

Affin Hwang Investment Bank Berhad (Incorporated in Malaysia)

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

	Note	The Group		The Bank	
		As at 30-09-2024 RM'000	As at 31-12-2023 RM'000	As at 30-09-2024 RM'000	As at 31-12-2023 RM'000
ASSETS					
Cash and short-term funds		361,144	686,512	357,808	684,062
Financial assets at fair value through profit or loss ("FVTPL")	12	143,222	106,836	141,933	105,579
Financial investments at fair value through other comprehensive income ("FVOCI")	12	4,230,533	4,439,658	4,230,533	4,439,658
Financial investments at amortised cost	12	1,054,225	1,056,550	1,054,225	1,056,550
Loans and advances	13	2,191,187	1,953,780	2,191,187	1,953,780
Trade receivables	14	453,034	397,533	453,034	397,533
Derivative financial assets		138,060	141,380	138,060	141,380
Other assets	15	209,213	65,077	208,906	64,823
Statutory deposits with Bank Negara Malaysia		126,403	130,600	126,300	130,500
Amount due from subsidiaries		-	-	321	654
Investment in subsidiaries	16	-	-	1,794	1,794
Investment in an associate	17	-	-	372	372
Tax recoverable		17	33,634	-	33,631
Deferred tax assets		36,108	27,652	36,108	27,652
Property and equipment		10,732	9,937	10,729	9,932
Intangible assets		306,770	307,321	306,770	307,285
Right-of-use ("ROU") assets		14,592	15,302	14,592	15,302
TOTAL ASSETS		9,275,240	9,371,772	9,272,672	9,370,487
LIABILITIES AND EQUITY					
Deposits from customers	18	3,959,176	4,801,493	3,959,176	4,801,493
Deposits and placements of banks and other financial institutions	19	2,346,876	1,545,169	2,346,876	1,545,169
Obligations on securities sold under repurchase agreements		313,035	813,956	313,035	813,956
Senior debt securities	20	4,910	-	4,910	-
Trade payables	21	348,641	214,100	348,641	214,100
Derivative financial liabilities		162,517	82,340	162,517	82,340
Amount due to holding company		27,147	9,324	27,147	9,324
Lease liabilities		15,036	17,212	15,036	17,212
Other liabilities	22	540,713	465,447	538,222	464,158
Provision for taxation		22,953	1	22,950	-
TOTAL LIABILITIES		7,741,004	7,949,042	7,738,510	7,947,752
Share capital		999,800	999,800	999,800	999,800
Reserves	23	534,436	422,930	534,362	422,935
TOTAL EQUITY		1,534,236	1,422,730	1,534,162	1,422,735
TOTAL LIABILITIES AND EQUITY		9,275,240	9,371,772	9,272,672	9,370,487
COMMITMENTS AND CONTINGENCIES	32	9,708,727	16,785,067	9,708,727	16,785,067
CAPITAL ADEQUACY					
Basel III					
Before deducting proposed dividends:					
Common Equity Tier ("CET 1") capital ratio	31	37.874%	36.670%	40.292%	41.849%
Tier 1 capital ratio	31	37.874%	36.670%	40.292%	41.849%
Total capital ratio	31	38.540%	37.330%	41.001%	42.603%
After deducting proposed dividends:					
CET 1 capital ratio	31	35.398%	36.670%	37.653%	41.849%
Tier 1 capital ratio	31	35.398%	36.670%	37.653%	41.849%
Total capital ratio	31	36.064%	37.330%	38.362%	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 September 2024

	The Group	Individual Quarter		Cumulative Quarter	
		Current Financial Period 30-09-2024 RM'000	Preceding Year Corresponding Period 30-09-2023 RM'000	Current Financial Period-to-date 30-09-2024 RM'000	Preceding Year Corresponding Period-to-date 30-09-2023 RM'000
	Note				
Interest income	24	108,016	78,686	280,363	223,316
Interest expense	25	(72,084)	(65,117)	(210,825)	(174,683)
Net interest income		35,932	13,569	69,538	48,633
Net fee and commission income	26	39,013	21,457	96,394	61,013
Net gains and losses on financial instruments	27	12,051	32,249	49,187	52,198
Other operating income	28	(4,248)	3,504	794	6,194
Net income		82,748	70,779	215,913	168,038
Other operating expenses	29	(57,994)	(47,377)	(142,525)	(123,362)
Operating profit before allowances		24,754	23,402	73,388	44,676
Writeback for credit impairment losses on financial assets	30	47,919	632	51,336	9,667
Profit before zakat and taxation		72,673	24,034	124,724	54,343
Zakat		-	-	(1,337)	-
Profit before taxation		72,673	24,034	123,387	54,343
Taxation		(17,396)	(6,044)	(30,307)	(13,554)
Net profit after zakat and taxation		55,277	17,990	93,080	40,789
Attributable to the equity holder of the Bank		55,277	17,990	93,080	40,789
Earnings per share (sen):					
Basic/fully diluted		7.09	2.31	11.93	5.23

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 Comprehensive Income
for the financial period ended 30 September 2024

The Group	Individual Quarter		Cumulative Quarter	
	Current Financial Period 30-09-2024 RM'000	Preceding Year Corresponding Period 30-09-2023 RM'000	Current Financial Period-to-date 30-09-2024 RM'000	Preceding Year Corresponding Period-to-date 30-09-2023 RM'000
Net profit after zakat and taxation	55,277	17,990	93,080	40,789
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
Net fair value change in financial investments at FVOCI (debt instruments)	35,522	(4,671)	50,588	49,735
Net credit impairment losses change in financial investments at FVOCI (debt instruments)	(18,180)	367	(21,002)	2,955
Net gains/(losses) on financial investments at FVOCI reclassified to profit or loss on disposal (debt instruments)	(2,175)	(326)	(588)	(1,714)
Deferred tax on financial investments at FVOCI	(8,004)	1,199	(12,000)	(11,525)
Items that will not be reclassified subsequently to profit or loss				
Net fair value change in financial investments designated at FVOCI (equity instruments)	-	-	1,428	844
Other comprehensive income for the financial period, net of tax	7,163	(3,431)	18,426	40,295
Total comprehensive income for the financial period	62,440	14,559	111,506	81,084
Attributable to the equity holder of the Bank	62,440	14,559	111,506	81,084

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 September 2024

The Bank	Note	Individual Quarter		Cumulative Quarter	
		Current Financial Period 30-09-2024 RM'000	Preceding Year Corresponding Period 30-09-2023 RM'000	Current Financial Period-to-date 30-09-2024 RM'000	Preceding Year Corresponding Period-to-date 30-09-2023 RM'000
Interest income	24	108,007	78,678	280,331	223,295
Interest expense	25	(72,085)	(65,117)	(210,825)	(174,683)
Net interest income		35,922	13,561	69,506	48,612
Net fee and commission income	26	38,563	21,148	95,191	60,037
Net gains and losses on financial instruments	27	12,039	32,237	49,155	52,161
Other operating income	28	(4,254)	3,504	704	6,194
Net income		82,270	70,450	214,556	167,004
Other operating expenses	29	(57,482)	(46,995)	(141,212)	(122,334)
Operating profit before allowances		24,788	23,455	73,344	44,670
Writeback for credit impairment losses on financial assets	30	47,933	676	51,287	9,714
Profit before zakat and taxation		72,721	24,131	124,631	54,384
Zakat		-	-	(1,337)	-
Profit before taxation		72,721	24,131	123,294	54,384
Taxation		(17,395)	(6,043)	(30,293)	(13,551)
Net profit after zakat and taxation		55,326	18,088	93,001	40,833
Attributable to the equity holder of the Bank		55,326	18,088	93,001	40,833
Earnings per share (sen):					
Basic/fully diluted		7.09	2.32	11.92	5.24

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 Comprehensive Income
for the financial period ended 30 September 2024

The Bank

	Individual Quarter		Cumulative Quarter	
	Current Financial Period 30-09-2024 RM'000	Preceding Year Corresponding Period 30-09-2023 RM'000	Current Financial Period-to-date 30-09-2024 RM'000	Preceding Year Corresponding Period-to-date 30-09-2023 RM'000
Net profit after zakat and taxation	55,326	18,088	93,001	40,833
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
Net fair value change in financial investments at FVOCI (debt instruments)	35,522	(4,671)	50,588	49,735
Net credit impairment losses change in financial investments at FVOCI (debt instruments)	(18,180)	367	(21,002)	2,955
Net gains/(losses) on financial investments at FVOCI reclassified to profit or loss on disposal (debt instruments)	(2,175)	(326)	(588)	(1,714)
Deferred tax on financial investments at FVOCI	(8,004)	1,199	(12,000)	(11,525)
Items that will not be reclassified subsequently to profit or loss				
Net fair value change in financial investments designated at FVOCI (equity instruments)	-	-	1,428	844
Other comprehensive income for the financial period, net of tax	7,163	(3,431)	18,426	40,295
Total comprehensive income for the financial period	62,489	14,657	111,427	81,128
Attributable to the equity holder of the Bank	62,489	14,657	111,427	81,128

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 September 2024

	<----- Attributable to equity holder of the Bank ----->				
	<----- Non-distributable ----->		<- Distributable ->		
	Share Capital	Regulatory reserves	FVOCI revaluation reserves	Retained profits	Total equity
	RM'000	RM'000	RM'000	RM'000	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	-	-	-	93,080	93,080
Other comprehensive income (net of tax)					
- Financial investments at FVOCI	-	-	18,426	-	18,426
Total comprehensive income	-	-	18,426	93,080	111,506
Transfer to regulatory reserves	-	23,194	-	(23,194)	-
At 30 September 2024	999,800	43,922	(8,090)	498,604	1,534,236
At 1 January 2023	999,800	16,709	(92,555)	513,272	1,437,226
Comprehensive income:					
Net profit for the financial period	-	-	-	40,789	40,789
Other comprehensive income (net of tax)					
- Financial investments at FVOCI	-	-	40,295	-	40,295
Total comprehensive income	-	-	40,295	40,789	81,084
Transfer from regulatory reserves	-	2,865	-	(2,865)	-
Dividends paid	-	-	-	(150,000)	(150,000)
At 30 September 2023	999,800	19,574	(52,260)	401,196	1,368,310

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 September 2024

	<----- Attributable to equity holder of the Bank ----->				Total equity RM'000
	Share Capital RM'000	Regulatory reserves RM'000	FVOCI revaluation reserves RM'000	Retained profits 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	-	-	-	93,001	93,001
Other comprehensive income (net of tax)					
- Financial investments at FVOCI	-	-	18,426	-	18,426
Total comprehensive income	-	-	18,426	93,001	111,427
Transfer to regulatory reserves	-	23,194	-	(23,194)	-
At 30 September 2024	999,800	43,922	(8,090)	498,530	1,534,162
At 1 January 2023	999,800	16,709	(92,555)	513,268	1,437,222
Comprehensive income:					
Net profit for the financial period	-	-	-	40,833	40,833
Other comprehensive income (net of tax)					
- Financial investments at FVOCI	-	-	40,295	-	40,295
Total comprehensive income	-	-	40,295	40,833	81,128
Transfer from regulatory reserves	-	2,865	-	(2,865)	-
Dividends paid	-	-	-	(150,000)	(150,000)
At 30 September 2023	999,800	19,574	(52,260)	401,236	1,368,350

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 Condensed Statements of Cash Flows
for the financial period ended 30 September 2024

	The Group		The Bank	
	30-09-2024 RM'000	30-09-2023 RM'000	30-09-2024 RM'000	30-09-2023 RM'000
Cash flow from operating activities				
Profit before taxation	123,387	54,343	123,294	54,384
Adjustments for non-operating and not involving the movement of cash and cash equivalents	(100,585)	(184,133)	(100,471)	(184,180)
<i>Operating profit/(loss) before changes in working capital</i>	22,802	(129,790)	22,823	(129,796)
Net changes in operating assets	(483,801)	(944,758)	(483,433)	(945,004)
Net changes in operating liabilities	(221,777)	1,833,039	(222,979)	1,822,771
Cash (used in)/generated from operating activities	(682,776)	758,491	(683,589)	747,971
Tax refunded/(paid)	5,806	(2,113)	5,832	(2,107)
Zakat paid	(250)	-	(250)	-
Net cash (used in)/generated from operating activities	(677,220)	756,378	(678,007)	745,864
Cash flow from investing activities				
Interest received from financial investments	163,982	125,252	163,982	125,252
Purchase of financial investments	(2,744,661)	(1,072,350)	(2,744,661)	(1,072,350)
Proceeds from redemption/disposal of financial investments	2,935,527	413,630	2,935,527	413,630
Dividend income received from:				
- financial assets	2,021	28	1,992	-
- financial investments	150	190	150	190
Proceeds from disposal of property and equipment	238	-	168	-
Purchase of property and equipment	(2,881)	(4,534)	(2,881)	(4,534)
Purchase of intangible assets	(147)	(303)	(147)	(303)
Net cash generated from/(used in) investing activities	354,229	(538,087)	354,130	(538,115)
Cash flow from financing activities				
Lease payments	(7,285)	(2,361)	(7,285)	(2,361)
Dividend paid to holding company	-	(150,000)	-	(150,000)
Proceeds from issuance of Commercial Paper	4,908	-	4,908	-
Net cash used in financing activities	(2,377)	(152,361)	(2,377)	(152,361)
Net (decrease)/increase in cash and cash equivalents	(325,368)	65,930	(326,254)	55,388
Cash and cash equivalents at beginning of the financial period	686,512	311,874	684,062	309,523
Cash and cash equivalents at end of the financial period	361,144	377,804	357,808	364,911

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 September 2024

1. Review of financial performance

The Group recorded a profit before taxation ("PBT") of RM123.4 million for the 9 months period ended 30 September 2024 ("9M2024"), an increase as compared to the previous corresponding financial period ("9M2023") of RM54.3 million.

Analysis of the Group's 9M2024 financial performance is as follows:

- Net interest income of RM69.5 million in 9M2024 was 43% higher than RM48.6 million in 9M2023 primarily due to higher interest-earning assets in the current period.
- Net fee and commission income increased from RM61.0 million in 9M2023 to RM96.4 million in 9M2024, 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 RM49.2 million in 9M2024 was 6% lower than RM52.2 million in 9M2023. The decrease was mainly due to net losses from the disposal of financial assets at FVOCI of RM1.3 million (9M2023: net gains from disposal of RM1.7 million).
- Other operating income decreased from RM6.2 million in 9M2023 to RM0.8 million in 9M2024 mainly due to lower foreign exchange gains in the current period.
- Operating expenses in 9M2024 were higher at RM142.5 million (9M2023: RM123.4 million) mainly due to higher personnel costs in the current period.
- Net writeback for credit impairment losses on financial assets in 9M2024 was higher at RM51.3 million (9M2023: RM9.7 million) mainly due to higher recoveries of loans and advances.

2. Prospect for the current financial year

The International Monetary Fund ("IMF") and World Bank have raised their global growth forecasts to 3.3% and 2.6% respectively. As global inflationary pressures ease, major economies are beginning to ease monetary policies in anticipation of interest rate cuts stimulating demand.

The World Bank has increased Malaysia's 2024 economic growth forecast from 4.3% to 4.9%, driven by consumption growth, investment activities, and a recovery in external trade. Domestic demand, supported by a healthy labour market and infrastructure projects, is expected to remain the primary driver of Malaysia's economic growth. Bank Negara Malaysia ("BNM") is likely to maintain the Overnight Policy Rate ("OPR") at 3.0% throughout 2024, reflecting positive economic prospects and stable inflation.

The outlook for Malaysia's domestic banking sector for the remainder of 2024 is expected to be favourable, supported by steady loan and financing growth as well as stable asset quality. The competition for deposit is expected to persist and intensify towards the end of the year which may have implication on the overall industry's Cost of Deposits. The Bank expects overall business to remain stable for the remaining of the year.

Affin Hwang Investment Bank Berhad (Incorporated in Malaysia)

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

Other than as disclosed below, there were no issuances, cancellation, repurchases, resale or repayment of debt and equity securities by the Group and the Bank during the financial period.

- (a) On 28 June 2024, the Group and the Bank have established a Commercial Paper (CP) / Medium Term Note (MTN) programme of RM2.0 billion in nominal value. The CP/MTN programme is established for the purpose of general banking business and working capital requirements of the Group and the Bank.

On 27 September 2024, the Group and the Bank had issued RM5.0 million of CP out of its CP/MTN programme. The CP was issued for a tenure of 6 months from the issue date, at a discount rate of 3.70%.

8. Material litigations

There is no material litigation during the financial period ended 30 September 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 Board of Directors has recommended the payment of an interim single-tier cash dividend of 9.615 sen per share amounting to RM75,000,000 for the financial year ending 31 December 2024, which is subject to the approval from Bank Negara Malaysia.

11. Significant event during and subsequent to the financial period

Other than as disclosed below, there is no significant event during and subsequent to the financial period ended 30 September 2024.

- (a) On 27 September 2024, Lembaga Tabung Angkatan Tentera ("LTAT"), the substantial shareholder of Affin Bank Berhad ("ABB"), the immediate holding company of the Bank, together with Boustead Holdings Berhad ("BHB"), a wholly-owned subsidiary of LTAT, had entered into a sale and purchase agreement with SG Assetfin Holdings Sdn Bhd ("SAH"), a wholly-owned special purpose vehicle of State Financial Secretary, Sarawak for the divestment of approximately 634.7 million shares representing of approximately 26% stake in ABB ("the Divestment").

Upon the completion of the Divestment, the collective shareholding interest of LTAT and BHB in ABB will reduce to approximately 23%. Consequently, the State Government of Sarawak will emerge as the single largest shareholder in ABB with an aggregate shareholding interest of approximately 31%. The Divestment is expected to be completed in the 4th quarter of 2024.

Other than the significant change in the shareholding structure in ABB upon the completion of the Divestment, there is no financial impact to the Group and to the Bank during and subsequent to the financial period ended 30 September 2024.

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

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

12. Securities portfolio

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

	The Group		The Bank	
	30-09-2024	31-12-2023	30-09-2024	31-12-2023
	RM'000	RM'000	RM'000	RM'000
Quoted securities				
Unit trusts in Malaysia	1,289	1,257	-	-
Shares and warrants in Malaysia	126,996	89,123	126,996	89,123
	<u>128,285</u>	<u>90,380</u>	<u>126,996</u>	<u>89,123</u>
Unquoted securities				
Corporate bonds and/or Sukuk in Malaysia	-	2	-	2
Corporate bonds and/or Sukuk outside Malaysia	14,937	16,454	14,937	16,454
	<u>14,937</u>	<u>16,456</u>	<u>14,937</u>	<u>16,456</u>
	<u>143,222</u>	<u>106,836</u>	<u>141,933</u>	<u>105,579</u>

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

	The Group and the Bank	
	30-09-2024	31-12-2023
	RM'000	RM'000
At fair value		
Money market instruments		
Malaysian government islamic investment issues	1,116,276	1,362,482
Malaysian government securities	1,440,266	1,055,875
Cagamas bonds	10,054	65,450
	<u>2,566,596</u>	<u>2,483,807</u>
Unquoted securities		
Corporate bonds and/or Sukuk in Malaysia	1,128,728	1,902,608
Corporate bonds and/or Sukuk outside Malaysia	509,022	28,484
Shares in Malaysia ^	26,187	24,759
	<u>4,230,533</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 RM226,372,000 (31.12.2023: RM858,900,000).

(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	
	30-09-2024	31-12-2023
	RM'000	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>

Affin Hwang Investment Bank Berhad
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**Notes to the unaudited condensed interim financial statements
for the financial period ended 30 September 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 30-09-2024	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	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)	(1)	(29,707)	-	(29,708)
New financial assets originated or purchased	181	-	-	181
Changes due to change in credit risk	(32)	8,571	-	8,539
Other adjustments:				
- Foreign exchange and other adjustments	(14)	-	-	(14)
At end of the financial period	202	36	-	238

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	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 period (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:

	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 30-09-2024				
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)	(1,853,865)	(105,041)	-	(1,958,906)
New financial assets originated or purchased	1,750,183	-	-	1,750,183
Changes in interest accruals and accretion/amortisation	(6,530)	(1,215)	-	(7,745)
Changes due to change in fair value	49,751	249	-	50,000
Other adjustments:				
- Foreign exchange and other adjustments	(44,085)	-	-	(44,085)
At end of the financial period	4,162,808	41,538	-	4,204,346

	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 31-12-2023 RM'000
The Group and the Bank 31-12-2023				
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
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	
	30-09-2024	31-12-2023
	RM'000	RM'000
At fair value		
Money market instruments		
Malaysian government islamic investment issues	149,704	149,318
Malaysian government securities	191,767	190,695
	<u>341,471</u>	<u>340,013</u>
Unquoted securities		
Corporate bonds and/or Sukuk in Malaysia	678,586	679,060
Corporate bonds and/or Sukuk outside Malaysia	34,458	37,786
Loan stocks in Malaysia	-	8,101
	<u>1,054,515</u>	<u>1,064,960</u>
Less: expected credit losses	(290)	(8,410)
	<u><u>1,054,225</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 RM94,041,000 (31.12.2023: RM10,000,000).

(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 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	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)
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 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	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)
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 ("ECL") are as follows:

The Group and the Bank 30-09-2024	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	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	988	-	-	988
Write-offs	-	-	(7,936)	(7,936)
Foreign exchange and other adjustments	(3,332)	-	(165)	(3,497)
At end of the financial period	<u>1,054,515</u>	<u>-</u>	<u>-</u>	<u>1,054,515</u>

The Group and the Bank 31-12-2023	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	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

	The Group and the Bank	
	30-09-2024 RM'000	31-12-2023 RM'000
(i) By Type of Loans		
Term loans:		
- Syndicated term loans	39,859	41,163
- Other term loans	96,135	144,143
Share margin financing	1,906,843	1,623,784
Revolving credits	167,734	189,339
Staff loans	5,287	6,054
Gross loans and advances	<u>2,215,858</u>	<u>2,004,483</u>
Less: expected credit losses	(24,671)	(50,703)
Total net loans and advances	<u>2,191,187</u>	<u>1,953,780</u>
(ii) By Type of Customers		
Domestic business enterprises:		
- Small medium enterprises	103,494	63,388
- Others	354,390	387,726
Domestic non-bank financial institutions	366,877	363,246
Individuals	1,328,231	1,136,465
Foreign individuals	435	453
Foreign business enterprises	62,431	53,205
Total gross loans and advances	<u>2,215,858</u>	<u>2,004,483</u>

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13. Loans and advances (continued)

	The Group and the Bank	
	30-09-2024	31-12-2023
	RM'000	RM'000
(iii) By Interest Rate Sensitivity		
Fixed rate		
- Other fixed rate loans	-	47,359
- Housing loans	4,549	5,046
- Hire purchase receivables	738	1,008
Variable rate		
- Cost-plus	2,058,481	1,799,846
- BFR plus *	124,478	122,120
- Other floating rate	27,612	29,104
Total gross loans and advances	2,215,858	2,004,483
* refers to Base Financing Rate ("BFR") from Affin Bank.		
(iv) By Economic Purpose		
Purchase of securities	1,954,742	1,675,076
Purchase of landed properties of which		
- Residential	4,549	5,046
- Non-residential	9,018	19,650
Working capital	4,801	68,706
Construction	9,163	12,613
Purchase of transport vehicles	16,465	25,109
Others	217,120	198,283
Total gross loans and advances	2,215,858	2,004,483
(v) By Economic Sectors		
Household	1,328,666	1,136,917
Finance, insurance and business services	439,802	399,936
Construction	167,339	193,993
Real estate	165,933	149,932
Transport, storage and communication	49,652	54,645
Agriculture	9,018	18,274
Manufacturing	33,464	26,735
Wholesale, retail trade, hotels and restaurants	5,536	7,129
Education, health and others	15,858	16,335
Electricity, gas and water supply	590	587
Total gross loans and advances	2,215,858	2,004,483
(vi) By Geographical Distribution		
Wilayah Persekutuan	1,553,239	1,335,149
Selangor	365,402	372,212
Johor	181,290	135,747
Sarawak	11,035	54,664
Pulau Pinang	25,691	31,310
Sabah	14,336	24,599
Terengganu	9,164	12,613
Perak	3,363	2,811
Kedah	2,833	3,961
Negeri Sembilan	2,801	2,313
Labuan	27,612	29,104
Other countries	19,092	-
Total gross loans and advances	2,215,858	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	
	30-09-2024 RM'000	31-12-2023 RM'000
(vii) By Maturity Structure		
Maturing within one year	2,078,848	1,808,939
One year to three years	68,459	71,699
Three years to five years	24,215	30,171
Over five years	44,336	93,674
Total gross loans and advances	2,215,858	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	-
Reclassified as non-impaired during the financial period	(404)	-
Amount recovered	(48,758)	(10,398)
Interest on credit impaired loans and advances	(9,728)	3,361
At end of the financial period/year	24,686	71,288
Gross impaired loans as a percentage of gross loans and advances	1.11%	3.56%
(ix) Impaired loans and advances analysed by economic purpose		
Working capital	-	47,359
Purchase of securities	18,608	18,032
Others	6,078	5,897
Total impaired loans and advances	24,686	71,288
(x) Impaired loans and advances analysed by economic sector		
Construction	-	47,359
Real estate	24,686	23,929
Total impaired loans and advances	24,686	71,288
(xi) Impaired loans and advances by geographical distribution		
Sarawak	-	47,359
Selangor	24,686	23,929
Total impaired loans and advances	24,686	71,288

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13. Loans and advances (continued)

(xii) Movements in expected credit losses ("ECL") for loans and advances

The Group and the Bank 30-09-2024	12-month	Lifetime ECL not Credit	Lifetime ECL	Total RM'000
	ECL Stage 1 RM'000	Impaired Stage 2 RM'000	Credit Impaired Stage 3 RM'000	
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)	(24)	(11,414)	(79)	(11,517)
New loans originated or purchased	36	-	-	36
Changes due to change in credit risk	109	(2,190)	77	(2,004)
Write-offs	-	(2,852)	-	(2,852)
Other adjustments:				
- Foreign exchange and other adjustments	(5)	37	(9,727)	(9,695)
At end of the financial period	1,053	1,023	22,595	24,671

The Group and the Bank 31-12-2023	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	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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13. Loans and advances (continued)

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

The Group and the Bank 30-09-2024	12-month	Lifetime ECL not Credit	Lifetime ECL Credit	Total RM'000
	ECL Stage 1 RM'000	Impaired Stage 2 RM'000	Impaired Stage 3 RM'000	
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)	1,330	-	(1,330)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(68,895)	68,895	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(12,288)	-	12,288	-
Total transfer between stages	(79,853)	68,895	10,958	-
Loans derecognised during the financial period (other than write-offs)	(87,048)	(11,414)	(60,340)	(158,802)
New loans originated or purchased	810,433	9,371	-	819,804
Changes due to change in credit risk	(428,371)	(12,809)	-	(441,180)
Write-offs	-	(2,852)	-	(2,852)
Other adjustments				
- Foreign exchange and other adjustments	(6,477)	(1,898)	2,780	(5,595)
At end of the financial period	2,083,818	107,354	24,686	2,215,858

The Group and the Bank 31-12-2023	12-month	Lifetime ECL not Credit	Lifetime ECL Credit	Total RM'000
	ECL Stage 1 RM'000	Impaired Stage 2 RM'000	Impaired Stage 3 RM'000	
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	
	30-09-2024	31-12-2023
	RM'000	RM'000
Amount due from clients:		
- performing accounts	226,859	337,519
- impaired accounts (a)	226	114
Amount due from brokers	112,159	33,648
Amount due from Bursa Securities Clearing Sdn. Bhd.	114,097	26,475
	<u>453,341</u>	<u>397,756</u>
Less: expected credit losses	(307)	(223)
	<u>453,034</u>	<u>397,533</u>

(a) Movement of impaired amount due from clients

	The Group and the Bank	
	30-09-2024	31-12-2023
	RM'000	RM'000
At beginning of the financial period/year	114	941
Classified as impaired during the financial period/year	3,623	412
Amount recovered	(3,511)	(1,239)
At end of the financial period/year	<u>226</u>	<u>114</u>

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

The Group and the Bank	Lifetime ECL	Lifetime ECL	Total
	not Credit	Credit	
30-09-2024	Impaired	Impaired	RM'000
	RM'000	RM'000	RM'000
At beginning of financial period	109	114	223
Allowance made	135	3,623	3,758
Amount written back	(163)	(3,511)	(3,674)
At end of financial period	<u>81</u>	<u>226</u>	<u>307</u>
The Group and the Bank	Lifetime ECL	Lifetime ECL	Total
31-12-2023	not Credit	Credit	
	Impaired	Impaired	RM'000
	RM'000	RM'000	RM'000
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	
	30-09-2024	31-12-2023	30-09-2024	31-12-2023
	RM'000	RM'000	RM'000	RM'000
Other debtors, deposits and prepayments	42,434	22,343	42,087	22,000
Collaterals pledged for derivatives transactions	-	2,700	-	2,700
Securities lending	167,071	37,478	167,071	37,478
Clearing guarantee fund	1,633	1,847	1,633	1,847
Clearing fund	2,939	2,745	2,939	2,745
Transferable membership	250	250	250	250
	<u>214,327</u>	<u>67,363</u>	<u>213,980</u>	<u>67,020</u>
Less: expected credit losses	(5,114)	(2,286)	(5,074)	(2,197)
	<u>209,213</u>	<u>65,077</u>	<u>208,906</u>	<u>64,823</u>

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15. Other assets (continued)

(a) Movements in credit impaired accounts

	The Group		The Bank	
	30-09-2024 RM'000	31-12-2023 RM'000	30-09-2024 RM'000	31-12-2023 RM'000
At beginning of the financial period/year	2,293	4,757	2,205	4,753
Additional during the period/year	5,841	1,533	5,739	1,238
Amount recovered	(3,002)	(2,983)	(2,849)	(2,772)
Amount written off	-	(1,014)	-	(1,014)
At end of the financial period/year	<u>5,132</u>	<u>2,293</u>	<u>5,095</u>	<u>2,205</u>

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

The Group 30-09-2024	Lifetime ECL not Credit Impaired RM'000	Lifetime ECL Credit Impaired RM'000	Total RM'000
	At beginning of the financial period	14	2,272
Allowance made	74	5,841	5,915
Amount written back	(63)	(3,024)	(3,087)
At end of the financial period	<u>25</u>	<u>5,089</u>	<u>5,114</u>

The Group 31-12-2023	Lifetime ECL not Credit Impaired RM'000	Lifetime ECL Credit Impaired RM'000	Total RM'000
	At beginning of the financial year	16	4,733
Allowance made	44	1,534	1,578
Amount written back	(46)	(2,981)	(3,027)
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 30-09-2024	Lifetime ECL not Credit Impaired RM'000	Lifetime ECL Credit Impaired RM'000	Total RM'000
	At beginning of the financial period	14	2,183
Allowance made	65	5,738	5,803
Amount written back	(55)	(2,871)	(2,926)
At end of the financial period	<u>24</u>	<u>5,050</u>	<u>5,074</u>

The Bank 31-12-2023	Lifetime ECL not Credit Impaired RM'000	Lifetime ECL Credit Impaired RM'000	Total RM'000
	At beginning of the financial year	16	4,729
Allowance made	32	1,238	1,270
Amount written back	(34)	(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	
	30-09-2024	31-12-2023
	RM'000	RM'000
Cost		
At beginning of the financial year	5,310	5,310
Addition	-	-
Disposal	-	-
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	-	-
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.
- (b) Details of entities that holds interest in Affin Hwang Trustee Berhad ("AHTB") are as follows:

	Percentage of equity held	
	30-09-2024	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 a wholly-owned subsidiary of the Bank by virtue of its 100% effective equity interest in AHTB.

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17. Investment in an associate

	The Bank	
	30-09-2024 RM'000	31-12-2023 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 RM'000	Percentage of equity held	
			30-09-2024 %	31-12-2023 %
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.

18. Deposits from customers

	The Group and the Bank	
	30-09-2024 RM'000	31-12-2023 RM'000
(i) By Types of Deposits		
Fixed deposits	3,924,369	3,777,394
Negotiable instruments of deposits (Note 19(a))	-	1,004,305
Other deposits	34,807	19,794
	3,959,176	4,801,493
(ii) By Maturity Structure		
Due within six months	3,879,742	3,921,919
Six months to one year	79,434	326,359
One year to three years	-	553,215
	3,959,176	4,801,493
(iii) By Types of Customers		
Domestic non-banking financial institutions	2,661,219	2,326,611
Business enterprises	1,168,131	1,107,866
Domestic banking institutions (Note 19(a))	-	1,004,305
Government and statutory bodies	38,526	308,574
Individuals	-	39,514
Foreign entities	82,470	7,294
Other entities	8,830	7,329
	3,959,176	4,801,493

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19. Deposits and placements of banks and other financial institutions

	The Group and the Bank	
	30-09-2024	31-12-2023
	RM'000	RM'000
(i) By Types of Deposits		
Negotiable instruments of deposits (a)	1,107,858	-
Other deposits	1,239,018	1,545,169
	2,346,876	1,545,169
(ii) By Maturity Structure		
Due within six months	1,790,105	1,545,169
One year to three years	556,771	-
	2,346,876	1,545,169
(iii) By Types of Customers		
Licensed banks (a)	2,346,876	1,376,318
Licensed investment banks	-	168,851
	2,346,876	1,545,169

- (a) During the financial period, the Group and the Bank have reclassified the carrying amount of negotiable instruments of deposits held by ABB, which is a licensed bank in Malaysia, from 'Deposits from customers' to 'Deposits and placements of banks and other financial institutions' on the Statements of Financial Position, for presentation purpose.

20. Senior debt securities

	The Group and the Bank	
	30-09-2024	31-12-2023
	RM'000	RM'000
Commercial Paper	4,910	-

On 28 June 2024, the Group and the Bank have established a Commercial Paper (CP) / Medium Term Note (MTN) programme of RM2.0 billion in nominal value. The CP/MTN programme is established for the purpose of general banking business and working capital requirements of the Group and the Bank.

On 27 September 2024, the Group and the Bank had issued RM5.0 million of CP out of its CP/MTN programme. The CP was issued for a tenure of 6 months from the issue date, at a discount rate of 3.70%.

Movements in the carrying amount of the senior debt securities are as follows:

	The Group and the Bank	
	30-09-2024	31-12-2023
	RM'000	RM'000
At beginning of the financial year	-	-
Issuance during the financial period/year	4,908	-
Accrued interest	2	-
Redemption during the financial period/year	-	-
At the end of the financial period/year	4,910	-

21. Trade payables

	The Group and the Bank	
	30-09-2024	31-12-2023
	RM'000	RM'000
Amount due to clients	144,744	174,921
Amount due to brokers	203,897	39,179
	348,641	214,100

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

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22. Other liabilities

	The Group		The Bank	
	30-09-2024 RM'000	31-12-2023 RM'000	30-09-2024 RM'000	31-12-2023 RM'000
Commissioned dealer's representative trust balances	64,291	64,818	64,291	64,818
Amounts payable to commissioned and salaried dealer's representatives	54,484	58,775	54,484	58,775
Accrued employee benefit	26,000	33,122	25,815	32,896
Securities borrowing	317,935	151,709	317,935	151,709
Other creditors and accruals	65,277	53,114	62,971	52,051
Collaterals pledged for derivatives transactions	12,676	85,846	12,676	85,846
	540,663	447,384	538,172	446,095
Add: expected credit losses - loans commitments and financial guarantees	50	18,063	50	18,063
	540,713	465,447	538,222	464,158

Movements in expected credit losses ("ECL") on loans commitments and financial guarantees are as follows:

The Group and the Bank 30-09-2024	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 year	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	(13)	(301)	(17,761)	(18,075)
Changes in model/risk parameters	-	-	-	-
At end of the financial period	50	-	-	50

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

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23. Reserves

	The Group		The Bank	
	30-09-2024	31-12-2023	30-09-2024	31-12-2023
	RM'000	RM'000	RM'000	RM'000
FVOCI revaluation reserves (a)	(8,090)	(26,516)	(8,090)	(26,516)
Regulatory reserves (b)	43,922	20,728	43,922	20,728
	<u>35,832</u>	<u>(5,788)</u>	<u>35,832</u>	<u>(5,788)</u>
Retained profits	498,604	428,718	498,530	428,723
	<u>534,436</u>	<u>422,930</u>	<u>534,362</u>	<u>422,935</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 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.

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
30-09-2024	30-09-2023	30-09-2024	30-09-2023	
	RM'000	RM'000	RM'000	RM'000
Loans and advances	47,984	28,605	111,663	80,142
Money at call and deposit placements with financial institutions	7,483	5,499	21,007	16,815
Financial investments at FVOCI	38,608	32,252	106,821	89,841
Financial investments at amortised cost	12,189	10,802	36,339	32,446
Others	1,752	1,528	4,533	4,072
	<u>108,016</u>	<u>78,686</u>	<u>280,363</u>	<u>223,316</u>
of which:				
Interest income earned on impaired loans and advances	12,932	16,687	12,838	17,677

	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
30-09-2024	30-09-2023	30-09-2024	30-09-2023	
	RM'000	RM'000	RM'000	RM'000
Loans and advances	47,984	28,605	111,663	80,142
Money at call and deposit placements with financial institutions	7,474	5,491	20,975	16,794
Financial investments at FVOCI	38,608	32,252	106,821	89,841
Financial investments at amortised cost	12,189	10,802	36,339	32,446
Others	1,752	1,528	4,533	4,072
	<u>108,007</u>	<u>78,678</u>	<u>280,331</u>	<u>223,295</u>
of which:				
Interest income earned on impaired loans and advances	12,932	16,687	12,838	17,677

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
30-09-2024	30-09-2023	30-09-2024	30-09-2023	
	RM'000	RM'000	RM'000	RM'000
Deposits from customers	55,313	43,433	160,655	134,580
Deposits and placements of banks and other financial institutions	11,036	14,062	30,729	24,929
Deposits on obligations on securities sold under repurchase agreements	2,164	4,524	9,944	9,169
Lease liabilities	142	134	444	418
Others	3,429	2,964	9,053	5,587
	<u>72,084</u>	<u>65,117</u>	<u>210,825</u>	<u>174,683</u>

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25. Interest expense (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
30-09-2024	30-09-2023	30-09-2024	30-09-2023	
RM'000	RM'000	RM'000	RM'000	
Deposits from customers	55,313	43,433	160,655	134,580
Deposits and placements of banks and other financial institutions	11,037	14,062	30,729	24,929
Obligations on securities sold under repurchase agreements	2,164	4,524	9,944	9,169
Lease liabilities	142	134	444	418
Others	3,429	2,964	9,053	5,587
	<u>72,085</u>	<u>65,117</u>	<u>210,825</u>	<u>174,683</u>

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
30-09-2024	30-09-2023	30-09-2024	30-09-2023	
RM'000	RM'000	RM'000	RM'000	
Fee and commission income				
Net brokerage income	26,727	12,822	63,766	35,568
Loans related fees	6,128	3,268	15,010	10,131
Placement fees	665	450	2,328	1,815
Corporate advisory fees	1,594	1,853	4,840	3,499
Underwriting commissions	244	-	244	647
Arrangement fees	726	25	1,336	1,536
Others	2,929	3,039	8,870	7,817
	<u>39,013</u>	<u>21,457</u>	<u>96,394</u>	<u>61,013</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
30-09-2024	30-09-2023	30-09-2024	30-09-2023	
RM'000	RM'000	RM'000	RM'000	
Fee and commission income				
Net brokerage income	26,726	12,822	63,766	35,568
Loans related fees	6,128	3,268	15,010	10,131
Placement fees	665	450	2,328	1,815
Corporate advisory fees	1,594	1,853	4,840	3,499
Underwriting commissions	244	-	244	647
Arrangement fees	726	25	1,336	1,536
Others	2,480	2,730	7,667	6,841
	<u>38,563</u>	<u>21,148</u>	<u>95,191</u>	<u>60,037</u>

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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
30-09-2024	30-09-2023	30-09-2024	30-09-2023	
RM'000	RM'000	RM'000	RM'000	
Gains/(Losses) arising on financial assets at FVTPL				
- net gains on disposal	6,809	10,972	38,675	25,051
- unrealised (losses)/gains	(3,036)	14,512	2,329	6,289
- gross dividend income	1,323	614	1,992	954
- interest income	6,199	9,109	19,648	19,559
Gains/(Losses) on derivative instruments				
- net (losses)/gains on disposal	(1,372)	(591)	(11,014)	(328)
- unrealised losses	(353)	(3,115)	(2,533)	(3,076)
- interest income	1,561	5,337	8,516	9,404
- interest expense	(1,104)	(4,993)	(7,229)	(7,556)
Gains/(Losses) arising on financial investments at FVOCI				
- net gains/(losses) on disposal	1,987	327	(1,347)	1,711
- gross dividend income	37	77	150	190
	<u>12,051</u>	<u>32,249</u>	<u>49,187</u>	<u>52,198</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
30-09-2024	30-09-2023	30-09-2024	30-09-2023	
RM'000	RM'000	RM'000	RM'000	
Gains/(Losses) arising on financial assets at FVTPL				
- net gains on disposal	6,809	10,972	38,675	25,051
- unrealised (losses)/gains	(3,038)	14,510	2,326	6,280
- gross dividend income	1,323	604	1,992	926
- interest income	6,189	9,109	19,619	19,559
Gains/(Losses) on derivative instruments				
- net losses on disposal	(1,372)	(591)	(11,014)	(328)
- unrealised losses	(353)	(3,115)	(2,533)	(3,076)
- interest income	1,561	5,337	8,516	9,404
- interest expense	(1,104)	(4,993)	(7,229)	(7,556)
Gains/(Losses) arising on financial investments at FVOCI				
- net gains/(losses) on disposal	1,987	327	(1,347)	1,711
- gross dividend income	37	77	150	190
	<u>12,039</u>	<u>32,237</u>	<u>49,155</u>	<u>52,161</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
30-09-2024	30-09-2023	30-09-2024	30-09-2023	
RM'000	RM'000	RM'000	RM'000	
Foreign exchange gains/(losses)				
- realised	43,805	66,445	109,276	(24,620)
- unrealised	(48,109)	(63,038)	(108,808)	30,648
(Losses)/Gains on disposal of property and equipment	(115)	-	30	1
Others	171	97	296	165
	<u>(4,248)</u>	<u>3,504</u>	<u>794</u>	<u>6,194</u>

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28. Other operating 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
	30-09-2023	30-09-2023	30-09-2024	30-09-2023
	RM'000	RM'000	RM'000	RM'000
Foreign exchange gains/(losses)				
- realised	43,805	66,445	109,276	(24,620)
- unrealised	(48,109)	(63,038)	(108,808)	30,648
(Losses)/Gains on disposal of property and equipment	(115)	-	(40)	1
Others	165	97	276	165
	(4,254)	3,504	704	6,194

29. 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
	30-09-2024	30-09-2023	30-09-2024	30-09-2023
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
Salaries, allowances and bonuses	27,118	20,021	60,279	47,072
Defined contribution plan	4,458	3,291	10,094	7,699
Other personnel costs	4,058	2,860	8,949	6,546
	35,634	26,172	79,322	61,317
Marketing expenses				
Business promotion and advertisement	302	271	473	737
Brokerage expenses	85	230	271	455
Entertainment	160	114	482	303
Travelling and accommodation	255	147	748	327
Others	88	-	88	-
	890	762	2,062	1,822
Establishment cost				
Repair and maintenance	1,384	2,552	6,337	6,919
Rental of premises and equipment	693	1,243	1,926	4,754
Depreciation of ROU assets	2,754	1,631	7,030	4,899
Depreciation of property and equipment	558	617	1,769	1,948
Electricity, water and sewerage	370	319	910	1,054
Insurance and indemnities	234	255	804	679
Amortisation of intangible assets	176	209	559	626
	6,169	6,826	19,335	20,879
Administration and general expenses				
Subscription fees	3,005	2,311	8,789	7,345
Telecommunication expenses	2,583	2,185	7,698	6,314
Professional fees	(227)	2,283	1,705	4,521
Directors' remuneration	575	764	1,670	1,719
Auditors' remuneration	159	155	473	461
Property and equipment written off	-	-	248	-
Management fees #	5,153	5,447	15,406	16,946
Others	4,053	472	5,817	2,038
	15,301	13,617	41,806	39,344
Total other operating expenses	57,994	47,377	142,525	123,362

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. 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
	30-09-2024	30-09-2023	30-09-2024	30-09-2023
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
Salaries, allowances and bonuses	26,773	19,775	59,398	46,472
Defined contribution plan	4,373	3,248	9,923	7,595
Other personnel costs	4,026	2,826	8,837	6,465
	<u>35,172</u>	<u>25,849</u>	<u>78,158</u>	<u>60,532</u>
Marketing expenses				
Business promotion and advertisement	302	271	473	737
Brokerage expenses	78	223	251	427
Entertainment	160	114	482	303
Travelling and accommodation	255	146	748	326
Others	88	-	88	-
	<u>883</u>	<u>754</u>	<u>2,042</u>	<u>1,793</u>
Establishment cost				
Repair and maintenance	1,372	2,540	6,301	6,875
Rental of premises and equipment	693	1,242	1,926	4,709
Depreciation of ROU assets	2,754	1,631	7,030	4,899
Depreciation of property and equipment	557	617	1,767	1,946
Electricity, water and sewerage	370	318	910	1,053
Insurance and indemnities	234	255	804	679
Amortisation of intangible assets	165	196	523	589
	<u>6,145</u>	<u>6,799</u>	<u>19,261</u>	<u>20,750</u>
Administration and general expenses				
Subscription fees	3,000	2,307	8,774	7,322
Telecommunication expenses	2,583	2,185	7,698	6,311
Professional fees	(234)	2,268	1,686	4,476
Directors' remuneration	575	764	1,670	1,719
Auditors' remuneration	154	153	454	453
Property and equipment written off	-	-	248	-
Management fees #	5,153	5,447	15,406	16,946
Others	4,051	469	5,815	2,032
	<u>15,282</u>	<u>13,593</u>	<u>41,751</u>	<u>39,259</u>
Total other operating expenses	<u>57,482</u>	<u>46,995</u>	<u>141,212</u>	<u>122,334</u>

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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30. 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
	30-09-2024	30-09-2023	30-09-2024	30-09-2023
	RM'000	RM'000	RM'000	RM'000
Expected credit losses (made)/written-back on:				
- loans and advances	14,572	657	16,306	3,491
- trade receivables	(39)	24	(84)	532
- financial investments	18,180	(120)	21,021	4,035
- other assets	295	197	(2,828)	1,175
- loans commitments and financial guarantees	17,764	(152)	18,013	26
Bad debts recovered	(1)	26	1,760	413
Bad debts written off	(2,852)	-	(2,852)	(5)
	<u>47,919</u>	<u>632</u>	<u>51,336</u>	<u>9,667</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
	30-09-2024	30-09-2023	30-09-2024	30-09-2023
	RM'000	RM'000	RM'000	RM'000
Expected credit losses (made)/written-back on:				
- loans and advances	14,572	657	16,306	3,491
- trade receivables	(39)	24	(84)	532
- financial investments	18,180	(120)	21,021	4,035
- other assets	309	241	(2,877)	1,217
- loans commitments and financial guarantees	17,764	(152)	18,013	26
Bad debts recovered	(1)	26	1,760	413
Bad debts written off	(2,852)	-	(2,852)	-
	<u>47,933</u>	<u>676</u>	<u>51,287</u>	<u>9,714</u>

31. 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.

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31. Capital adequacy (continued)

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

	The Group		The Bank	
	30-09-2024 RM'000	31-12-2023 RM'000	30-09-2024 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	43,922	20,728	43,922	20,728
Retained profits	498,604	428,718	498,530	428,723
Unrealised losses on FVOCI instruments	(8,090)	(26,516)	(8,090)	(26,516)
	<u>1,534,236</u>	<u>1,422,730</u>	<u>1,534,162</u>	<u>1,422,735</u>
Less: Regulatory adjustments				
Goodwill and other intangible assets	(306,770)	(307,321)	(306,770)	(307,285)
Investment in subsidiaries/associates	-	-	(2,166)	(2,166)
Regulatory reserves	(43,922)	(20,728)	(43,922)	(20,728)
Deferred tax assets	(36,108)	(27,652)	(36,108)	(27,652)
Other CET1 regulatory adjustments specified by BNM	-	8,101	-	8,113
Total CET 1 capital/Total Tier 1 Capital (a)	<u>1,147,436</u>	<u>1,075,130</u>	<u>1,145,196</u>	<u>1,073,017</u>
Tier 2 capital				
Qualifying loss provisions #	<u>20,182</u>	<u>19,353</u>	<u>20,157</u>	<u>19,336</u>
Total Tier 2 capital (b)	<u>20,182</u>	<u>19,353</u>	<u>20,157</u>	<u>19,336</u>
Total Capital (a) + (b)	<u>1,167,618</u>	<u>1,094,483</u>	<u>1,165,353</u>	<u>1,092,353</u>
Proposed dividends	<u>75,000</u>	-	<u>75,000</u>	-

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

	The Group		The Bank	
	30-09-2024 RM'000	31-12-2023 RM'000	30-09-2024 RM'000	31-12-2023 RM'000
Breakdown of risk-weighted assets in the various categories of risk-weights:				
Credit risk	1,614,527	1,548,262	1,612,542	1,546,887
Market risk	778,944	555,321	778,944	555,321
Operational risk	636,168	828,299	450,765	461,829
Total Risk-Weighted Assets	<u>3,029,639</u>	<u>2,931,882</u>	<u>2,842,251</u>	<u>2,564,037</u>

Capital Ratios:

With transitional arrangements

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%

After deducting proposed dividends:

CET 1 capital ratio (net of proposed dividends)	N/A	36.670%	N/A	41.849%
Tier 1 capital ratio (net of proposed dividends)	N/A	36.670%	N/A	41.849%
Total capital ratio (net of proposed dividends)	N/A	37.330%	N/A	42.603%

Without transitional arrangements

CET 1 capital ratio	37.874%	36.394%	40.292%	41.532%
Tier 1 capital ratio	37.874%	36.394%	40.292%	41.532%
Total capital ratio	38.540%	37.054%	41.001%	42.286%

After deducting proposed dividends:

CET 1 capital ratio (net of proposed dividends)	35.398%	36.394%	37.653%	41.532%
Tier 1 capital ratio (net of proposed dividends)	35.398%	36.394%	37.653%	41.532%
Total capital ratio (net of proposed dividends)	36.064%	37.054%	38.362%	42.286%

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32. Commitments and contingencies

	The Group and The Bank	
	30-09-2024	31-12-2023
	Principal amount	Principal amount
	RM'000	RM'000
Transaction related contingent items	64,606	64,606
Obligations under underwriting agreement	33,300	-
Irevocable commitments to extend credit:		
- less than one year	136,873	26,321
- more than one year	22,854	46,814
Interest rate related contracts:		
- less than one year	585,000	670,000
- one year to less than five years	3,153,000	2,512,000
Foreign exchange related contracts:		
- less than one year	3,601,439	11,496,621
- one year to less than five years	110,333	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	1,848,219	1,624,905
Equity related contracts:		
- less than one year	153,103	16,910
Total	9,708,727	16,785,067

33. 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 2024 are as follows:

(i) The aggregate value of outstanding credit exposures with connected parties (RM'000)	362,646
(ii) The percentage of outstanding credit exposures to connected parties as a proportion of credit exposures	5.2%
(iii) The percentage of outstanding credit exposures with connected parties which is non-performing or in default	Nil

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34. 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	Level 1	Level 2	Level 3	Total
30-09-2024	RM'000	RM'000	RM'000	RM'000
Assets				
Financial assets at FVTPL				
- Corporate bonds or sukuk	-	14,937	-	14,937
- Shares, warrants and unit trusts	128,285	-	-	128,285
Financial investments at FVOCI				
- Money market instruments	-	2,566,596	-	2,566,596
- Corporate bonds or sukuk	-	1,637,750	-	1,637,750
- Shares	-	-	26,187	26,187
Derivative financial assets	-	138,060	-	138,060
Total	128,285	4,357,343	26,187	4,511,815
Liabilities				
Derivative financial liabilities	-	162,517	-	162,517
Other liabilities - structured warrants	76	-	-	76
Total	76	162,517	-	162,593
The Group	Level 1	Level 2	Level 3	Total
31-12-2023	RM'000	RM'000	RM'000	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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34. 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 30-09-2024	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets				
Financial assets at FVTPL				
- Corporate bonds or sukuk	-	14,937	-	14,937
- Shares, warrants and unit trusts	126,996	-	-	126,996
Financial investments at FVOCI				
- Money market instruments	-	2,566,596	-	2,566,596
- Corporate bonds or sukuk	-	1,637,750	-	1,637,750
- Shares	-	-	26,187	26,187
Derivative financial assets	-	138,060	-	138,060
Total	126,996	4,357,343	26,187	4,510,526
Liabilities				
Derivative financial liabilities	-	162,517	-	162,517
Other liabilities - structured warrants	76	-	-	76
Total	76	162,517	-	162,593
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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34. 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 (2023: Nil).

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

	The Group and The Bank	
	30-09-2024	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.

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35. 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:

	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
The Group							
30-09-2024							
Assets							
Cash and short-term funds	361,144	-	-	-	-	-	361,144
Financial assets at FVTPL	-	-	14,937	-	-	128,285	143,222
Financial investments at FVOCI	-	25,366	202,212	1,556,750	2,420,017	26,188	4,230,533
Financial investments at amortised cost	-	-	25,238	667,112	361,875	-	1,054,225
Loans and advances	1,911,429	5,950	160,907	66,622	44,185	2,094	2,191,187
Trade receivables	453,034	-	-	-	-	-	453,034
Derivative financial assets	37,694	69,700	16,121	14,545	-	-	138,060
Other assets	182,444	3,524	6,232	6,759	99	2,406	201,464
Statutory deposits with Bank Negara Malaysia	126,403	-	-	-	-	-	126,403
Other non-financial assets ⁽¹⁾	-	-	1,229	6,520	-	368,219	375,968
Total assets	3,072,148	104,540	426,876	2,318,308	2,826,176	527,192	9,275,240
Liabilities							
Deposits from customers	1,944,148	1,096,905	918,123	-	-	-	3,959,176
Deposits and placements of banks and other financial institutions	1,549,376	240,729	-	556,771	-	-	2,346,876
Obligations on securities sold under repurchase agreements	313,035	-	-	-	-	-	313,035
Trade payables	348,641	-	-	-	-	-	348,641
Derivative financial liabilities	43,456	69,710	30,513	18,838	-	-	162,517
Other liabilities	421,456	19,251	66,783	7,223	-	-	514,713
Lease liabilities	757	1,521	6,923	5,835	-	-	15,036
Senior debt securities	-	-	4,910	-	-	-	4,910
Other financial liabilities ⁽²⁾	27,147	-	-	-	-	-	27,147
Other non-financial liabilities ⁽³⁾	-	2,646	22,102	1,252	-	22,953	48,953
Total liabilities	4,648,016	1,430,762	1,049,354	589,919	-	22,953	7,741,004
Net liquidity gap	(1,575,868)	(1,326,222)	(622,478)	1,728,389	2,826,176	504,239	1,534,236

(1) Other non-financial assets include prepayments, tax recoverable, deferred tax assets, property and equipment, intangible assets and ROU assets.

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

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

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35. 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	> 1-3 months	> 3-12 months	> 1-5 years	Over 5 years	No specific maturity	Total
The Group 31-12-2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets							
Cash and short-term funds	686,512	-	-	-	-	-	686,512
Financial assets at FVTPL	2	-	-	16,454	-	90,380	106,836
Financial investments at FVOCI	10,094	96,207	682,379	2,000,110	1,626,109	24,759	4,439,658
Financial investments at amortised cost	-	-	-	488,178	568,372	-	1,056,550
Loans and advances	1,636,051	808	156,130	72,570	45,545	42,676	1,953,780
Trade receivables	397,533	-	-	-	-	-	397,533
Derivative financial assets	73,821	39,861	10,246	17,452	-	-	141,380
Other assets	51,068	740	452	4,400	30	2,918	59,608
Statutory deposits with Bank Negara Malaysia	130,600	-	-	-	-	-	130,600
Other financial assets ⁽¹⁾	-	-	-	-	-	-	-
Other non-financial assets ⁽¹⁾	-	-	1,588	3,881	-	393,846	399,315
Total assets	2,985,681	137,616	850,795	2,603,045	2,240,056	554,579	9,371,772
Liabilities							
Deposits from customers	2,382,250	941,650	924,378	553,215	-	-	4,801,493
Deposits and placements of banks and other financial institutions	1,545,169	-	-	-	-	-	1,545,169
Obligations on securities sold under repurchase agreements	536,275	277,681	-	-	-	-	813,956
Trade payables	214,100	-	-	-	-	-	214,100
Derivative financial liabilities	16,415	37,035	13,056	15,834	-	-	82,340
Other liabilities	320,713	15,680	68,925	27,007	-	-	432,325
Lease liabilities	701	1,383	5,875	9,253	-	-	17,212
Other financial liabilities ⁽²⁾	9,324	-	-	-	-	-	9,324
Other non-financial liabilities ⁽³⁾	-	3,816	29,306	-	-	1	33,123
Total liabilities	5,024,947	1,277,245	1,041,540	605,309	-	1	7,949,042
Net liquidity gap	(2,039,266)	(1,139,629)	(190,745)	1,997,736	2,240,056	554,578	1,422,730

(1) Other non-financial assets include prepayments, tax recoverable, deferred tax assets, property and equipment, intangible assets and ROU assets.

(2) Other financial liabilities include amount due to holding company.

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

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35. 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	> 1-3 months	> 3-12 months	> 1-5 years	Over 5 years	No specific maturity	Total
The Bank	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30-09-2024							
Assets							
Cash and short-term funds	357,808	-	-	-	-	-	357,808
Financial assets at FVTPL	-	-	14,937	-	-	126,996	141,933
Financial investments at FVOCI	-	25,366	202,212	1,556,750	2,420,017	26,188	4,230,533
Financial investments at amortised cost	-	-	25,238	667,112	361,875	-	1,054,225
Loans and advances	1,911,429	5,950	160,907	66,622	44,185	2,094	2,191,187
Trade receivables	453,034	-	-	-	-	-	453,034
Other assets	182,610	3,524	5,890	6,630	99	2,405	201,158
Derivative financial assets	37,694	69,700	16,121	14,545	-	-	138,060
Statutory deposits with Bank							
Negara Malaysia	126,300	-	-	-	-	-	126,300
Other financial assets ⁽¹⁾	321	-	-	-	-	-	321
Other non-financial assets ⁽²⁾	-	-	1,228	6,520	-	370,365	378,113
Total assets	3,069,196	104,540	426,533	2,318,179	2,826,176	528,048	9,272,672
Liabilities							
Deposits from customers	1,944,148	1,096,905	918,123	-	-	-	3,959,176
Deposits and placements of banks and other financial institutions	1,549,376	240,729	-	556,771	-	-	2,346,876
Obligations on securities sold under repurchase agreements	313,035	-	-	-	-	-	313,035
Trade payables	348,641	-	-	-	-	-	348,641
Derivative financial liabilities	43,456	69,710	30,513	18,838	-	-	162,517
Other liabilities	421,456	16,960	66,768	7,223	-	-	512,407
Lease liabilities	757	1,521	6,923	5,835	-	-	15,036
Senior debt securities	-	-	4,910	-	-	-	4,910
Other financial liabilities ⁽³⁾	27,147	-	-	-	-	-	27,147
Other non-financial liabilities ⁽⁴⁾	-	2,461	22,102	1,252	-	22,950	48,765
Total liabilities	4,648,016	1,428,286	1,049,339	589,919	-	22,950	7,738,510
Net liquidity gap	(1,578,820)	(1,323,746)	(622,806)	1,728,260	2,826,176	505,098	1,534,162

(1) Other financial assets include amount due from subsidiaries.

(2) Other non-financial assets include prepayments, investments in subsidiaries and an associate, deferred tax assets, property and equipment, intangible assets and ROU assets.

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

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

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

35. 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	> 1-3 months	> 3-12 months	> 1-5 years	Over 5 years	No specific maturity	Total
The Bank	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31-12-2023							
Assets							
Cash and short-term funds	684,062	-	-	-	-	-	684,062
Financial assets at FVTPL	2	-	-	16,454	-	89,123	105,579
Financial investments at FVOCI	10,094	96,207	682,379	2,000,110	1,626,109	24,759	4,439,658
Financial investments at amortised cost	-	-	-	488,178	568,372	-	1,056,550
Loans and advances	1,636,051	808	156,130	72,570	45,545	42,676	1,953,780
Trade receivables	397,533	-	-	-	-	-	397,533
Amount due from subsidiaries	-	-	-	-	-	-	-
Other assets	48,682	740	145	6,875	30	2,918	59,390
Derivative financial assets	73,821	39,861	10,246	17,452	-	-	141,380
Statutory deposits with Bank Negara Malaysia	130,500	-	-	-	-	-	130,500
Other financial assets ⁽¹⁾	654	-	-	-	-	-	654
Other non-financial assets ⁽²⁾	-	-	1,552	3,881	-	395,968	401,401
Total assets	2,981,399	137,616	850,452	2,605,520	2,240,056	555,444	9,370,487
Liabilities							
Deposits from customers	2,382,250	941,650	924,378	553,215	-	-	4,801,493
Deposits and placements of banks and other financial institutions	1,545,169	-	-	-	-	-	1,545,169
Obligations on securities sold under repurchase agreements	536,275	277,681	-	-	-	-	813,956
Trade payables	214,100	-	-	-	-	-	214,100
Derivative financial liabilities	16,415	37,035	13,056	15,834	-	-	82,340
Other liabilities	320,713	14,625	68,917	27,007	-	-	431,262
Lease liabilities	701	1,383	5,875	9,253	-	-	17,212
Other financial liabilities ⁽³⁾	9,324	-	-	-	-	-	9,324
Other non-financial liabilities ⁽⁴⁾	-	3,590	29,306	-	-	-	32,896
Total liabilities	5,024,947	1,275,964	1,041,532	605,309	-	-	7,947,752
Net liquidity gap	(2,043,548)	(1,138,348)	(191,080)	2,000,211	2,240,056	555,444	1,422,735

(1) Other financial assets include amount due from subsidiaries.

(2) Other non-financial assets include prepayments, investment in subsidiaries and an associate, tax recoverable, deferred tax assets, property and equipment, intangible assets and ROU assets.

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

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