

AFFIN HOLDINGS BERHAD

(Company no. 23218 - W)

Condensed Interim Financial Statements

Unaudited Statements of Financial Position As At 30 September 2015

		< ----- GROUP ----- >		< ----- COMPANY ----- >	
	Note	30/9/2015 RM'000	31/12/2014 RM'000 (Restated)	30/9/2015 RM'000	31/12/2014 RM'000
ASSETS					
Cash and short-term funds		3,233,283	7,360,588	100,904	33,760
Deposits and placements with banks and other financial institutions		464,738	383,692	-	85,087
Trade receivables	A9	543,018	429,236	-	-
Financial assets held-for-trading	A10	36,280	182,780	-	-
Financial investments available-for-sale	A10	12,389,351	12,617,620	-	-
Financial investments held-to-maturity	A10	478,891	652,741	-	-
Derivative financial assets		507,963	170,035	-	-
Loans, advances and financing	A11	41,816,707	40,492,016	-	-
Other assets	A12	430,943	300,957	367	394
Statutory deposits with Bank Negara Malaysia		1,887,780	1,831,550	-	-
Amount due from subsidiaries		-	-	604,330	604,313
Amount due from associate		63,021	67,256	63,021	67,256
Investment in subsidiaries		-	-	5,902,034	5,902,034
Investment in joint ventures		145,754	136,208	159,630	146,880
Investment in associate		260,109	241,457	15,623	15,623
Tax recoverable		71,139	18,730	3,238	4,085
Deferred tax assets		46,637	13,954	-	-
Property and equipment		192,881	164,176	173	283
Intangible assets		1,615,868	1,615,161	3	4
TOTAL ASSETS		64,184,363	66,678,157	6,849,323	6,859,719
LIABILITIES AND EQUITY					
Deposits from customers	B8	46,361,931	50,604,005	-	-
Deposits and placements of banks and other financial institutions	B8	4,819,781	5,367,803	-	-
Obligation on securities sold under repurchase agreements		1,607,042	-	-	-
Bills and acceptances payable		83,137	94,308	-	-
Trade payables		597,838	582,166	-	-
Derivative financial liabilities		903,682	325,755	-	-
Recourse obligation on loans sold to Cagamas Berhad		135,775	139,147	-	-
Other liabilities	A13	610,755	567,767	2,547	2,965
Provision for taxation		7,331	32,418	-	-
Deferred tax liabilities		17,264	19,879	68	68
Amount due to subsidiaries		-	-	911,616	911,620
Borrowings	B8	905,862	972,458	905,862	972,458
TOTAL LIABILITIES		56,050,398	58,705,706	1,820,093	1,887,111

The Condensed Financial Statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2014.

AFFIN HOLDINGS BERHAD

(Company no. 23218 - W)

Condensed Interim Financial Statements**Unaudited Statements of Financial Position As At 30 September 2015**

	< ----- GROUP ----- >		< ----- COMPANY ----- >	
Note	30/9/2015 RM'000	31/12/2014 RM'000 (Restated)	30/9/2015 RM'000	31/12/2014 RM'000
EQUITY				
Share capital	1,942,949	1,942,949	1,942,949	1,942,949
Reserves:-				
Share premium	2,185,712	2,185,712	2,185,712	2,185,712
Statutory reserves	1,577,490	1,502,616	-	-
AFS revaluation reserves	(86,425)	25,191	-	-
Regulatory reserves	236,428	187,922	-	-
Retained profits	2,235,714	2,087,232	900,569	843,947
Equity attributable to equity holders of the Company	8,091,868	7,931,622	5,029,230	4,972,608
Non-controlling interest	42,097	40,829	-	-
TOTAL EQUITY	8,133,965	7,972,451	5,029,230	4,972,608
TOTAL LIABILITIES AND EQUITY	64,184,363	66,678,157	6,849,323	6,859,719
COMMITMENTS AND CONTINGENCIES	26,439,851	27,300,154	-	-
NET ASSETS PER SHARE (RM)	4.16	4.08		

The Condensed Financial Statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2014.

AFFIN HOLDINGS BERHAD
(Company no. 23218 - W)
Condensed Interim Financial Statements
Unaudited Income Statements For The Financial Period Ended 30 September 2015

<u>GROUP</u>	Note	<---Individual Quarter Ended ---->		<---Cumulative Quarter Ended --->	
		30/9/2015 RM'000	30/9/2014 RM'000 (Restated)	30/9/2015 RM'000	30/9/2014 RM'000 (Restated)
Interest income	A15	642,505	631,558	1,893,723	1,812,063
Interest expense	A16	(394,612)	(383,888)	(1,187,303)	(1,095,582)
Net interest income		247,893	247,670	706,420	716,481
Islamic banking income		63,007	54,926	174,118	158,425
Other operating income	A17	148,886	196,111	457,120	463,854
Net income		459,786	498,707	1,337,658	1,338,760
Other operating expenses	A18	(274,626)	(303,069)	(805,230)	(749,117)
Operating profit before allowance for impairment on loans, advances and financing		185,160	195,638	532,428	589,643
Allowance for impairment losses on loans, advances and financing	A19	(29,741)	(12,638)	(167,581)	(35,166)
Allowance for impairment losses on securities	A20	45	58	23,592	(285)
Operating profit		155,464	183,058	388,439	554,192
Finance cost		(10,008)	(13,379)	(30,841)	(50,894)
Share of results of joint venture		1,530	3,009	(1,991)	(854)
Share of results of associates		2,433	7,166	20,447	18,512
Profit before taxation and zakat		149,419	179,854	376,054	520,956
Zakat		(365)	(501)	(805)	(927)
Profit before taxation		149,054	179,353	375,249	520,029
Taxation	B6	(44,920)	(43,431)	(93,815)	(131,391)
Net profit for the financial period		104,134	135,922	281,434	388,638
Profit for the financial period attributable to :-					
- Equity holders of the Company		102,389	133,952	271,862	384,067
- Non-controlling interest		1,745	1,970	9,572	4,571
		104,134	135,922	281,434	388,638
Earnings per share attributable to the equity holders of the Company (sen)					
- Basic	B12	5.27	6.95	13.99	23.41

The Condensed Financial Statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2014.

AFFIN HOLDINGS BERHAD
(Company no. 23218 - W)
Condensed Interim Financial Statements
Unaudited Statement of Comprehensive Income
For The Financial Period Ended 30 September 2015

<u>GROUP</u>	<---Individual Quarter Ended ---->		<---Cumulative Quarter Ended --->	
	30/9/2015 RM'000	30/9/2014 RM'000 (Restated)	30/9/2015 RM'000	30/9/2014 RM'000 (Restated)
Profit after taxation	104,134	135,922	281,434	388,638
Other comprehensive income/(loss):				
Items that will be reclassified subsequently to profit or loss :-				
- Net fair value change in financial investments available-for-sale	(142,614)	24,931	(135,102)	42,322
- Net gain transferred to profit or loss on disposal of financial investments available-for-sale	(32,691)	(4,428)	(7,983)	(4,428)
- Deferred tax on revaluation of financial investments available-for-sale	42,996	(5,594)	35,173	(9,775)
- Share of other comprehensive income/(loss) of an associated company	(3,998)	(5,032)	(1,795)	1,692
- Share of other comprehensive income/(loss) of a joint venture	(742)	3,184	(1,213)	2,504
Other comprehensive income/(loss) for the financial year, net of tax	(137,049)	13,061	(110,920)	32,315
Total comprehensive income/(loss) for the financial period	(32,915)	148,983	170,514	420,953
Total comprehensive income/(loss) for the financial period attributable to :-				
- Equity holders of the Company	(35,283)	147,054	160,246	416,399
- Non-controlling interest	2,368	1,929	10,268	4,554
	(32,915)	148,983	170,514	420,953

The Condensed Financial Statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2014.

AFFIN HOLDINGS BERHAD
(Company no. 23218 - W)
Condensed Interim Financial Statements
Unaudited Income Statements For The Financial Period Ended 30 September 2015

<u>COMPANY</u>	<----Individual Quarter Ended ---->		<----Cumulative Quarter Ended ---->	
	30/9/2015 RM'000	30/9/2014 RM'000	30/9/2015 RM'000	30/9/2014 RM'000
Interest income	9,579	11,361	28,428	33,428
Interest expense	-	-	-	-
Net interest income	9,579	11,361	28,428	33,428
Net Islamic banking income	-	-	-	-
Other operating income	-	-	66,031	116,658
Net income	9,579	11,361	94,459	150,086
Other operating expenses	(1,953)	(3,509)	(6,149)	(14,121)
Operating profit before allowance for impairment on loans, advances and financing	7,626	7,852	88,310	135,965
Allowance for impairment on loans, advances and financing	-	-	-	-
Allowance for impairment on other assets	-	-	-	-
Operating profit	7,626	7,852	88,310	135,965
Finance cost	(10,008)	(13,379)	(30,841)	(50,894)
Profit /(loss) before taxation and zakat	(2,382)	(5,527)	57,469	85,071
Zakat	-	-	-	-
Profit /(loss) before taxation	(2,382)	(5,527)	57,469	85,071
Taxation	78	(993)	(847)	(2,190)
Net profit /(loss) for the financial period attributable to equity holders of the Company	(2,304)	(6,520)	56,622	82,881

The Condensed Financial Statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2014.

AFFIN HOLDINGS BERHAD
 (Company no. 23218 - W)
Condensed Interim Financial Statements
Unaudited Statement of Comprehensive Income
Unaudited Income Statements For The Financial Period Ended 30 September 2015

<u>COMPANY</u>	<---Individual Quarter Ended ---->		<---Cumulative Quarter Ended --->	
	30/9/2015	30/9/2014	30/9/2015	30/9/2014
	RM'000	RM'000	RM'000	RM'000
Profit /(loss) after taxation	(2,304)	(6,520)	56,622	82,881
Other comprehensive income	-	-	-	-
Total comprehensive income /(loss) for the financial period attributable to equity holders of the Company	(2,304)	(6,520)	56,622	82,881

The Condensed Financial Statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2014.

AFFIN HOLDINGS BERHAD
(Company no. 23218 - W)
Unaudited Condensed Consolidated Statement Of Changes In Equity
For The Financial Period Ended 30 September 2015

<-----Attributable to Equity Holders of the Company----->

GROUP	Issued and fully paid ordinary shares of RM1 each		Non-distributable				Distributable		Total Shareholders' Equity RM'000	Non- controlling Interest RM'000	Total Equity RM'000
	Number of shares '000	Nominal value RM'000	Share premium RM'000	Statutory reserves RM'000	AFS revaluation reserves RM'000	Regulatory reserves RM'000	Retained profits RM'000				
At 1 January 2015											
- As previously reported	1,942,949	1,942,949	2,185,712	1,502,616	34,357	187,922	2,099,826	7,953,382	30,329	7,983,711	
- Adjustment upon the completion of Purchase Price Allocation in relation to the acquisition of HwangDBS Investment Bank Berhad and its subsidiaries (Note A30)	-	-	-	-	(9,166)	-	(12,594)	(21,760)	10,500	(11,260)	
At 1 January 2015, as restated	1,942,949	1,942,949	2,185,712	1,502,616	25,191	187,922	2,087,232	7,931,622	40,829	7,972,451	
Comprehensive income :											
- Net profit for the financial period	-	-	-	-	-	-	271,862	271,862	9,572	281,434	
Other comprehensive income/(loss) net of tax :											
of which :-											
- Financial investments available-for-sale	-	-	-	-	(108,608)	-	-	(108,608)	696	(107,912)	
- Share of other comprehensive loss of an associated company	-	-	-	-	(1,795)	-	-	(1,795)	-	(1,795)	
- Share of other comprehensive loss of a joint venture	-	-	-	-	(1,213)	-	-	(1,213)	-	(1,213)	
Total comprehensive income/(loss) for the financial period	-	-	-	-	(111,616)	-	271,862	160,246	10,268	170,514	
Transfer to statutory reserves	-	-	-	74,874	-	-	(74,874)	-	-	-	
Transfer to regulatory reserves	-	-	-	-	-	48,506	(48,506)	-	-	-	
Dividends declared and paid for the financial year	-	-	-	-	-	-	-	-	(9,000)	(9,000)	
At 30 September 2015	1,942,949	1,942,949	2,185,712	1,577,490	(86,425)	236,428	2,235,714	8,091,868	42,097	8,133,965	

AFFIN HOLDINGS BERHAD
(Company no. 23218 - W)
Unaudited Condensed Consolidated Statement Of Changes In Equity
For The Financial Period Ended 30 September 2015

<-----Attributable to Equity Holders of the Company----->

GROUP	Issued and fully paid ordinary shares of RM1 each		Non-distributable				Distributable	Total Shareholders' Equity RM'000	Non- controlling Interest RM'000	Total Equity RM'000
	Number of shares '000	Nominal value RM'000	Share premium RM'000	Statutory reserves RM'000	AFS revaluation reserves RM'000	Regulatory reserves RM'000	Retained profits RM'000			
At 1 January 2014	1,494,576	1,494,576	1,400,410	1,469,048	15,148	-	1,997,542	6,376,724	-	6,376,724
Comprehensive income :										
- Net profit for the financial period	-	-	-	-	-	-	384,067	384,067	4,571	388,638
Other comprehensive income net of tax :										
of which :-										
- Financial investments available-for-sale	-	-	-	-	28,136	-	-	28,136	(17)	28,119
- Share of other comprehensive income of an associated company	-	-	-	-	1,692	-	-	1,692	-	1,692
- Share of other comprehensive loss of a joint venture	-	-	-	-	2,504	-	-	2,504	-	2,504
Total comprehensive income for the financial period	-	-	-	-	32,332	-	384,067	416,399	4,554	420,953
Issue of shares pursuant to a rights issue	448,373	448,373	789,136	-	-	-	-	1,237,509	-	1,237,509
Share issue expenses	-	-	(3,828)	-	-	-	-	(3,828)	-	(3,828)
Non-controlling interest arising from business combinations	-	-	-	-	-	-	-	-	44,915	44,915
Gain/effect on dilution of interest in a subsidiary	-	-	-	-	-	-	9,945	9,945	(9,945)	-
Transfer from statutory reserves	-	-	-	(101,548)	-	-	101,548	-	-	-
Transfer to regulatory reserves	-	-	-	-	-	145,704	(145,704)	-	-	-
At 30 September 2014	1,942,949	1,942,949	2,185,718	1,367,500	47,480	145,704	2,347,398	8,036,749	39,524	8,076,273

AFFIN HOLDINGS BERHAD
(Company no. 23218 - W)
Unaudited Condensed Statement Of Changes In Equity
For The Financial Period Ended 30 September 2015

<-----Attributable to Equity Holders of the Company----->

<u>COMPANY</u>	Issued and fully paid ordinary shares of RM1 each		Non-distributable	Distributable	Total Equity
	Number of shares '000	Nominal value RM'000	Share premium RM'000	Retained profits RM'000	
At 1 January 2015	1,942,949	1,942,949	2,185,712	843,947	4,972,608
Total comprehensive income for the financial period :					
- Net profit for the financial period	-	-	-	56,622	56,622
At 30 September 2015	1,942,949	1,942,949	2,185,712	900,569	5,029,230
At 1 January 2014	1,494,576	1,494,576	1,400,410	635,562	3,530,548
Total comprehensive income for the financial period :					
- Net profit for the financial period	-	-	-	82,881	82,881
Total comprehensive income for the financial year	1,494,576	1,494,576	1,400,410	718,443	3,613,429
Issue of shares pursuant to a rights issue	448,373	448,373	789,136	-	1,237,509
Share issue expenses	-	-	(3,828)	-	(3,828)
At 30 September 2014	1,942,949	1,942,949	2,185,718	718,443	4,847,110

The Condensed Financial Statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2014.

AFFIN HOLDINGS BERHAD
(Company no. 23218 - W)
Unaudited Condensed Consolidated Statement of Cash Flow
For The Financial Period Ended 30 September 2015

< ----- 9 months Ended ----- >

	30/9/2015	30/9/2014
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	375,249	520,029
Adjustment for non-operating and non-cash items	(58,630)	(371,989)
	316,619	148,040
Operating profit before changes in working capital		
Net changes in operating assets	(2,176,485)	(1,373,427)
Net changes in operating liabilities	(2,575,301)	(750,090)
Tax and zakat paid	(175,367)	(191,688)
Tax refund	1,577	1,997
	(4,608,957)	(2,165,168)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received from securities	310,851	251,737
Net (purchase)/disposal of:		
- securities	284,831	(1,458,003)
- property and equipment	(54,534)	(3,116)
- intangible assets	(6,471)	1,177
Dividend received from:		
- financial investments held-to-maturity	1,735	1,241
- financial investments available-for-sale	11,375	8,451
Proceeds from disposal of foreclosed properties	4,490	9,600
Subscription of shares in associate	-	(4,942)
Amount due from associate	4,235	31
Subscription of shares in a jointly controlled entity	(12,750)	-
Cash flow arising from acquisition of subsidiaries		
- Acquisition of AFFIN Hwang Investment Bank Berhad (Note A30)	-	(302,929)
- Acquisition of Asian Islamic Investment Management Sdn Bhd	-	(10,624)
	543,762	(1,507,377)
Net cash generated from/(used in) investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease)/increase in borrowings	(66,596)	(5,025)
Drawdown of bridging loan	-	1,300,485
Repayment of bridging loan	-	(1,300,485)
Proceed from issuance of shares	-	1,237,509
	(66,596)	1,232,484
Net cash (used in)/generated from financing activities		
Net decrease in cash and cash equivalents	(4,131,791)	(2,440,061)
Cash and cash equivalents at beginning of the year	7,312,405	9,321,506
	3,180,614	6,881,445
Cash and cash equivalents at end of the year		
<u>Analysis of cash & cash equivalent</u>		
Cash and short-term funds	3,233,283	6,982,086
Adjustment for money held in trust on behalf of remisers	(52,669)	(100,641)
	3,180,614	6,881,445

The Condensed Financial Statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2014.

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS 134") and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A1. BASIS OF PREPARATION

The unaudited condensed interim financial statements for the current financial quarter and year under review have been prepared under the historical cost convention except for the following assets and liabilities which are stated at fair values :-

- (i) financial assets held-for-trading,
- (ii) financial investments available-for-sale, and
- (iii) derivative financial instruments.

The unaudited condensed financial statements has been prepared in accordance with MFRS134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), Chapter 9, part K of the Listing Requirements of the Bursa Malaysia Securities Berhad and Policy Document on Financial Reporting issued by Bank Negara Malaysia dated 28 June 2013.

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Company for the year ended 31 December 2014. The explanatory notes to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the Group since the year ended 31 December 2014.

A2. ACCOUNTING POLICIES AND METHODS OF COMPUTATIONS

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 year ended 31 December 2014 except for the adoption of the following accounting policies upon the completion of purchase price allocation in relation to the acquisition of HwangDBS Investment Bank Berhad (now known as AFFIN Hwang Investment Bank Berhad) as disclosed in Note A30.

Identifiable intangible assets arising from business combination

Identifiable intangible assets arising from business combination are recognised at cost. The cost of an intangible asset acquired in a business combination is its fair value at the date of acquisition. The fair value of intangible assets are generally determined using income approach methodologies such as the discounted cash flow method. Intangible assets with a definite useful life are amortised using the straight-line method over their estimated useful economic life. Intangible assets with an indefinite useful life are not amortised. Generally, the identified intangible assets of the Group have a definite useful life. At each date of the consolidated statement of financial position, intangible assets are reviewed for indications of impairment or changes in estimated future economic benefits. If such indications exists, the intangible assets are analysed to assess whether their carrying amount is fully recoverable. An impairment loss is recognised if the carrying amount exceeds the recoverable amount. Intangible assets with indefinite useful life are annually tested for impairment and whenever there is an indication that the asset may be impaired.

The identifiable intangible assets arising from business combination consist of customer relationship and brand and are amortised over their useful lives in a manner that reflects the pattern to which they contribute to future cash flows as follows:

Brand	- 3 years
Customer relationship	- 7 years

A3. AUDITOR'S REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the audited financial statements for the financial year ended 31 December 2014 was not subjected to any qualification.

A4. SEASONAL OR CYCLICAL FACTORS

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

A5. ITEMS OF UNUSUAL NATURE, SIZE AND INCIDENCE AFFECTING NET ASSETS, EQUITY, NET INCOME OR CASH FLOWS

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Company during the quarter under review.

A6. CHANGES IN ESTIMATES

There were no material changes in estimates of amounts reported in prior financial years that have a material effect during the quarter under review.

A7. DEBT AND EQUITY SECURITIES

There were no shares issuance or cancellations, share buy-backs, resale of shares bought back and repayment of debts and equity securities by the Company during the quarter under review.

A8. DIVIDENDS PAID

No dividend has been paid during the quarter under review.

A9. TRADE RECEIVABLES

	Group	
	30/9/2015	31/12/2014
	RM'000	RM'000
Amount due from stock-broking clients		
- performing accounts	334,056	319,168
- impaired accounts	4,420	4,420
Amount due from brokers	72,125	34,125
Amount due from Bursa Securities Clearing Sdn Bhd	64,605	26,849
Management fees receivable on fund management	72,248	48,776
	<hr/>	<hr/>
	547,454	433,338
Less: Allowance for impairment		
- Collective impairment	(16)	(19)
- Individual impairment	(4,420)	(4,083)
	<hr/>	<hr/>
	543,018	429,236

Movement in allowance for impairment on trade receivables :-

Collective impairment

Balance at the beginning of financial period/year	19	19
Allowance (net of write-back) made during the financial period/year	30	-
Amount written-back during the financial period/year	(33)	-
	<hr/>	<hr/>
Balance at the end of financial period/year	16	19

Individual impairment

Balance at the beginning of financial period/year	4,083	3,633
Arising from acquisition of HwangDBS Investment Bank Berhad	-	303
Allowance made during the financial period/year	403	656
Amount write-back during the financial period/year	(66)	-
Amount recovered during the financial period/year	-	(487)
Amount written-off during the financial period/year	-	(22)
	<hr/>	<hr/>
Balance at the end of financial period/year	4,420	4,083

A10. FINANCIAL ASSETS

	Group	
	30/9/2015 RM'000	31/12/2014 RM'000
(a) <u>Financial assets held-for-trading</u>		
At fair value		
Bank Negara Malaysia Notes	-	149,904
Malaysian Government Securities	122	-
Quoted Securities :-		
- Shares in Malaysia	24,999	18,903
- Unit Trusts in Malaysia	7,745	8,983
- Share, Warrants & REITS outside Malaysia	3,414	-
Unquoted Securities :-		
- Private Debt Securities in Malaysia	-	4,990
Total financial assets held-for-trading	<u>36,280</u>	<u>182,780</u>
(b) <u>Financial investments available-for-sale</u>		
At fair value		
Malaysian Government Securities	79,807	131,630
Malaysian Government Treasury Bills	5,927	225,782
Malaysian Government Sukuk	-	7,096
Malaysian Government Investment Issuance	2,525,011	3,046,553
Cagamas Bonds	-	84,924
Sukuk Perumahan Kerajaan	741,599	400,377
Khazanah Bonds	428,846	353,165
Bank Negara Malaysia Notes	-	1,387,284
Negotiable Instruments of Deposit and Islamic Debt Certificate	459,756	503,451
	<u>4,240,946</u>	<u>6,140,262</u>
Quoted Securities :-		
- Shares in Malaysia	31,271	32,975
- Private Debt Securities in Malaysia	2,167	2,167
- Unit Trusts in Malaysia	241,179	242,902
- REITs in Malaysia	36,952	35,546
- REITs outside Malaysia	41,216	37,367
Unquoted Securities :-		
- Shares in Malaysia	181,280	179,380
- Private Debt Securities in Malaysia	6,935,912	5,187,717
- Private Debt Securities outside Malaysia	506,614	846,040
- Foreign Currency Bond outside Malaysia	219,449	-
	<u>12,436,986</u>	<u>12,704,356</u>
Allowance for impairment losses of securities	(47,635)	(86,736)
Total financial investments available-for-sale	<u>12,389,351</u>	<u>12,617,620</u>
(c) <u>Financial investments held-to-maturity</u>		
At amortised cost		
Quoted Securities :-		
- Private Debt Securities in Malaysia	23,439	23,439
Unquoted Securities :-		
- Private Debt Securities in Malaysia	463,934	678,701
- Redeemable Convertible Secured Loan Stocks in Malaysia	-	1,554
	<u>487,373</u>	<u>703,694</u>
Allowance for impairment losses of securities	(8,482)	(50,953)
Total financial investments held-to-maturity	<u>478,891</u>	<u>652,741</u>
Total securities held	<u>12,904,522</u>	<u>13,453,141</u>

A11. LOANS, ADVANCES AND FINANCING

(a) BY TYPE

	Group	
	30/9/2015 RM'000	31/12/2014 RM'000
Overdrafts	1,939,152	1,943,124
Term loans/financing :-		
- Housing loans/financing	6,063,543	5,777,114
- Syndicated term loans/financing	1,986,673	1,887,541
- Hire purchase receivables	11,611,017	10,963,715
- Business term loans/financing	13,807,810	13,861,525
Bills receivables	387,558	1,194,884
Trust receipts	342,052	244,117
Claims on customers under acceptance credits	1,061,803	1,120,038
Staff loans/financing (of which RM NIL to Directors)	152,621	141,268
Credit/charge cards	82,075	81,870
Revolving credit	4,709,172	3,630,059
Margin financing	151,776	207,186
Factoring	95,168	4,674
Gross loans, advances and financing	42,390,420	41,057,115
Less: Allowance for impairment		
- Collective impairment	(268,600)	(301,601)
- Individual impairment	(305,113)	(263,498)
Total net loans, advances and financing	41,816,707	40,492,016

(b) BY MATURITY STRUCTURE

Maturing within one year	9,373,509	9,678,740
One year to three years	4,385,020	4,609,944
Three years to five years	7,321,038	6,813,615
Over five years	21,310,853	19,954,816
	42,390,420	41,057,115

(c) BY TYPE OF CUSTOMER

Domestic non-banking institutions :-		
- Stock-broking companies	224	231
- Others	1,231,329	1,304,372
Domestic business enterprises :-		
- Small medium enterprises	8,775,879	7,731,103
- Others	14,225,240	14,680,028
Government and statutory bodies	591,226	92,725
Individuals	16,601,295	15,833,956
Foreign individuals	2,760	3,084
Other domestic entities	15,534	13,634
Foreign entities	946,933	1,397,982
	42,390,420	41,057,115

(d) BY INTEREST / PROFIT RATE SENSITIVITY

Fixed rate :-		
- Housing loans/financing	398,876	362,329
- Hire purchase receivables	11,690,136	10,967,008
- Other fixed rate loans/financing	3,909,528	3,823,349
- Margin financing	151,776	207,186
Variable rate :-		
- BLR plus	15,438,703	16,064,029
- Cost plus	10,801,401	9,633,214
	42,390,420	41,057,115

A11. LOANS, ADVANCES AND FINANCING (Cont.)

(e) BY ECONOMIC PURPOSE

	Group	
	30/9/2015	31/12/2014
	RM'000	RM'000
Construction	2,974,839	3,146,539
Purchase of landed property of which :-		
- Residential	6,345,181	5,737,764
- Non-residential	5,870,567	5,813,704
Purchase of securities	742,592	664,471
Purchase of transport vehicles	12,207,736	11,494,825
Fixed assets other than land and building	248,412	326,163
Personal use	764,449	887,115
Credit card	82,075	81,870
Consumer durable	790	803
Merger and acquisition	331,958	447,524
Working capital	12,329,019	11,689,397
Others	492,802	766,940
	42,390,420	41,057,115

(f) BY SECTOR

Primary agriculture	707,101	684,340
Mining and quarrying	814,725	666,518
Manufacturing	2,575,666	2,071,976
Electricity, gas and water supply	238,244	377,940
Construction	3,309,985	4,112,804
Real estate	7,230,989	6,100,730
Wholesale and retail trade and restaurants and hotels	2,515,460	2,182,791
Transport, storage and communication	2,168,465	2,106,782
Finance, insurance and business services	4,051,389	4,944,337
Education, health and others	2,017,464	1,815,614
Household	16,736,542	15,975,397
Others	24,390	17,886
	42,390,420	41,057,115

(g) BY GEOGRAPHICAL DISTRIBUTION

Perlis	118,143	130,950
Kedah	1,238,962	1,216,592
Pulau Pinang	2,046,069	2,000,495
Perak	1,294,153	1,171,747
Selangor	12,879,068	12,874,207
Wilayah Persekutuan	13,061,813	11,712,171
Negeri Sembilan	958,683	895,433
Melaka	997,121	982,343
Johor	3,396,903	3,254,531
Pahang	820,900	824,164
Terengganu	935,226	989,058
Kelantan	228,316	230,819
Sarawak	1,494,568	1,277,605
Sabah	1,821,644	1,705,599
Labuan	582,492	520,747
Outside Malaysia	516,359	1,270,654
	42,390,420	41,057,115

A11. LOANS, ADVANCES AND FINANCING (Cont.)

(h) IMPAIRED LOANS, ADVANCES AND FINANCING

(i) Movements of impaired loans, advances and financing

	Group	
	30/9/2015	31/12/2014
	RM'000	RM'000
Balance at the beginning of financial period/year	747,776	740,958
Classified as impaired during the financial period/year	752,191	543,093
Reclassified as non-impaired during the financial period/year	(252,003)	(289,556)
Amount recovered during the financial period/year	(112,581)	(135,501)
Amount written-off during the financial period/year	(197,916)	(94,353)
Amount converted to financial investments available-for-sale	-	(16,865)
	937,467	747,776

(ii) Impaired loans, advances and financing by economic purpose

Construction	118,324	77,071
Purchase of landed property of which :-		
- Residential	236,950	231,048
- Non-residential	57,612	31,278
Purchase of securities	2,063	10,420
Purchase of transport vehicles	73,426	86,409
Fixed assets other than land and building	410	282
Personal use	14,763	7,826
Credit card	346	326
Consumer durable	17	13
Working capital	404,050	286,669
Others	29,506	16,434
	937,467	747,776

(iii) Impaired loans, advances and financing by sector

Primary agriculture	21,203	17,556
Mining and quarrying	25	-
Manufacturing	69,298	53,950
Electricity, gas and water supply	86	246
Construction	65,465	258,070
Real estate	171,939	323
Wholesale and retail trade and restaurants and hotels	59,148	41,850
Transport, storage and communication	4,284	5,099
Finance, insurance and business services	233,692	38,442
Education, health and others	3,434	1,607
Household	308,893	330,633
	937,467	747,776

A11. LOANS, ADVANCES AND FINANCING (Cont.)

(h) IMPAIRED LOANS, ADVANCES AND FINANCING (Cont.)

(iv) Impaired loans, advances and financing by geographical distribution

	Group	
	30/9/2015 RM'000	31/12/2014 RM'000
Perlis	527	901
Kedah	23,902	22,141
Pulau Pinang	45,339	35,458
Perak	17,241	15,193
Selangor	506,294	277,204
Wilayah Persekutuan	140,906	139,798
Negeri Sembilan	16,457	24,380
Melaka	7,549	8,575
Johor	30,273	49,319
Pahang	15,676	48,236
Terengganu	7,880	17,139
Kelantan	4,522	5,152
Sarawak	13,777	14,407
Sabah	12,214	12,384
Outside Malaysia	94,910	77,489
	937,467	747,776

(v) Movements in allowance for impairment on loans, advances and financing

Collective impairment

Balance at beginning of financial period/year	301,601	307,142
Arising from acquisition of HwangDBS Investment Bank Berhad	-	4,299
Allowance (net of write-back) made during the financial period/year	8,769	45,835
Amount written-off during the financial period/year	(38,299)	(43,361)
Amount reclassified to individual impairment	-	(12,314)
Amount written-back during the financial period/year	(3,471)	-
Balance at the end of financial period/year	268,600	301,601

Individual impairment

Balance at the beginning of financial period/year	263,498	243,969
Amount converted to financial investments available-for-sale	-	(6,157)
Allowance made during the financial period/year	227,965	79,268
Amount recovered during the financial period/year	(4,475)	(4,386)
Amount written-off during the financial period/year	(159,610)	(50,870)
Unwinding discount of allowance	(29,624)	(12,432)
Exchange difference	7,359	1,792
Amount reclassified from collective impairment	-	12,314
Balance at the end of financial period/year	305,113	263,498

A12. OTHER ASSETS

Cheque clearing accounts	158,398	179,711
Foreclosed properties	5,196	9,099
Other debtors, deposits and prepayments	230,320	97,289
Amount due from joint ventures	37,029	14,858
	430,943	300,957

A13. OTHER LIABILITIES

Bank Negara Malaysia and Credit Guarantee Corporation Funding Programmes	41,759	33,602
Margin and collateral deposits	139,980	145,430
Trust accounts for remisers	47,038	48,183
Defined contribution plan	11,149	15,301
Accrued employee benefits	848	31,322
Other creditors and accruals	238,208	193,660
Provision for zakat	1,790	5,037
Amount payables to dealer's representative	3,213	5,727
Sundry creditors	126,770	89,505
	610,755	567,767

A14. RESERVES

	Group	
	30/9/2015	31/12/2014
	RM'000	RM'000
Retained profits	2,235,714	2,087,232
AFS revaluation reserves	(86,425)	25,191
Statutory reserves	1,577,490	1,502,616
Regulatory reserves	236,428	187,922
	3,963,207	3,802,961

- (a) The statutory reserves of the Group are maintained in compliance with the provisions of the Financial Services Act 2013 and Islamic Financial Services Act 2013 and are not distributable as cash dividends.
- (b) AFS revaluation reserves represent the unrealised gains or losses arising from the change in fair value of investments classified as financial investments available-for-sale. The gains or losses are transferred in the income statement upon disposal or when the securities become impaired.
- (c) The banking subsidiaries are required to maintain in aggregate collective impairment allowances and regulatory reserves of no less than 1.2% of the total outstanding loans, advances and financing, net of individual impairment allowances.

A15. INTEREST INCOME

	<-----Group----->			
	Individual Quarter Ended		Cumulative Quarter Ended	
	30/9/2015	30/9/2014	30/9/2015	30/9/2014
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing	480,316	444,744	1,397,879	1,294,278
Money at call and deposits with financial institutions	16,181	48,037	64,204	128,267
Financial assets held-for-trading	38,025	39,368	111,372	115,861
Financial investments available-for-sale	101,743	82,384	293,930	225,906
Financial investments held-to-maturity	4,861	10,194	16,921	25,831
Subordinated term loan	1,622	1,336	4,485	3,967
Others	166	118	463	251
	642,914	626,181	1,889,254	1,794,361
Accretion of discount less amortisation of premium	(409)	5,377	4,469	17,702
	642,505	631,558	1,893,723	1,812,063
of which :-				
Interest income earned on impaired loans, advances and financing	23,553	3,828	26,157	5,473

A16. INTEREST EXPENSE

Deposits and placements of banks and other financial institutions	6,469	13,793	33,725	50,052
Deposits from customers	345,395	331,442	1,035,269	925,343
Loans sold to Cagamas Berhad	1,474	3,075	4,457	11,098
Derivatives	30,463	35,217	93,446	108,338
Others	10,811	361	20,406	751
	394,612	383,888	1,187,303	1,095,582

A17. OTHER OPERATING INCOME

	<-----Group----->			
	Individual Quarter Ended		Cumulative Quarter Ended	
	30/9/2015	30/9/2014	30/9/2015	30/9/2014
	RM'000	RM'000	RM'000	RM'000
<u>Fee income</u>				
Gross brokerage	23,845	34,992	75,959	87,446
Underwriting fees	173	3,581	4,379	10,055
Portfolio management fees	39,832	37,270	125,322	79,817
Corporate advisory fees	229	2,812	3,304	7,757
Commission	3,798	2,115	11,857	9,308
Service charges and fees	13,358	15,360	42,872	43,745
Guarantee fees	5,267	6,202	17,162	17,341
Arrangement fees	75	2,217	2,917	2,357
Agency fees	222	677	1,346	1,750
Initial service charges	12,864	21,301	53,695	41,115
Other fee income	1,126	239	3,906	10,670
	100,789	126,766	342,719	311,361
<u>Income from financial instruments</u>				
Gains arising on financial assets held-for-trading :-				
- net gains on disposal	5,623	18,784	17,997	28,813
- unrealised gains	(114)	(208)	(134)	1,167
- gross dividend income	555	885	1,735	1,241
Gains/(loss) on derivatives :-				
- realised	1,275	5,289	4,039	6,499
- unrealised	(2,196)	(2,466)	(13,960)	4,640
Gains arising on financial investments available-for-sale :-				
- net gains on disposal	7,012	10,695	19,728	15,420
- gross dividend income	3,746	3,289	11,375	8,451
Gains arising on financial investments held-to-maturity :-				
- net gains on redemption	-	144	-	3,112
	15,901	36,412	40,780	69,343
<u>Other income</u>				
Foreign exchange gains	29,576	21,764	64,168	56,530
Rental income	444	383	1,154	1,141
Gains on disposal of property and equipment	68	205	164	4,879
Gains on disposal of foreclosed properties	249	349	587	3,142
Other non-operating income	1,859	10,232	7,548	17,458
	32,196	32,933	73,621	83,150
Total other operating income	148,886	196,111	457,120	463,854

A18. OTHER OPERATING EXPENSES

	<-----Group----->			
	Individual Quarter Ended 30/9/2015 RM'000	30/9/2014 RM'000	Cumulative Quarter Ended 30/9/2015 RM'000	30/9/2014 RM'000
<u>Personnel costs</u>				
Wages, salaries and bonus	107,812	120,766	326,542	317,764
Defined contribution plan	18,343	18,388	53,982	50,261
Other personnel costs	25,545	16,960	59,050	42,409
	151,700	156,114	439,574	410,434
<u>Promotion and marketing-related expenses</u>				
Business promotion and advertisement	3,043	5,806	13,525	11,688
Entertainment	865	1,512	3,116	3,587
Travelling and accommodation	1,863	1,401	4,896	3,720
Dealers' handling fees	1,199	821	6,900	2,195
Commission and brokerage expenses	20,509	22,636	62,825	42,186
Commissioned dealers representative performance incentive	1,903	3,494	5,842	9,580
Others	2,216	3,321	6,261	4,506
	31,598	38,991	103,365	77,462
<u>Establishment-related expenses</u>				
Rental of premises	10,813	11,084	32,280	28,469
Equipment rental	1,096	1,003	2,481	2,299
Repair and maintenance	10,329	11,044	32,005	28,882
Depreciation of property and equipment	5,284	5,079	15,667	15,059
Amortisation of intangible assets	5,452	5,577	15,943	12,517
IT consultancy fee	15,196	15,823	48,305	45,164
Dataline rental	1,459	1,188	4,043	3,638
Security services	3,983	4,058	12,273	12,260
Electricity, water and sewerage	3,151	3,605	10,560	9,459
Insurance and indemnities	5,328	2,845	12,037	6,654
Others	1,298	649	3,941	2,852
	63,389	61,955	189,535	167,253
<u>General and administrative expenses</u>				
Telecommunication expenses	3,330	4,302	10,888	10,393
Directors' remuneration	565	821	1,777	2,271
Auditors' remuneration :-				
(i) Statutory audit	540	713	1,626	1,718
(ii) Audit related fees	7	8	22	26
(iii) Non audit fees	61	97	336	415
Professional fees	5,978	29,330	12,979	34,761
Property and equipment written-off	52	57	149	95
Intangible asset written off	-	-	6	-
Postage and courier charges	1,049	817	2,778	3,120
Stationery and consumables	2,478	2,949	7,569	7,191
Donations	314	388	1,693	4,779
Settlement, clearing and bank charges	2,316	1,949	7,110	5,896
Stamp duties	236	518	339	6,175
Allowance for litigation losses	8	-	170	-
Subscription fees	1,593	830	3,849	2,099
Transaction levy	2,165	1,729	6,643	4,940
Subsidies and allowances	1,734	227	2,271	756
Others	5,513	1,274	12,551	9,333
	27,939	46,009	72,756	93,968
Total other operating expenses	274,626	303,069	805,230	749,117

**A19. ALLOWANCE FOR IMPAIRMENT LOSSES ON LOANS,
 ADVANCES AND FINANCING**

	<-----Group----->			
	Individual Quarter Ended		Cumulative Quarter Ended	
	30/9/2015	30/9/2014	30/9/2015	30/9/2014
	RM'000	RM'000	RM'000	RM'000
Collective impairment				
- made during the financial year	7,547	18,976	5,295	20,379
Individual impairment				
- made during the financial year	64,083	12,531	228,368	76,668
- written-back during the financial year	(2,830)	(335)	(4,541)	(4,403)
Bad debts				
- recovered	(40,012)	(19,706)	(64,656)	(61,113)
- written-off	701	1,172	2,787	3,565
Additional allowance for impaired debts				
- other debtors	252	-	328	70
	29,741	12,638	167,581	35,166

**A20. ALLOWANCE FOR IMPAIRMENT LOSSES
 ON SECURITIES**

(Write-back of)/additional allowance for impairment loss

- Financial investments available-for-sale	-	(58)	(46)	285
- Financial investments held-to-maturity	(45)	-	(23,546)	-
	(45)	(58)	(23,592)	285

A21. SEGMENTAL INFORMATION ON REVENUE AND PROFIT

The segment analysis by activity for the individual and cumulative quarters ended 30 September 2015 and 30 September 2014 are as follows:-

	<----- Current year's individual quarter ended 30 September 2015 ----->					
	Commercial Banking RM'000	Investment Banking RM'000	Insurance RM'000	Others RM'000	Eliminations RM'000	Group RM'000
Revenue						
External revenue	338,247	116,720	-	4,819	-	459,786
Intersegment revenue	(6,479)	(1,469)	-	8,311	(363)	-
Segment revenue	331,768	115,251	-	13,130	(363)	459,786
Overhead expenses	(157,040)	(113,202)	-	(4,605)	221	(274,626)
of which :-						
Depreciation of property and equipment	(3,849)	(1,327)	-	(108)	-	(5,284)
Amortisation of intangible assets	(1,671)	(3,769)	-	(12)	-	(5,452)
(Additional)/write-back of allowance for impairment on loans, advances and financing/securities	(30,083)	387	-	-	-	(29,696)
Segment results	144,645	2,436	-	8,525	(142)	155,464
Finance costs	-	-	-	(10,008)	-	(10,008)
Share of results of joint ventures (net of tax)	-	-	1,530	-	-	1,530
Share of results of associate (net of tax)	-	-	2,433	-	-	2,433
Profit before taxation and zakat	144,645	2,436	3,963	(1,483)	(142)	149,419
Taxation and zakat						(45,285)
Net profit for the individual quarter						104,134
	<----- Preceding year's individual quarter ended 30 September 2014 ----->					
	Commercial Banking RM'000	Investment Banking RM'000	Insurance RM'000	Others RM'000	Eliminations RM'000	Group RM'000
Revenue						
External revenue	336,227	158,072	-	4,408	-	498,707
Intersegment revenue	(5,421)	(2,634)	-	10,467	(2,412)	-
Segment revenue	330,806	155,438	-	14,875	(2,412)	498,707
Overhead expenses	(157,741)	(141,568)	-	(4,514)	754	(303,069)
of which :-						
Depreciation of property and equipment	(3,809)	(1,152)	-	(118)	-	(5,079)
Amortisation of intangible assets	(1,565)	(4,009)	-	(3)	-	(5,577)
(Additional)/write-back of allowance for impairment on loans, advances and financing/securities	(12,463)	(117)	-	-	-	(12,580)
Segment results	160,602	13,753	-	10,361	(1,658)	183,058
Finance costs	-	-	-	(13,379)	-	(13,379)
Share of results of joint ventures (net of tax)	-	-	3,009	-	-	3,009
Share of results of associate (net of tax)	-	388	6,778	-	-	7,166
Profit before taxation and zakat	160,602	14,141	9,787	(3,018)	(1,658)	179,854
Taxation and zakat						(43,932)
Net profit for the individual quarter						135,922

A21. SEGMENTAL INFORMATION ON REVENUE AND PROFIT (Cont.)

The segment analysis by activity for the individual and cumulative quarters ended 30 September 2015 and 30 September 2014 are as follows (C

	<----- Current year's cumulative quarter ended 30 September 2015 ----->					
	Commercial Banking RM'000	Investment Banking RM'000	Insurance RM'000	Others RM'000	Eliminations RM'000	Group RM'000
Revenue						
External revenue	946,798	376,743	-	14,117	-	1,337,658
Intersegment revenue	(16,742)	(7,502)	-	91,312	(67,068)	-
Segment revenue	930,056	369,241	-	105,429	(67,068)	1,337,658
Operating expenses	(463,467)	(328,260)	-	(14,398)	895	(805,230)
of which :-						
Depreciation of property and equipment	(11,268)	(4,095)	-	(304)	-	(15,667)
Amortisation of intangible assets	(4,584)	(11,336)	-	(23)	-	(15,943)
(Additional)/write-back of allowance for impairment on loans, advances and financing/securities	(145,284)	1,295	-	-	-	(143,989)
Segment results	321,305	42,276	-	91,031	(66,173)	388,439
Finance costs	-	-	-	(30,841)	-	(30,841)
Share of results of joint ventures (net of tax)	-	-	(1,991)	-	-	(1,991)
Share of results of associate (net of tax)	-	-	20,447	-	-	20,447
Profit before taxation and zakat	321,305	42,276	18,456	60,190	(66,173)	376,054
Taxation and zakat						(94,620)
Net profit for the cumulative quarter						281,434

	<----- Preceding year's cumulative quarter ended 30 September 2014 ----->					
	Commercial Banking RM'000	Investment Banking RM'000	Insurance RM'000	Others RM'000	Eliminations RM'000	Group RM'000
Revenue						
External revenue	972,714	353,366		12,680	-	1,338,760
Intersegment revenue	(15,557)	(11,446)		147,389	(120,386)	-
Segment revenue	957,157	341,920	-	160,069	(120,386)	1,338,760
Operating expenses	(454,363)	(276,575)		(20,249)	2,070	(749,117)
of which :-						
Depreciation of property and equipment	(11,432)	(3,299)		(328)		(15,059)
Amortisation of intangible assets	(4,767)	(7,741)		(9)		(12,517)
(Additional)/write-back of allowance for impairment on loans, advances and financing/securities	(36,553)	1,102		-		(35,451)
Segment results	466,241	66,447	-	139,820	(118,316)	554,192
Finance costs	-	-	-	(50,894)	-	(50,894)
Share of results of joint ventures (net of tax)	-	-	(854)	-	-	(854)
Share of results of associate (net of tax)	-	917	17,595	-	-	18,512
Profit before taxation and zakat	466,241	67,364	16,741	88,926	(118,316)	520,956
Taxation and zakat						(132,318)
Net profit for the cumulative quarter						388,638

A22. SUBSEQUENT MATERIAL EVENT

There were no material events subsequent to the balance sheet date that require disclosure or adjustments to the unaudited condensed interim financial statements.

A23. CHANGES IN THE COMPOSITION OF THE GROUP

Save as disclosed below, there were no other significant changes in the composition of the Group during the financial period under review :-

Transfer of the Futures Broking Business of AFFIN Hwang Futures Sdn Bhd (fka HDM Futures Sdn Bhd) ("AHF") to AFFIN Hwang Investment Bank Berhad (fka HwangDBS Investment Bank Berhad) ("AFFIN Hwang IB") ("Futures Business Transfer")

On 30 January 2015, AFFIN Hwang IB and its wholly-owned subsidiary namely AHF entered into the business transfer agreement to effect the transfer of the whole of the assets, liabilities and business undertakings of AHF as a going concern to AFFIN Hwang IB by way of a vesting order from the High Court of Malaya pursuant to section 139 of the Capital Markets and Services Act 2007.

An Order from the High Court of Malaya at Kuala Lumpur was obtained on 12 February 2015 in respect of the transfer of the whole of the business, including all assets and liabilities of AHF to AFFIN Hwang IB, pursuant to section 139 of the Capital Markets and Services Act 2007.

The Futures Business Transfer was completed on 28 February 2015 and AHF ceased its operation and become dormant on the same day. Pursuant to the completion of the Futures Business Transfer, AHF had surrendered its Capital Markets Services Licence to the SC accordingly.

A24. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Group makes various commitments and incur certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions.

The notional amounts of the commitments and contingencies of the Group are as follows :-

	30/9/2015	31/12/2014
	Principal Amount	Principal Amount
	RM'000	RM'000
<u>Contigent liabilities</u>		
Direct credit substitutes	504,228	813,629
Transaction related contingent items	1,859,885	2,043,704
Short-term self-liquidating trade related contingencies	465,327	746,576
Obligation under underwriting commitments	175,000	17,122
Foreign exchange related contracts #		
- Less than one year	8,992,629	7,403,019
- One year to less than five years	1,215,411	1,260,435
- Five years and above	96,030	96,030
Interest rate related contracts #		
- Less than one year	630,417	1,156,279
- One year to less than five years	1,612,335	1,831,125
- Five years and above	577,000	390,148
Irrevocable commitments to extend credit		
- Maturity less than one year	7,697,421	8,987,864
- Maturity more than one year	1,755,413	2,022,597
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	666,342	322,761
Unutilised credit card lines	192,413	208,865
	26,439,851	27,300,154

The fair value of these derivatives has been recognised as "derivative financial assets" and "derivative financial liabilities" in the statement of financial position.

A25. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts and classified by remaining period to maturity/reprising date (whichever is earlier) as at reporting date are as follows:-

GROUP

	< ----- Contract/Notional Amount ----- >				< ----- Positive Fair Value ----- >				< ----- Negative Fair Value ----- >			
	Up To 1 Year	> 1 - 3 Years	> 3 Years	Total	Up To 1 Year	> 1 - 3 Years	> 3 Years	Total	Up To 1 Year	> 1 - 3 Years	> 3 Years	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 30 September 2015												
Trading derivatives												
Foreign exchange contracts								-				
- Currency forwards	2,967,325	217,717	-	3,185,042	289,404	51,270	-	340,674	7,721	-	-	7,721
- Cross currency swaps	5,868,251	710,689	383,035	6,961,975	90,099	48,779	4,497	143,375	603,828	118,927	145,131	867,886
- Currency options	157,053	-	-	157,053	(65)	-	-	(65)	4,080	-	-	4,080
Interest rate contracts												
- Interest rate swaps	630,417	928,187	1,261,148	2,819,752	3,541	9,168	11,270	23,979	2,743	4,778	16,474	23,995
	9,623,046	1,856,593	1,644,183	13,123,822	382,979	109,217	15,767	507,963	618,372	123,705	161,605	903,682

As at 31 December 2014

Trading derivatives

Foreign exchange contracts												
- Currency forwards	1,699,118	187,019	-	1,886,137	75,624	12,882	-	88,506	2,883	-	-	2,883
- Cross currency swaps	5,703,167	786,411	383,035	6,872,613	39,949	16,055	1,604	57,608	216,417	48,585	38,307	303,309
- Currency options	734	-	-	734	1	-	-	1	1	-	-	1
Interest rate contracts												
- Interest rate swaps	1,156,279	794,125	1,427,148	3,377,552	5,707	8,002	10,211	23,920	5,068	4,244	10,250	19,562
	8,559,298	1,767,555	1,810,183	12,137,036	121,281	36,939	11,815	170,035	224,369	52,829	48,557	325,755

A25. DERIVATIVE FINANCIAL INSTRUMENTS (Cont.)

Foreign exchange and interest rate related contracts are subject to market risk, credit risk and liquidity risk.

Market risk

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amount subject to market risk. Exposure to market risk may be reduced through offsetting on and off-balance sheet positions. As at the reporting date, the notional amount of foreign exchange exposure which was not hedged and hence, exposed to market risk was RM53.7 million (FYE 31/12/2014: RM2.0 million), while the notional amount of interest rate contract was RM706.9 million (FYE 31/12/2014: RM1,396.7 million).

Credit risk

Credit risk arises from the possibility that a counter-party may be unable to meet the terms of a contract in which the commercial bank has a gain position. As at the reporting date, the amounts of foreign exchange and interest rate credit risk, measured in terms of the cost to replace the profitable contracts, was RM664.7 million (FYE 31/12/2014: RM384.2 million) and RM92.8 million (FYE 31/12/2014: RM88.3 million) respectively. This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Liquidity risk

Liquidity risk on derivatives is the risk that the derivative position cannot be closed out promptly. The exposure to liquidity risk is mitigated by entering into transactions where the underlying financial instruments are widely traded and also easily closed out through alternative markets.

Cash Requirement of the Derivatives

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as the fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at the reporting date, there is no requirement for the Group to post any additional cash collateral on its derivative contracts.

Related Accounting Policies

The related accounting policies for off-balance sheet financial instruments applied in the condensed interim financial statements are consistent with those applied in the annual financial statements for the year ended 31 December 2014.

A26. 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.

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
30 September 2015				
Assets				
Financial assets held-for-trading	28,413	7,867	-	36,280
Financial investments available-for-sale *				
- Private debt securities	-	7,661,856	-	7,661,856
- Equity securities	95,985	45,868	149,308	291,161
- BNM and government	-	4,436,334	-	4,436,334
Derivative financial assets	-	507,963	-	507,963
	124,398	12,659,888	149,308	12,933,594
Liabilities				
Derivative financial liabilities	-	903,682	-	903,682
31 December 2014				
Assets				
Financial assets held-for-trading	18,903	163,877	-	182,780
Financial investments available-for-sale *				
- Private debt securities	-	5,994,458	-	5,994,458
- Equity securities	92,434	41,046	147,564	281,044
- BNM and government	-	6,342,118	-	6,342,118
Derivative financial assets	-	170,035	-	170,035
	111,337	12,711,534	147,564	12,970,435
Liabilities				
Derivative financial liabilities	-	325,755	-	325,755

* Net of allowance for impairment

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 price 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 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 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.

A26. FAIR VALUE MEASUREMENTS (Cont.)

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 exposure to financial instruments classified as Level 3 comprised a small number of financial instruments which constitute an insignificant component of the Group'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 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 (2014: Nil)

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

Group	30/9/2015 RM'000	31/12/2014 RM'000
As at beginning of the financial period/year	147,564	134,312
Purchases	500	3,517
Sales	-	200
Exchanges differences	-	(3,716)
Total gains recognised in Other Comprehensive Income	1,322	12,225
Allowance for impairment losses	-	(550)
Amount arising from acquisition of a subsidiary	-	1,576
As at end of the financial period/year	<u>149,386</u>	<u>147,564</u>

Effect of changes in significant unobservable assumptions to reasonably possible alternative

As at reporting date, financial instruments measured with valuation techniques using significant unobservable inputs (Level 3) mainly include unquoted shares held for socio economic purposes.

A27. CAPITAL ADEQUACY

With effect from 1 January 2013, the total capital and capital adequacy ratios of the Group are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework (Capital Components) dated 28 November 2012. In line with the transitional arrangements under the Bank Negara Malaysia's Capital Adequacy Framework (Capital Components), the minimum capital adequacy requirement for Common Equity Tier I ("CET I") Capital Ratio and Tier I Capital Ratio are 4.5% and 6.0% respectively for year 2015. The minimum regulatory capital adequacy requirement remains at 8.0% (2014: 8.0%) for total capital ratio.

All banking subsidiaries namely, AFFIN Bank, AFFIN Islamic Bank, AFFIN Hwang Investment Bank have complied with the above minimum regulatory capital adequacy requirement as at 30 September 2015. The components of CET I, Tier I and Tier II capital, breakdown of risk-weighted assets and capital adequacy ratios of the banking subsidiaries as at the reporting date are summarised below :-

	AFFIN Bank		AFFIN Islamic Bank		AFFIN Hwang Investment Bank	
	30/9/2015 RM'000	31/12/2014 RM'000	30/9/2015 RM'000	31/12/2014 RM'000	30/9/2015 RM'000	31/12/2014 RM'000
a) The components of CET I, Tier I						
Tier II capital :-						
<u>CET I/Tier I capital</u>						
Share capital	1,688,770	1,688,770	360,000	360,000	780,000	780,000
Share premium	858,904	858,904	-	-	219,800	219,800
Statutory reserves	1,308,504	1,263,470	222,033	206,324	213,201	199,071
Retained profit	800,742	760,153	192,166	163,244	273,007	260,692
Unrealised gains/(losses) on AFS	(47,040)	30,893	(23,852)	(7,730)	(41,069)	5,347
	<u>4,609,880</u>	<u>4,602,190</u>	<u>750,347</u>	<u>721,838</u>	<u>1,444,939</u>	<u>1,464,910</u>
Less Regulatory adjustments:-						
- Goodwill	(157,093)	(150,690)	(543)	(891)	(319,583)	(314,772)
- Investments in subsidiaries	(155,630)	(77,815)	(260)	(130)	(118,938)	(124,563)
- Deferred tax assets	(20,974)	(218)	(6,922)	(2,900)	(15,561)	(5,990)
- 55% of cumulative gains of AFS	-	(16,991)	-	-	-	(2,941)
Total CET I Capital	<u>4,276,183</u>	<u>4,356,476</u>	<u>742,622</u>	<u>717,917</u>	<u>990,857</u>	<u>1,016,644</u>
Total Tier I Capital (a)	<u>4,276,183</u>	<u>4,356,476</u>	<u>742,622</u>	<u>717,917</u>	<u>990,857</u>	<u>1,016,644</u>
<u>Tier II capital</u>						
Subordinated loans	420,000	480,000	-	-	-	-
Regulatory adjustments	163,832	135,347	67,225	49,020	-	3,556
Collective impairment #	110,867	129,134	21,978	21,120	13,183	9,001
Less : Investment in subsidiaries	(233,444)	(311,259)	(390)	(520)	(13,183)	(12,557)
Total Tier II Capital (b)	<u>461,255</u>	<u>433,222</u>	<u>88,813</u>	<u>69,620</u>	<u>-</u>	<u>-</u>
Total Tier I & II Capital (a) + (b)	<u>4,737,438</u>	<u>4,789,698</u>	<u>831,435</u>	<u>787,537</u>	<u>990,857</u>	<u>1,016,644</u>
Capital base before proposed dividends	4,737,438	4,789,698	831,435	787,537	990,857	1,016,644
Proposed dividends	-	(66,031)	-	-	-	-
Capital base after proposed dividends	<u>4,737,438</u>	<u>4,723,667</u>	<u>831,435</u>	<u>787,537</u>	<u>990,857</u>	<u>1,016,644</u>
b) The breakdown of risk-weighted assets :-						
Credit risk	32,705,998	32,586,612	5,681,547	5,390,103	2,773,244	2,791,978
Market risk	394,517	284,148	4,506	2,590	339,789	191,477
Operational risk	1,954,344	1,954,278	392,522	366,578	346,313	325,813
Total risk-weighted assets	<u>35,054,859</u>	<u>34,825,038</u>	<u>6,078,575</u>	<u>5,759,271</u>	<u>3,459,346</u>	<u>3,309,268</u>
c) Capital adequacy ratios :-						
<u>Before deducting proposed dividends:-</u>						
CET I Capital Ratio	12.199%	12.510%	12.217%	12.465%	28.643%	30.721%
Tier I Capital Ratio	12.199%	12.510%	12.217%	12.465%	28.643%	30.721%
Total Capital Ratio	<u>13.514%</u>	<u>13.754%</u>	<u>13.678%</u>	<u>13.674%</u>	<u>28.643%</u>	<u>30.721%</u>
<u>After deducting proposed dividends:-</u>						
CET I Capital Ratio	12.199%	12.320%	12.217%	12.465%	28.643%	30.721%
Tier I Capital Ratio	12.199%	12.320%	12.217%	12.465%	28.643%	30.721%
Total Capital Ratio	<u>13.514%</u>	<u>13.564%</u>	<u>13.678%</u>	<u>13.674%</u>	<u>28.643%</u>	<u>30.721%</u>

Qualifying collective impairment is restricted to allowances on the unimpaired loans, advances and financing.

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

A28. LIQUIDITY RISK

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

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

Maturities of assets and liabilities of the Group by remaining contractual maturities profile are as follows :-

Group	Up to 1	> 1-3	> 3-12	> 1-5	Over 5	Total
30/9/2015	month	months	months	years	years	Total
Assets	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	3,211,695	21,588	-	-	-	3,233,283
Deposits and placements with banks and other financial institutions	-	2,022	-	432,371	30,345	464,738
Trade receivables	527,616	15,402	-	-	-	543,018
Financial assets held-for-trading	36,280	-	-	-	-	36,280
Financial investments available-for-sale	544,230	575,595	612,511	5,074,981	5,582,034	12,389,351
Financial investments held-to-maturity	24,778	16,586	65,552	80,119	291,856	478,891
Derivative financial assets	111,376	66,567	213,153	112,833	4,034	507,963
Loans, advances and financing	3,377,629	1,482,887	2,110,020	11,423,432	23,422,739	41,816,707
Other assets	218,518	2,757	14,267	173,731	21,670	430,943
Statutory deposits with Bank Negara Malaysia	1,887,780	-	-	-	-	1,887,780
Other financial assets (Note 1)	32,696	4,370	37,712	48,930	2,271,701	2,395,409
Total assets	9,972,598	2,187,774	3,053,215	17,346,397	31,624,379	64,184,363

Note 1 : Other non-financial assets include investment in associate, investment in jointly controlled entities, property and equipment, intangible assets, taxation recoverable and deferred tax assets.

A28. LIQUIDITY RISK (Cont.)

Maturities of assets and liabilities of the Group by remaining contractual maturities profile are as follows (Cont.) :-

Group	Up to 1	> 1-3	> 3-12	> 1-5	Over 5	Total
30/9/2015	month	months	months	years	years	RM'000
Liabilities	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Deposits from customers	21,227,562	11,597,932	12,363,733	1,172,704	-	46,361,931
Deposits and placements with banks and other financial institutions	1,265,607	3,469,200	84,974	-	-	4,819,781
Obligations on securities sold under repurchase agreement	1,071,385	328,804	206,853	-	-	1,607,042
Bills and acceptances payable	83,137	-	-	-	-	83,137
Trade payables	597,838	-	-	-	-	597,838
Derivatives financial liabilities	209,191	74,834	341,222	232,357	46,078	903,682
Recourse obligation on loans sold to Cagamas	-	814	-	134,961	-	135,775
Other liabilities	419,961	3,963	62,315	124,516	-	610,755
Other non-financial liabilities (Note 2)	-	224	24,371	-	-	24,595
Borrowings	2,784	3,078	300,000	600,000	-	905,862
Total liabilities	24,877,465	15,478,849	13,383,468	2,264,538	46,078	56,050,398
Net liquidity gap	(14,904,867)	(13,291,075)	(10,330,253)	15,081,859	31,578,301	8,133,965

Note 2 : Other non-financial liabilities include provision for taxation and deferred tax liabilities.

A28. LIQUIDITY RISK (Cont.)

Maturities of assets and liabilities of the Group by remaining contractual maturities profile are as follows (Cont.) :-

Group	Up to 1	> 1-3	> 3-12	> 1-5	Over 5	Total
31/12/2014	month	months	months	years	years	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets						
Cash and short-term funds	7,360,588	-	-	-	-	7,360,588
Deposits and placements with banks and other financial institutions	-	-	-	322,216	61,476	383,692
Trade receivables	426,353	2,701	182	-	-	429,236
Financial assets held-for-trading	182,780	-	-	-	-	182,780
Financial investments available-for-sale	1,152,889	892,810	1,758,457	5,750,986	3,062,478	12,617,620
Financial investments held-to-maturity	70,375	155,879	30,381	131,794	264,312	652,741
Derivative financial assets	21,238	35,782	74,657	36,133	2,225	170,035
Loans, advances and financing	3,221,392	1,911,432	2,471,658	11,028,891	21,858,643	40,492,016
Other assets	215,219	769	28,208	46,231	10,530	300,957
Statutory deposits with Bank Negara Malaysia	1,831,550	-	-	-	-	1,831,550
Other non-financial assets (Note 1)	515,426	-	4,105	22,893	1,714,518	2,256,942
Total assets	14,997,810	2,999,373	4,367,648	17,339,144	26,974,182	66,678,157

Note 1 : Other non-financial assets include investment in associate, investment in jointly controlled entities, property and equipment, intangible assets, taxation recoverable and deferred tax assets.

A28. LIQUIDITY RISK (Cont.)

Maturities of assets and liabilities of the Group by remaining contractual maturities profile are as follows (Cont.) :-

Group	Up to 1	> 1-3	> 3-12	> 1-5	Over 5	Total
31/12/2014	month	months	months	years	years	Total
Liabilities	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Deposits from customers	24,042,889	12,851,050	12,899,702	810,364	-	50,604,005
Deposits and placements with banks and other financial institutions	2,582,639	2,319,508	465,656	-	-	5,367,803
Bills and acceptances payable	94,308	-	-	-	-	94,308
Trade payables	582,166	-	-	-	-	582,166
Derivatives financial liabilities	45,849	49,584	129,181	88,471	12,670	325,755
Recourse obligation on loans sold to Cagamas	-	834	-	138,313	-	139,147
Other liabilities (Note 2)	477,430	2,633	87,704	-	-	567,767
Other non-financial liabilities	-	-	28,097	24,090	110	52,297
Borrowings	3,052	3,096	-	966,310	-	972,458
Total liabilities	27,828,333	15,226,705	13,610,340	2,027,548	12,780	58,705,706
Net liquidity gap	(12,830,523)	(12,227,332)	(9,242,692)	15,311,596	26,961,402	7,972,451

Note 2 : Other non-financial liabilities include provision for taxation and deferred tax liabilities.

A29. OPERATIONS OF ISLAMIC BANKING

(i) Unaudited Islamic Statements of Financial Position

	Group	
	30/9/2015	31/12/2014
	RM'000	RM'000
ASSETS		
Cash and short-term funds	1,502,372	3,333,472
Financial investments available-for-sale	1,507,749	1,532,500
Financial investments held-to-maturity	77,618	82,754
Derivative financial assets	1,059	12
Financing, advances and other financing	8,571,077	7,163,621
Other assets	87,372	305,228
Statutory deposit with Bank Negara Malaysia	299,000	298,000
Deferred tax assets	6,922	2,900
Property and equipment	2,830	3,261
Intangible assets	542	891
TOTAL ASSETS	12,056,541	12,722,639
LIABILITIES, ISLAMIC BANKING FUNDS		
Deposits from customers	8,843,472	9,870,394
Deposits and placements of banks and other financial institutions	2,261,894	2,045,720
Derivative financial liabilities	1,607	34
Other liabilities	119,754	30,358
Provision for taxation	7,167	4,071
Total Liabilities	11,233,894	11,950,577
SHAREHOLDERS' EQUITY		
Share capital	360,000	360,000
Reserves	462,647	412,062
Total Equity	822,647	772,062
TOTAL LIABILITIES AND EQUITY	12,056,541	12,722,639
COMMITMENTS AND CONTINGENCIES	2,134,880	2,112,921

A29. OPERATIONS OF ISLAMIC BANKING (Cont.)

(ii) Unaudited Islamic Income Statements

	<-----Group----->			
	Individual Quarter Ended 30/9/2015 RM'000	30/9/2014 RM'000	Cumulative Quarter Ended 30/9/2015 RM'000	30/9/2014 RM'000
Income derived from investment of depositors' funds and others	142,641	115,382	408,866	343,878
Income derived from investment of Shareholders' funds	10,210	8,549	28,565	24,695
Allowance for losses on financing, advances and other financing	(3,032)	(1,267)	(4,943)	(1,381)
	149,819	122,664	432,488	367,192
Income attributable to depositors	(89,380)	(69,782)	(262,402)	(212,848)
Income attributable to shareholders	60,439	52,882	170,086	154,344
Other operating expenses	(28,607)	(31,294)	(86,399)	(90,152)
Impairment loss	-	-	-	(550)
Profit before taxation	31,832	21,588	83,687	63,642
Taxation	(8,378)	(5,435)	(20,851)	(13,865)
Net profit for the financial period attributable to the equity holders of the Company	23,454	16,153	62,836	49,777

(iii) Unaudited Statements of Comprehensive Islamic Income

	<-----Group----->			
	Individual Quarter Ended 30/9/2015 RM'000	30/9/2014 RM'000	Cumulative Quarter Ended 30/9/2015 RM'000	30/9/2014 RM'000
Profit after taxation	23,454	16,153	62,836	49,777
Other comprehensive income :-				
- Net fair value change in financial investments available-for-sale	(19,006)	3,331	(16,121)	5,110
- Deferred tax on revaluation of financial investments available-for-sale	4,562	(799)	3,870	(1,226)
Other comprehensive income/(loss) for the financial period, net of tax	(14,444)	2,532	(12,251)	3,884
Total comprehensive income for the financial period attributable to the equity holders of the Company	9,010	18,685	50,585	53,661

A29. OPERATIONS OF ISLAMIC BANKING (Cont.)

(iv) Financing

	Group	
	30/9/2015	31/12/2014
	RM'000	RM'000
<u>By type</u>		
Cash line	312,898	203,963
Term financing		
- Housing financing	2,001,281	1,832,181
- Syndicated term financing	306,957	262,031
- Hire purchase receivables	2,472,027	2,044,709
- Business term financing	2,790,775	1,919,442
Bills receivables	1,580	12,189
Trust receipts	25,255	19,848
Interest-free accepted bills	68,923	121,416
Staff financing	9,347	9,629
Revolving credit	657,207	807,125
	8,646,250	7,232,533
Less : Allowance for impairment		
- Collective impairment	(36,062)	(37,393)
- Individual impairment	(39,111)	(31,519)
Total net financing	8,571,077	7,163,621

(v) Impaired financing

(a) Movements of impaired financing

Balance at the beginning of financial period/year	129,157	131,630
Classified as impaired during the financial period/year	88,161	90,964
Reclassified as non-impaired during the financial period/year	(50,609)	(54,830)
Amount recovered during the financial period/year	(12,366)	(34,076)
Amount written-off during the financial period/year	(6,139)	(4,531)
Balance at the end of financial period/year	148,204	129,157

(b) Movements in the allowance for impairment on financing

Collective impairment

Balance at the beginning of financial period/year	37,393	33,719
Allowance (net of write-back) made during the financial period/year	2,423	6,383
Amount written-off during the financial period/year	(3,754)	(2,709)
Balance at the end of financial period/year	36,062	37,393

Individual impairment

Balance at the beginning of financial period/year	31,519	34,584
Allowance for impairment during the financial period/year	3,188	1,509
Amount recovered during the financial period/year	(46)	(3,782)
Amount written-off during the financial period/year	(2,383)	(1,813)
Unwinding of income	(526)	(763)
Exchange difference	7,359	1,784
Balance at the end of financial period/year	39,111	31,519

A29. OPERATIONS OF ISLAMIC BANKING (Cont.)

(vi) Deposits from customers

	Group	
	30/9/2015	31/12/2014
	RM'000	RM'000
<u>By type of deposits</u>		
Non-Mudharabah Funds		
Demand deposits	2,690,370	2,664,058
Savings deposits	412,665	395,338
Negotiable Instruments of Deposits	-	249,412
Murabahah term deposits	4,960,494	5,190,631
Commodity Murabahah Deposit (CMD)	666,772	1,030,814
	8,730,301	9,530,253
Mudharabah Funds		
General investment deposits	113,171	340,141
	8,843,472	9,870,394
Total deposits from customers		

A30. COMPLETION OF PURCHASE PRICE ALLOCATION IN RELATION TO THE ACQUISITION OF HWANGDBS INVESTMENT BANK ("HWANGIB") AND ITS SUBSIDIARIES ["PPA"]

The Group had previously accounted for the acquisition of the assets and liabilities of HwangIB and its subsidiaries by using the provisional fair value for the financial year ended 31 December 2014.

During the current financial period, the Group has completed its allocation of cost of business combination to the assets acquired and liabilities and contingent liabilities assumed in accordance with MFRS 3 "Business Combinations". The fair value adjustments and intangible assets identified on acquisition are based on the final purchase price allocation and fair value exercise.

The fair values of assets and liabilities arising from the acquisition of HwangIB and its subsidiaries on 7 April 2014 (i.e. date of acquisition) have been restated accordingly as follows:

	As at the date of acquisition		
	Provisional fair value RM'000	Adjustments RM'000	Adjusted fair value RM'000
Cash and short term funds	1,155,430	-	1,155,430
Trade receivables/Managers stock	412,219	-	412,219
Securities held-for-trading	116,735	-	116,735
Securities available-for-sale	1,442,023	-	1,442,023
Securities held-to-maturity	304,602	20,620	325,222
Loans, advances and financing	417,641	-	417,641
Derivative assets	21,869	-	21,869
Other asset	42,397	-	42,397
Statutory deposits with Bank Negara Malaysia	53,140	-	53,140
Tax recoverable	72	-	72
Deferred tax assets	1,289	-	1,289
Investments in associate	6,892	-	6,892
Property, plant and equipment	10,483	-	10,483
Intangible assets	162,502	36,537	199,039
Total assets acquired	4,147,294	57,157	4,204,451
Deposits from customers	833,922	-	833,922
Deposits and placements of banks and other financial institutions	1,676,066	-	1,676,066
Trade payables	435,253	-	435,253
Derivative liabilities	28,575	-	28,575
Other liabilities	106,125	-	106,125
Taxation	3,312	-	3,312
Deferred tax liabilities	-	27,414	27,414
Borrowings	5,000	-	5,000
Total liabilities assumed	3,088,253	27,414	3,115,667
Provisional / adjustment fair value of the identifiable assets and liabilities acquired	1,059,041	29,743	1,088,784
Less: Non-controlling interest	(33,155)	(11,760)	(44,915)
Excess of acquisition cost over the fair value of net assets acquired	432,473	(17,983)	414,490
Total cost of acquisition	1,458,359	-	1,458,359
Less: Cash and short-term funds acquired	(1,155,430)	-	(1,155,430)
Net cash outflow arising from the acquisition	302,929	-	302,929

A30. COMPLETION OF PURCHASE PRICE ALLOCATION IN RELATION TO THE ACQUISITION OF HWANGDBS INVESTMENT BANK ("HWANGIB") AND ITS SUBSIDIARIES ["PPA"] (Cont.)

The following comparative figures have also been restated accordingly upon the completion of the above PPA and fair value exercise:-

	As reported RM'000	Adjustment RM'000	As restated RM'000
a.) <u>Statement of Financial Position</u>			
<u>As at 31 December 2014</u>			
Assets			
Financial investments held-to-maturity	652,501	240	652,741
Intangible assets	1,606,920	8,241	1,615,161
Liabilities			
Deferred tax liabilities	138	19,741	19,879
Equity			
Retained profits	2,099,826	(12,594)	2,087,232
AFS revaluation reserve	34,357	(9,166)	25,191
Non-controlling interest	30,329	10,500	40,829
<u>As at 30 September 2014</u>			
Assets			
Financial investments held-to-maturity	833,930	14,181	848,111
Intangible assets	1,611,215	11,678	1,622,893
Liabilities			
Deferred tax liabilities	1,295	24,085	25,380
Equity			
Retained profits	2,360,005	(9,146)	2,350,859
Non-controlling interest	28,604	10,920	39,524
b.) <u>Consolidation Income Statements</u>			
<u>For the third quarter ended 30 September 2014</u>			
Interest income	634,739	(3,181)	631,558
- Amortisation of premium less accretion of discount	8,558	(3,181)	5,377
Other operating expenses	(299,631)	(3,438)	(303,069)
- Amortisation of intangible assets	(2,139)	(3,438)	(5,577)
Profit before taxation	185,972	(6,619)	179,353
Taxation	(45,086)	1,655	(43,431)
Profit after taxation	140,886	(4,964)	135,922
Profit for the financial period attributable to :-			
- Equity holders of the Company	138,496	(4,544)	133,952
- Non-controlling interest ("NCI")	2,390	(420)	1,970
<u>For the cumulative quarter ended 30 September 2014</u>			
Interest income	1,818,502	(6,439)	1,812,063
- Amortisation of premium less accretion of discount	24,141	(6,439)	17,702
Other operating expenses	(742,241)	(6,876)	(749,117)
- Amortisation of intangible assets	(5,641)	(6,876)	(12,517)
Profit before taxation	533,344	(13,315)	520,029
Taxation	(134,720)	3,329	(131,391)
Profit after taxation	398,624	(9,986)	388,638
Profit for the financial period attributable to :-			
- Equity holders of the Company	393,213	(9,146)	384,067
- Non-controlling interest ("NCI")	5,411	(840)	4,571

Part B - Explanatory Notes pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B1. REVIEW OF PERFORMANCE OF THE COMPANY AND ITS PRINCIPAL SUBSIDIARIES

The Group reported a lower profit before tax and zakat ("PBT") of RM149.4 million for the current financial quarter ended 30 September 2015 as compared to RM179.9 million for the preceding year's corresponding quarter. For the 9 months ended 30 September 2015, the Group's PBT of RM376.1 million also indicated a decrease of RM144.9 million or 27.8% as compared to RM521.0 million for the corresponding period ended 30 September 2014. The drop in PBT was mainly due to higher allowance for loan impairment and higher overhead expenses of RM132.4 million and RM56.1 million respectively, net of the write-back of allowance for securities impairment of RM23.6 million and the reduction in finance cost of RM20.1 million. For the period under review, the Islamic banking income was up by RM15.7 million while both the net interest income and other operating income were lower by RM10.1 million and RM6.7 million respectively.

Commercial Banking

The results of the commercial banking segment was mainly attributable to the AFFIN Bank Berhad ("ABB") Group which registered a lower PBT of RM144.6 million for the current financial quarter as compared to RM160.6 million for the preceding year's corresponding quarter. For the 9 months ended 30 September 2015, the ABB Group's PBT of RM321.3 million also indicated a decrease of RM144.9 million or 31.1% as compared to RM466.2 million achieved in the previous year. The decrease in the PBT was mainly due to higher allowance for loan impairment of RM131.3 million as well as the reduction in other operating income and net interest income of RM34.3 million and RM8.5 million respectively. For the period under review, the Islamic banking income was up by RM15.7 million and there was a write-back of allowance for securities impairment of RM22.0 million as compared to a charge of RM0.6 million in the previous year.

The wholly-owned subsidiary, namely AFFIN Islamic Bank Berhad registered a higher PBT of RM31.8 million as compared to RM21.6 million for the preceding year's corresponding quarter. For the 9 months ended 30 September 2015, the Islamic Bank also registered a higher PBT of RM83.7 million as compared to RM63.6 million for the same period last year, mainly due to higher operating income of RM19.3 million and lower overhead expenses of RM3.8 million. The allowance for financing losses was however up by RM3.6 million for the period under review.

Investment Banking

The results of the investment banking segment was attributed to AFFIN Hwang Investment Bank Berhad (fka HwangDBS Investment Bank Berhad) ["AFFIN Hwang IB"] Group which reported a PBT of RM2.4 million for the current financial quarter as compared to RM14.1 million for the preceding year's corresponding quarter. For the 9 months ended 30 September 2015, the Investment Banking Group also registered a lower PBT of RM42.3 million as compared to RM67.4 million for the corresponding period ended 30 September 2014. The increase in other operating income and net interest income totalling RM27.3 million were not sufficient to offset the increase in overhead expenses of RM51.7 million which includes a provision for staff rationalisation expenses of RM9.6 million. The PBT for the AFFIN Hwang IB Group is after taking into consideration the adjustments totalling RM21.0 million at AFFIN Holdings Berhad ("AHB") Group level, which comprised the fair value adjustment of RM10.5 million on held-to-maturity ("HTM") securities, amortisation of identifiable intangible assets of RM10.3 million and amortisation of premium of securities of RM0.2 million arising from the acquisition of HwangDBS Investment Bank Berhad in the previous year.

For the 9 months ended 30 September 2015, the asset management businesses contributed a higher pre-tax profit of RM42.2 million as compared to RM29.9 million for the same period last year, mainly due to higher other operating income of RM60.1 million net of higher overhead expenses of RM48.9 million. The increase in other operating income was mainly attributable to higher management fee income and higher fee on sale of unit trust of RM45.5 million and RM12.6 million respectively. The PBT for the asset management businesses is also after taking into consideration the amortisation of identifiable intangible asset of RM5.6 million at AHB Group level.

Insurance

The results of the insurance segment was made up of the results of AXA AFFIN Life Insurance Berhad ("AALI") and AXA AFFIN General Insurance Berhad ("AAGI") as follows:-

AXA AFFIN Life Insurance Berhad ("AALI") reported a lower pre-tax profit of RM3.3 million for the current financial quarter as compared to a pre-tax profit of RM7.9 million for the preceding year's corresponding quarter. For the 9 months ended 30 September 2015, AALI reported a pre-tax loss of RM2.2 million as compared to a pre-tax profit of RM5.3 million for the corresponding period ended 30 September 2014, mainly due to one-off change in the reserves for future policyholders liabilities of RM3.2 million and lower investment income of RM5.5 million attributed to mark-to-market losses for fixed income securities and lower realised gains on equities.

AXA AFFIN General Insurance Berhad ("AAGI") reported a lower pre-tax profit of RM10.2 million for the current financial quarter as compared to RM27.7 million for the preceding year's corresponding quarter. For the 9 months ended 30 September 2015, AAGI however reported a higher pre-tax profit of RM81.7 million as compared to RM77.3 million achieved in the previous year. The improved performance was mainly due to higher earned premium of RM126.0 million mainly attributable to health and motor businesses and higher investment income of RM12.7 million for the period under review. These was partially offset by the increase in net claims, overhead expenses and net commission incurred of RM88.7 million, RM34.0 million and RM8.3 million respectively.

B1. REVIEW OF PERFORMANCE OF THE COMPANY AND ITS PRINCIPAL SUBSIDIARIES (Cont.)

Other business segment

The result of the other business segment was mainly attributable to AFFIN Moneybrokers Sdn Bhd ("AMB"), AFFIN Holdings Berhad ("AHB") and AFFIN-ACF Holdings Sdn Bhd ("AACH").

AMB reported a slightly lower pre-tax profit of RM0.6 million for the current financial quarter as compared to RM0.7 million for the preceding year's corresponding quarter. For the 9 months ended 30 September 2015, AMB however reported a higher pre-tax profit of RM2.0 million as compared to RM1.7 million achieved in the previous year, mainly due to higher net brokerage income net of higher overhead expenses.

AHB registered a lower pre-tax loss of RM2.4 million for the current financial quarter as compared to pre-tax loss of RM5.5 million for the preceding year's corresponding quarter, mainly due to lower finance cost of RM3.4 million and lower overhead expenses of RM1.6 million net of lower interest income of RM1.8 million. For the 9 months ended 30 September 2015, AHB also reported a lower pre-tax profit of RM57.5 million as compared to RM85.1 million for the same period last year, mainly due to lower dividend income and lower interest income of RM50.6 million and RM5.0 million respectively. Both the finance cost and overhead expenses also decreased by RM20.1 million and RM8.0 million respectively for the period under review.

AACH reported a PBT of RM681,000 for the 9 months ended 30 September 2015 as compared to RM459,000 for the preceding year's corresponding period.

B2. COMMENTS ON CURRENT PERFORMANCE AGAINST THE PRECEDING QUARTER'S RESULTS

The Group reported a lower profit before tax and zakat ("PBT") of RM149.4 million for the current financial quarter as compared to RM177.9 million for the preceding quarter ended 30 June 2015. For the quarter under review, the increase in net interest income and Islamic banking income totalling RM20.0 million was substantially offset by the reduction in other operating income and share of profits in associate of RM9.4 million and RM10.2 million respectively. However, the amount was not sufficient to cushion the increase in allowance for loan impairment and overhead expenses of RM16.0 million and RM14.6 million respectively.

B3. PROSPECTS FOR FINANCIAL YEAR 2015

Commercial Banking

The industry's overall loan growth is expected to moderate further in the second half of financial year 2015. It is projected that the domestic loan growth to be in between 9% to 9.5% by end 2015. This is resulting from the current economic climate and uncertainty of the global economic outlook. Most analysts anticipated that these headwinds may hinder the growth of consumer market and expected to have an impact on corporate default rate as a whole.

Moving forward, the Bank anticipates higher funding costs and narrowing net interest/profit margin ("NIM") due to stiff competition in both the deposits and consumer markets among the domestic banks.

The Bank will continuously pace up efforts to improve efficiency and productivity in delivering its products and services. The Bank will retain its competitive edge and grow its business within the well-defined risk parameters and continue to be guided by its strategic plans.

The Bank will emphasis on transactional banking as major source of fee income and further enhance its brand value and visibility by increasing domestic footprint while exploring the potential of establishing a presence in ASEAN. The Bank also believes its strong collaboration within the Group and relationship with customers will stand in good stead to further grow its business in targeted key segment.

Investment Banking

Notwithstanding the prolonged bearish market conditions and volatility in the global and domestic financial markets, the Bank continues to look forward to its first full year of operating as a merged entity upon successfully completing its merger exercise in the last quarter of 2014, which together with collaboration with Daiwa Securities Group Inc., of Japan has created a leading domestic stockbroking position for the Bank. However, the Bank takes cognizant of the increasingly-competitive operating environment for the investment banking industry as a whole, whereby the stockbroking volume and capital market assignments are highly dependent on the overall market sentiments. The Bank will continue to build resilience across its businesses and drive efficiency savings in all its business operations under current dampening investor sentiments and volatile market conditions.

The asset and fund management division shall continue to grow its business and selectively capitalise on potential regional growth opportunities to further expand its assets under management and client base. Moving forward as a merged asset management group that is backed by an investment bank, the segment is optimistic on its combined performance and its ability to offer a wider range of products and services to its enlarged clientele.

B3. PROSPECT FOR FINANCIAL YEAR 2015 (Cont.)

Insurance

AXA AFFIN Life Insurance ("AAL")

The agency distribution channel recorded a strong new business growth rate of 9% for 2014 on the back of higher manpower. The initiatives on the recruitment and retention activated in 2014 would continue to spur the agency channel to continue its growth momentum in 2015. For bancassurance, AALIB would continue to leverage on AFFIN Bank and its network for sustainable growth, amidst an increasingly challenging and competitive environment.

AXA AFFIN General Insurance ("AAG")

Market and economic challenges will persist in 2015 with the global and local changes in business climate, inflationary costs, as well as regulatory and tax development. Amidst such market forces, AAGI will continue to put in place the strategies and priorities which focus on key business lines, digital transformation, customer centricity, information technology and human resources. With clear business direction and the dedicated team, AAGI is positive to achieve its targets for 2015.

B4. HEADLINE KEY PERFORMANCE INDICATOR ("KPIs") FOR YEAR 2015

The performance of the Group as compared to the announced headline Key Performance Indicators (KPIs) for the financial year ended 30 September 2015 is summarised below :-

<u>Headline KPIs</u>	As announced for the financial year 2015	Actual Achieved 30/9/2015
(i) After Tax Returns on Equity (ROE)	8.0%	3.4%
(ii) After Tax Returns on Assets (ROA)	0.9%	0.4%
(iii) Gross Impaired Loan Ratio	1.64%	2.21%
(iv) Earnings Per Share (EPS)	33.00 sen	13.99 sen

B5. VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

There were no profits forecast and profit guarantee issued by the Company.

B6. TAXATION

	<-----Group----->			
	Individual Quarter Ended 30/9/2015 RM'000	30/9/2014 RM'000 (Restated)	Cumulative Quarter Ended 30/9/2015 RM'000	30/9/2014 RM'000 (Restated)
Malaysian Taxation :-				
- Income tax based on profit for the financial year	33,119	55,645	88,017	142,952
Deferred tax :-				
- Relating to originating temporary differences	10,202	(13,535)	4,189	(10,482)
Under/(over) provision in prior years :-				
- Current taxation	1,599	1,321	1,609	(1,079)
	44,920	43,431	93,815	131,391

The Group's effective tax rates were slightly higher than the statutory tax rates, mainly due to certain expenses not deductible for tax purposes, net of certain income not subject to tax or subject to lower tax rate.

B7. STATUS OF CORPORATE PROPOSALS

Proposed Acquisition of a Minority Stake in AFFIN Hwang Investment Bank Berhad (fka HwangDBS Investment Bank Berhad) ("AHIB") by Daiwa Securities Group Inc. ("Daiwa") or one of its wholly-owned subsidiaries ("Proposal")

AFFIN Holdings Berhad (the "Company" or "AHB") had on 6 May 2015 announced that Bank Negara Malaysia ("BNM") had vide its letter dated 29 April 2015 stated that it had no objection in principle for AHB to commence negotiations with Daiwa in relation to the Proposal, subject to both parties concluding negotiations within 6 months from the date of the said letter.

The said approval should not be construed as approval for the Proposal. Upon concluding negotiations, Daiwa and AHB would be required to obtain prior approval from BNM pursuant to the Financial Services Act 2013, before entering into any agreement to effect the Proposal.

On 19 October 2015, AHIB had on behalf of the Board of Directors of AHB announced that an application had been submitted to BNM to seek its approval for an extension of time for both parties to conclude the negotiation for the proposal.

Further announcements will be made to Bursa Malaysia Securities Berhad as and when there are material developments pertaining to the Proposed Acquisition.

B8. GROUP BORROWINGS AND DEBT SECURITIES

(i) Deposits from Customers

	Group	
	30/9/2015 RM'000	31/12/2014 RM'000
<u>By Type of Deposits:-</u>		
Money Market Deposits	556,375	1,177,702
Demand Deposits	7,741,026	8,096,429
Savings Deposits	2,024,554	2,047,242
Fixed Deposits	28,800,790	31,032,250
Negotiable Instruments of Deposits ('NIDs')	6,471,304	7,059,508
Commodity Murabahah Deposit (CMD)	666,772	1,030,814
Other deposits	101,110	160,060
	46,361,931	50,604,005

Maturity structure of fixed deposits and NIDs are as follows:-

Due within six months	28,056,612	31,712,118
Six months to one year	6,064,304	5,670,967
One year to three years	1,136,044	701,583
Three years to five years	15,134	7,090
	35,272,094	38,091,758

By Type of Customers:-

Government and statutory bodies	8,917,291	9,335,163
Business enterprises	12,552,887	14,468,197
Individuals	12,287,832	13,138,092
Domestic banking institutions	6,406,335	6,736,994
Domestic non-banking financial institutions	4,962,435	5,639,041
Foreign Entities	373,560	398,477
Others	861,591	888,041
	46,361,931	50,604,005

(ii) Deposits and Placements of Banks and Other Financial Institutions

By Type of Institutions:-

Licensed banks	4,010,823	2,783,993
Licensed investment banks	346,074	154,173
Bank Negara Malaysia	60,804	47,898
Other financial institutions	402,080	2,381,739
	4,819,781	5,367,803

By Maturity Structure:-

Due within six months	4,819,781	5,319,905
Six months to one year	-	47,898
	4,819,781	5,367,803

B8. GROUP BORROWINGS AND DEBT SECURITIES (Cont.)

(iii) Borrowings

	Group	
	30/9/2015 RM'000	31/12/2014 RM'000
<u>Unsecured :-</u>		
One year or less (short-term)	-	66,590
More than one year (medium/long-term)	905,862	905,868
	905,862	972,458
	905,862	972,458

B9. REALISED AND UNREALISED UNAPPROPRIATED PROFITS

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses into realised and unrealised profits or losses as at the end of the reporting period. On 20 December 2010, Bursa Malaysia had also issued a guide to all listed issuers on the disclosure requirement for the realised and unrealised unappropriated profits and losses.

Pursuant to the above directives, the breakdown of retained profits of the Group into realised and unrealised profits as at the reporting date is disclosed as follows :-

	Group	
	30/9/2015 RM'000	31/12/2014 RM'000 (Restated)
<u>Total retained profits of AFFIN Holdings Berhad and its subsidiaries :-</u>		
- Realised	1,977,767	2,067,594
- Unrealised		
- deferred tax recognised in the income statement	29,722	23,708
- other items of income and expense	307,984	79,501
	2,315,473	2,170,803
<u>Total share of retained profits in associate:-</u>		
- Realised	235,442	216,357
- Unrealised	5,524	4,161
<u>Total share of retained losses in joint ventures :-</u>		
- Realised	(15,673)	(13,758)
- Unrealised	(1,156)	(1,080)
	2,539,610	2,376,483
Add: Consolidation adjustments	(303,896)	(289,251)
Total Group retained profits as per consolidated financial statements	2,235,714	2,087,232

The breakdown of realised and unrealised retained profits is determined based on the Guidance of Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad listing Requirements" issued by the Malaysian Institute of Accountants on 20 December 2010.

The unrealised retained profits of the Group as disclosed above does not include translation gains and losses on monetary items denominated in a currency other than the functional currency and foreign exchange contracts. These translation gains and losses are incurred in the ordinary course of business of the Group and hence deemed as realised.

The above disclosure of realised and unrealised unappropriated profits and losses is strictly for the compliance of the disclosure requirements stipulated in the directive issued by Bursa Malaysia and should not be used for any other purposes.

B10. MATERIAL LITIGATION

There are various legal suits against AFFIN Bank Berhad ("ABB") in respect of claims and counter claims of approximately RM68.9 million (31 December 2014: RM78.6 million). Based on legal advice, the Directors of the Bank are of the opinion that no provision for damages need to be made in the financial statements, as the probability of adverse adjudication against ABB is remote.

B11. DIVIDENDS

An interim single-tier dividend of 2.99 sen per share have been declared for the financial year ending 31 December 2015 as follows:-

Amount per share	:	Single-tier dividend of 2.99 sen per share
Previous corresponding period	:	Single-tier dividend of 15.0 sen per share
Date payable	:	30 December 2015
Date of entitlement	:	16 December 2015
Total dividend for the current financial period		Single-tier dividend of 2.99 sen per share

B12. EARNINGS PER SHARE

	<-----Group----->			
	Individual Quarter Ended		Cumulative Quarter Ended	
	30/9/2015	30/9/2014 (Restated)	30/9/2015	30/9/2014 (Restated)
Net profit attributable to equity holders of the Company (RM'000)	<u>102,389</u>	133,952	<u>271,862</u>	384,067
Weighted average number of ordinary shares in issue	<u>1,942,948,547</u>	1,928,327,697	<u>1,942,948,547</u>	1,640,748,604
Basic earnings per share (sen)	<u>5.27</u>	6.95	<u>13.99</u>	23.41

The basic earnings per share of the Group for the current financial quarter ended 30 September 2015 have been calculated based on the net profit attributable to the equity holders of the company of RM102,389,000 (2014: 133,952,000) divided by the weighted average number of ordinary shares in issue during the current financial quarter of 1,942,948,547 (2014: 1,928,327,697).

The basic and diluted earnings per share of the Group for the cumulative quarter ended 30 September 2015 have been calculated based on the net profit attributable to the equity holders of the company of RM271,862,000 (2014: RM384,067,000) divided by the weighted average number of ordinary shares in issue during the current financial quarter of 1,942,948,547 (2014: 1,640,748,604).