auditors' remuneration	150	150	300	300
Property and equipment written off	248	-	248	-
Management fees #	5,258	5,910	10,253	11,499
Others	881	798	1,764	1,563
	13,514	13,013	26,469	25,666
Total other operating expenses	42,012	36,321	83,730	75,339

The Group and the Bank incur intercompany charges for shared operating costs of Affin Banking Group in Malaysia. The services received for group shared services are in respect of Finance, Company Secretary, Legal, People Office, Procurement, Admin & Facility Management, Information Technology, Corporate Affairs, Internal Audit, Risk Management, Compliance, Treasury & Markets effective from 1 October 2022, and Customer Service Unit (Retail Business, Securities) effective from 1 April 2023.

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29. Writeback 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
	30-06-2024	30-06-2023	30-06-2024	30-06-2023
	RM'000	RM'000	RM'000	RM'000
Expected credit losses (made)/written-back on:				
- loans and advances	1,093	2,231	1,734	2,834
- trade receivables	(7)	166	(45)	508
- financial investments	2,789	(3,051)	2,841	4,155
- other assets	1,546	1,278	(3,123)	978
- loans commitments and financial guarantees	(21)	319	249	178
Bad debts recovered	1,734	154	1,761	387
Bad debts written off	-	-	-	(5)
	7,134	1,097	3,417	9,035

	The Bank			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Period Ended	Period Ended	Period-To-Date	Period-To-Date
	30-06-2024	30-06-2023	30-06-2024	30-06-2023
	RM'000	RM'000	RM'000	RM'000
Expected credit losses (made)/written-back on:				
- loans and advances	1,093	2,231	1,734	2,834
- trade receivables	(7)	166	(45)	508
- financial investments	2,789	(3,051)	2,841	4,155
- other assets	1,549	1,279	(3,186)	976
- loans commitments and financial guarantees	(21)	319	249	178
Bad debts recovered	1,734	154	1,761	387
	7,137	1,098	3,354	9,038

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30. Capital adequacy

The total capital and capital adequacy ratios of the Group and the Bank are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework (Capital Components) updated on 14 June 2024.

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 opted to apply BNM's transitional arrangement for the financial years spanning from 1 January 2020 to 31 December 2023. Under this transitional arrangement, financial institutions are permitted to add back the amount of loss allowance measured at an amount equal to 12-month ECL and Lifetime ECL to the extent they are ascribed to non-credit impaired exposures (which are Stage 1 and Stage 2 provisions) to their CET 1 capital. This strategic move aligns with the ongoing shift toward sustainable financial practices and prudent capital management. For the financial year beginning 1 January 2024, this transitional arrangement is no longer applicable.

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	
	30-06-2024 RM'000	31-12-2023 RM'000	30-06-2024 RM'000	31-12-2023 RM'000
Basel III				
Common Equity Tier (CET) 1 Capital:				
Share capital	999,800	999,800	999,800	999,800
Other reserves	20,728	20,728	20,728	20,728
Retained profits	428,718	428,718	428,723	428,723
Unrealised losses on FVOCI instruments	(15,253)	(26,516)	(15,253)	(26,516)
	1,433,993	1,422,730	1,433,998	1,422,735
Less: Regulatory adjustments				
Goodwill and other intangible assets	(306,946)	(307,321)	(306,934)	(307,285)
Investment in subsidiaries/associates	-	-	(2,166)	(2,166)
Regulatory reserves	(29,426)	(20,728)	(29,426)	(20,728)
Deferred tax assets	(35,715)	(27,652)	(35,715)	(27,652)
Other CET1 regulatory adjustments specified by BNM	-	8,101	-	8,113
Total CET 1 capital/Total Tier 1 Capital (a)	1,061,906	1,075,130	1,059,757	1,073,017
Tier 2 capital				
Qualifying loss provisions #	19,993	19,353	19,969	19,336
Total Tier 2 capital (b)	19,993	19,353	19,969	19,336
Total Capital (a) + (b)	1,081,899	1,094,483	1,079,726	1,092,353

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

	The Group		The Bank	
	30-06-2024 RM'000	31-12-2023 RM'000	30-06-2024 RM'000	31-12-2023 RM'000
Breakdown of risk-weighted assets in the various categories of risk-weights:				
Credit risk	1,599,419	1,548,262	1,597,501	1,546,887
Market risk	1,171,708	555,321	1,171,708	555,321
Operational risk	682,832	828,299	442,396	461,829
Total Risk-Weighted Assets	3,453,959	2,931,882	3,211,605	2,564,037
Capital Ratios:				
<u>With transitional arrangements</u>				
CET 1 capital ratio	N/A	36.670%	N/A	41.849%
Tier 1 capital ratio	N/A	36.670%	N/A	41.849%
Total capital ratio	N/A	37.330%	N/A	42.603%
<u>Before transitional arrangements</u>				
CET 1 capital ratio	30.745%	36.394%	32.998%	41.532%
Tier 1 capital ratio	30.745%	36.394%	32.998%	41.532%
Total capital ratio	31.323%	37.054%	33.620%	42.286%

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31. Commitments and contingencies

	The Group and The Bank	
	30-06-2024	31-12-2023
	Principal amount	Principal amount
	RM'000	RM'000
Transaction related contingent items	64,606	64,606
Forward asset purchases	12,573	-
Irrevocable commitments to extend credit:		
- maturity less than one year	145,728	26,321
- maturity more than one year	25,314	46,814
Interest rate related contracts:		
- less than one year	595,000	670,000
- one year to less than five years	2,650,000	2,512,000
Foreign exchange related contracts:		
- less than one year	5,501,660	11,496,621
- one year to less than five years	134,784	326,890
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	1,774,539	1,624,905
Equity related contracts:		
- less than one year	130,856	16,910
Total	11,035,060	16,785,067

32. Credit exposures arising from transactions with connected parties

In compliance with the requirement of BNM's guidelines on Credit Transactions and Exposures with Connected Parties for the Bank (Ref No: BNM/RH/GL 001-25), the following information as at 30 June 2024 are as follows:

(i) The aggregate value of outstanding credit exposures with connected parties (RM'000)	480,528
(ii) The percentage of outstanding credit exposures to connected parties as a proportion of credit exposures	7.0%
(iii) The percentage of outstanding credit exposures with connected parties which is non-performing or in default	Nil

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33. Fair value measurements

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

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

The Group 30-06-2024	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets				
Financial assets at FVTPL				
- Corporate bonds or sukuk	-	16,364	-	16,364
- Shares, warrants and unit trusts	222,285	-	-	222,285
Financial investments at FVOCI				
- Money market instruments	-	2,478,831	-	2,478,831
- Corporate bonds or sukuk	-	1,447,393	-	1,447,393
- Shares	-	-	26,187	26,187
Derivative financial assets	-	44,213	-	44,213
Total	222,285	3,986,801	26,187	4,235,273
Liabilities				
Derivative financial liabilities	-	65,850	-	65,850
Total	-	65,850	-	65,850

The Group 31-12-2023	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets				
Financial assets at FVTPL				
- Corporate bonds or sukuk	-	16,456	-	16,456
- Shares, warrants and unit trusts	90,380	-	-	90,380
Financial investments at FVOCI				
- Money market instruments	-	2,483,807	-	2,483,807
- Corporate bonds or sukuk	-	1,931,092	-	1,931,092
- Shares	-	-	24,759	24,759
Derivative financial assets	-	141,380	-	141,380
Total	90,380	4,572,735	24,759	4,687,874
Liabilities				
Derivative financial liabilities	-	82,340	-	82,340
Other liabilities - equities trading	981	-	-	981
Total	981	82,340	-	83,321

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33. Fair value measurements (continued)

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

The Bank 30-06-2024	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets				
Financial assets at FVTPL				
- Corporate bonds or sukuk	-	16,364	-	16,364
- Shares, warrants and unit trusts	221,008	-	-	221,008
Financial investments at FVOCI				
- Money market instruments	-	2,478,831	-	2,478,831
- Corporate bonds or sukuk	-	1,447,393	-	1,447,393
- Shares	-	-	26,187	26,187
Derivative financial assets	-	44,213	-	44,213
Total	221,008	3,986,801	26,187	4,233,996
Liabilities				
Derivative financial liabilities	-	65,850	-	65,850
Total	-	65,850	-	65,850
The Bank 31-12-2023	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets				
Financial assets at FVTPL				
- Corporate bonds or sukuk	-	16,456	-	16,456
- Shares, warrants and unit trusts	89,123	-	-	89,123
Financial investments at FVOCI				
- Money market instruments	-	2,483,807	-	2,483,807
- Corporate bonds or sukuk	-	1,931,092	-	1,931,092
- Shares	-	-	24,759	24,759
Derivative financial assets	-	141,380	-	141,380
Total	89,123	4,572,735	24,759	4,686,617
Liabilities				
Derivative financial liabilities	-	82,340	-	82,340
Other liabilities - equities trading	981	-	-	981
Total	981	82,340	-	83,321

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33. Fair value measurements (continued)

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

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

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

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

The Group and the Bank recognise transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. Transfers between fair value hierarchy primarily due to change in the level of trading activity, change in observable market activity related to an input, reassessment of available pricing information and change in the significance of the unobservable input. There were no transfers between Level 1, 2 and 3 of the fair value hierarchy during the financial period (2022: Nil).

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

	The Group and The Bank	
	30-06-2024	31-12-2023
	RM'000	RM'000
Opening	24,759	23,915
FVOCI revaluation reserves	1,428	844
Closing	26,187	24,759

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 2023, financial instruments measured with valuation techniques using significant unobservable inputs (Level 3) are unquoted shares held for socio economic purpose.