

AFFIN HOLDINGS BERHAD

(Company no. 23218 - W)

Condensed Interim Financial Statements

Unaudited Statements of Financial Position As At 31 March 2015

		< ----- GROUP ----- >		< ----- COMPANY ----- >	
	Note	31/3/2015 RM'000	31/12/2014 RM'000	31/3/2015 RM'000	31/12/2014 RM'000
ASSETS					
Cash and short-term funds		6,648,591	7,360,588	181,546	33,760
Deposits and placements with banks and other financial institutions		380,415	383,692	-	85,087
Trade receivables	A9	1,185,811	429,236	-	-
Financial assets held-for-trading	A10	71,746	182,780	-	-
Financial investments available-for-sale	A10	11,871,637	12,617,620	-	-
Financial investments held-to-maturity	A10	495,880	652,501	-	-
Derivative financial assets		218,161	170,035	-	-
Loans, advances and financing	A11	40,047,950	40,492,016	-	-
Other assets	A12	338,632	300,957	283	394
Statutory deposits with Bank Negara Malaysia		1,886,040	1,831,550	-	-
Amount due from subsidiaries		-	-	604,197	604,313
Amount due from associate		67,226	67,256	67,226	67,256
Investment in subsidiaries		-	-	5,902,034	5,902,034
Investment in joint ventures		135,367	136,208	146,880	146,880
Investment in associate		249,721	241,457	15,623	15,623
Tax recoverable		26,646	18,730	3,873	4,085
Deferred tax assets		7,716	13,954	-	-
Property and equipment		164,272	164,176	256	283
Intangible assets		1,605,725	1,606,920	4	4
TOTAL ASSETS		65,401,536	66,669,676	6,921,922	6,859,719
LIABILITIES AND EQUITY					
Deposits from customers	B8	48,748,816	50,604,005	-	-
Deposits and placements of banks and other financial institutions	B8	4,098,593	5,367,803	-	-
Obligation on securities sold under repurchase agreements		781,837	-	-	-
Bills and acceptances payable		76,883	94,308	-	-
Trade payables		1,406,514	582,166	-	-
Derivative financial liabilities		431,395	325,755	-	-
Recourse obligation on loans sold to Cagamas Berhad		138,067	139,147	-	-
Other liabilities	A13	650,813	567,767	2,803	2,965
Provision for taxation		6,552	32,418	-	-
Deferred tax liabilities		10,313	138	68	68
Amount due to subsidiaries		-	-	911,620	911,620
Borrowings	B8	972,278	972,458	972,278	972,458
TOTAL LIABILITIES		57,322,061	58,685,965	1,886,769	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 31 March 2015**

	< ----- GROUP ----- >		< ----- COMPANY ----- >	
Note	31/3/2015 RM'000	31/12/2014 RM'000	31/3/2015 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	1,502,616	1,502,616	-	-
AFS revaluation reserves	95,535	34,357	-	-
Regulatory reserves	133,933	187,922	-	-
Retained profits	2,183,900	2,099,826	906,492	843,947
Equity attributable to equity holders of the Company	8,044,645	7,953,382	5,035,153	4,972,608
Non-controlling interest	34,830	30,329	-	-
TOTAL EQUITY	8,079,475	7,983,711	5,035,153	4,972,608
TOTAL LIABILITIES AND EQUITY	65,401,536	66,669,676	6,921,922	6,859,719
COMMITMENTS AND CONTINGENCIES	26,963,699	27,300,154	-	-
NET ASSETS PER SHARE (RM)	4.14	4.09		

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 31 March 2015

<u>GROUP</u>	Note	<---Individual Quarter Ended ---->		<---Cumulative Quarter Ended --->	
		31/3/2015 RM'000	31/3/2014 RM'000	31/3/2015 RM'000	31/3/2014 RM'000
Interest income	A14	610,561	558,983	610,561	558,983
Interest expense	A15	(395,537)	(340,001)	(395,537)	(340,001)
Net interest income		215,024	218,982	215,024	218,982
Islamic banking income		62,196	56,733	62,196	56,733
Other operating income	A16	171,713	95,381	171,713	95,381
Net income		448,933	371,096	448,933	371,096
Other operating expenses	A17	(269,041)	(180,399)	(269,041)	(180,399)
Operating profit before allowance for impairment on loans, advances and financing		179,892	190,697	179,892	190,697
(Allowance for)/write-back of allowance for impairment losses on loans, advances and financing	A18	(124,124)	6,271	(124,124)	6,271
Write-back of allowance for impairment losses on securities	A19	-	207	-	207
Operating profit		55,768	197,175	55,768	197,175
Finance cost		(10,700)	(10,579)	(10,700)	(10,579)
Share of results of joint venture		(1,693)	(3,190)	(1,693)	(3,190)
Share of results of associates		5,383	2,412	5,383	2,412
Profit before taxation and zakat		48,758	185,818	48,758	185,818
Zakat		(211)	(164)	(211)	(164)
Profit before taxation		48,547	185,654	48,547	185,654
Taxation	B6	(13,733)	(42,926)	(13,733)	(42,926)
Net profit for the financial year		34,814	142,728	34,814	142,728
Profit for the financial year attributable to :-					
- Equity holders of the Company		30,085	142,728	30,085	142,728
- Non-controlling interest		4,729	-	4,729	-
		34,814	142,728	34,814	142,728
Earnings per share attributable to the equity holders of the Company (sen)					
- Basic	B12	1.55	9.55	1.55	9.55

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 31 March 2015

<u>GROUP</u>	<----Individual Quarter Ended ---->		<---Cumulative Quarter Ended --->	
	31/3/2015 RM'000	31/3/2014 RM'000	31/3/2015 RM'000	31/3/2014 RM'000
Profit after taxation	34,814	142,728	34,814	142,728
Other comprehensive income:				
Items that will be reclassified subsequently to profit or loss :-				
- Net fair value change in financial investments available-for-sale	75,217	2,905	75,217	2,905
- Net gain transferred to profit or loss on disposal of financial investments available-for-sale	(2,554)	-	(2,554)	-
- Deferred tax on revaluation of financial investments available-for-sale	(15,446)	(682)	(15,446)	(682)
- Share of other comprehensive income of an associated company	2,881	314	2,881	314
- Share of other comprehensive income of a joint venture	852	5,155	852	5,155
Other comprehensive (expenses)/income for the financial year, net of tax	60,950	7,692	60,950	7,692
Total comprehensive income for the financial year	95,764	150,420	95,764	150,420
Total comprehensive income for the financial year attributable to :-				
- Equity holders of the Company	91,263	150,420	91,263	150,420
- Non-controlling interest	4,501	-	4,501	-
	95,764	150,420	95,764	150,420

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 31 March 2015

<u>COMPANY</u>	<----Individual Quarter Ended ---->		<----Cumulative Quarter Ended ---->	
	31/3/2015 RM'000	31/3/2014 RM'000	31/3/2015 RM'000	31/3/2014 RM'000
Interest income	9,217	11,757	9,217	11,757
Interest expense	-	-	-	-
Net interest income	9,217	11,757	9,217	11,757
Net Islamic banking income	-	-	-	-
Other operating income	66,031	116,658	66,031	116,658
Net income	75,248	128,415	75,248	128,415
Other operating expenses	(1,790)	(4,006)	(1,790)	(4,006)
Operating profit before allowance for impairment on loans, advances and financing	73,458	124,409	73,458	124,409
Allowance for impairment on loans, advances and financing	-	-	-	-
Allowance for impairment on other assets	-	-	-	-
Operating profit	73,458	124,409	73,458	124,409
Finance cost	(10,700)	(10,579)	(10,700)	(10,579)
Profit before taxation and zakat	62,758	113,830	62,758	113,830
Zakat	-	-	-	-
Profit before taxation	62,758	113,830	62,758	113,830
Taxation	(213)	(346)	(213)	(346)
Net profit for the financial year attributable to equity holders of the Company	62,545	113,484	62,545	113,484

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 31 March 2015

<u>COMPANY</u>	<----Individual Quarter Ended ---->		<---Cumulative Quarter Ended --->	
	31/3/2015 RM'000	31/3/2014 RM'000	31/3/2015 RM'000	31/3/2014 RM'000
Profit after taxation	62,545	113,484	62,545	113,484
Other comprehensive income	-	-	-	-
Total comprehensive income for the financial year attributable to equity holders of the Company	62,545	113,484	62,545	113,484

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 31 March 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	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	
Comprehensive income :											
- Net profit for the financial period	-	-	-	-	-	-	30,085	30,085	4,729	34,814	
Other comprehensive income (net of tax) :											
of which :-											
- Financial investments available-for-sale	-	-	-	-	57,445	-	-	57,445	(228)	57,217	
- Share of other comprehensive loss of an associated company	-	-	-	-	2,881	-	-	2,881	-	2,881	
- Share of other comprehensive income of a joint venture	-	-	-	-	852	-	-	852	-	852	
Total comprehensive income for the financial period	-	-	-	-	61,178	-	30,085	91,263	4,501	95,764	
Transfer from regulatory reserves	-	-	-	-	-	(53,989)	53,989	-	-	-	
At 31 March 2015	1,942,949	1,942,949	2,185,712	1,502,616	95,535	133,933	2,183,900	8,044,645	34,830	8,079,475	
 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	-	-	-	-	-	-	142,728	142,728	-	142,728	
Other comprehensive income (net of tax) :											
of which :-											
- Financial investments available-for-sale	-	-	-	-	2,223	-	-	2,223	-	2,223	
- Share of other comprehensive loss of an associated company	-	-	-	-	314	-	-	314	-	314	
- Share of other comprehensive income of a joint venture	-	-	-	-	5,155	-	-	5,155	-	5,155	
Total comprehensive income for the financial period	-	-	-	-	7,692	-	142,728	150,420	-	150,420	
At 31 March 2014	1,494,576	1,494,576	1,400,410	1,469,048	22,840	-	2,140,270	6,527,144	-	6,527,144	

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 Statement Of Changes In Equity
For The Financial Period Ended 31 March 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 RM'000
	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	-	-	-	62,545	62,545
At 31 March 2015	1,942,949	1,942,949	2,185,712	906,492	5,035,153
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	-	-	-	113,484	113,484
At 31 March 2014	1,494,576	1,494,576	1,400,410	1,135,389	3,644,032

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 31 March 2015

< ----- 3 months Ended ----- >

	31/3/2015	31/3/2014
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	48,547	185,654
Adjustment for non-operating and non-cash items	9,714	(90,158)
	58,261	95,496
Operating profit before changes in working capital		
Net changes in operating assets	(488,225)	(784,214)
Net changes in operating liabilities	(1,304,679)	(1,308,800)
Tax and zakat paid	(47,490)	(47,499)
Tax refund	586	354
	(1,781,547)	(2,044,663)
Net cash used in operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received from securities	98,944	68,564
Net (purchase)/disposal of:		
- securities	1,016,096	(774,366)
- property and equipment	(5,297)	5,648
- intangible assets	(618)	(150)
Dividend received from:		
- financial investments held-to-maturity	948	-
- financial investments available-for-sale	2,486	838
Proceeds from disposal of foreclosed properties	706	4,916
Amount due from associate	30	31
	1,113,295	(694,519)
Net cash generated from/(used in) investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in borrowings	(180)	(194)
	(180)	(194)
Net cash used in financing activities		
Net decrease in cash and cash equivalents	(668,432)	(2,739,376)
Cash and cash equivalents at beginning of the year	7,264,222	9,321,506
	6,595,790	6,582,130
Cash and cash equivalents at end of the year		
<u>Analysis of cash & cash equivalent</u>		
Cash and short-term funds	6,648,591	6,592,076
Adjustment for money held in trust on behalf of remisers	(52,801)	(9,946)
	6,595,790	6,582,130

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.

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	
	31/3/2015	31/12/2014
	RM'000	RM'000
Amount due from stock-broking clients		
- performing accounts	365,830	319,168
- impaired accounts	4,220	4,420
Amount due from brokers	150,784	34,125
Amount due from Bursa Securities Clearing Sdn Bhd	-	26,849
Management fees receivable on fund management	669,184	48,776
	1,190,018	433,338
Less: Allowance for impairment		
- Collective impairment	(17)	(19)
- Individual impairment	(4,190)	(4,083)
	1,185,811	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	31	-
Amount recovered during the financial period/year	(33)	-
Balance at the end of financial period/year	17	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	139	656
Amount write-back during the financial period/year	(32)	-
Amount recovered during the financial period/year	-	(487)
Amount written-off during the financial period/year	-	(22)
Balance at the end of financial period/year	4,190	4,083

A10. FINANCIAL ASSETS

	Group	
	31/3/2015 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	19,979	-
Quoted Securities :-		
- Shares in Malaysia	33,014	18,903
- Unit Trusts in Malaysia	5,115	8,983
- Unit Trusts outside Malaysia	13,638	-
Unquoted Securities :-		
- Private Debt Securities in Malaysia	-	4,990
Total financial assets held-for-trading	<u>71,746</u>	<u>182,780</u>
(b) <u>Financial investments available-for-sale</u>		
At fair value		
Malaysian Government Securities	80,807	131,630
Malaysian Government Treasury Bills	25,235	225,782
Malaysian Government Sukuk	7,537	7,096
Malaysian Government Investment Issuance	3,000,911	3,046,553
Cagamas Bonds	85,770	84,924
Sukuk Perumahan Kerajaan	671,036	400,377
Khazanah Bonds	428,448	353,165
Bankers' Acceptance and Islamic Acceptance Bills	28,290	-
Bank Negara Malaysia Notes	146,912	1,387,284
Negotiable Instruments of Deposit and Islamic Debt Certificate	94,490	503,451
	<u>4,569,436</u>	<u>6,140,262</u>
Quoted Securities :-		
- Shares in Malaysia	33,071	32,975
- Private Debt Securities in Malaysia	2,167	2,167
- Unit Trusts in Malaysia	245,159	242,902
- REITs in Malaysia	36,743	35,546
- REITs outside Malaysia	38,186	37,367
Unquoted Securities :-		
- Shares in Malaysia	179,458	179,380
- Private Debt Securities in Malaysia	6,172,201	5,187,717
- Private Debt Securities outside Malaysia	681,952	846,040
	<u>11,958,373</u>	<u>12,704,356</u>
Allowance for impairment losses of securities	(86,736)	(86,736)
Total financial investments available-for-sale	<u>11,871,637</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	494,995	673,340
- Redeemable Convertible Secured Loan Stocks	1,554	1,554
	<u>519,988</u>	<u>698,333</u>
Allowance for impairment losses of securities	(24,108)	(45,832)
Total financial investments held-to-maturity	<u>495,880</u>	<u>652,501</u>
Total securities held	<u>12,439,263</u>	<u>13,452,901</u>

A11. LOANS, ADVANCES AND FINANCING

(a) BY TYPE

	Group	
	31/3/2015 RM'000	31/12/2014 RM'000
Overdrafts	1,855,945	1,943,124
Term loans/financing :-		
- Housing loans/financing	5,876,064	5,777,114
- Syndicated term loans/financing	1,796,111	1,887,541
- Hire purchase receivables	11,176,066	10,963,715
- Business term loans/financing	13,966,659	13,861,525
Bills receivables	283,194	1,194,884
Trust receipts	275,354	244,117
Claims on customers under acceptance credits	1,130,597	1,120,038
Staff loans/financing (of which RM NIL to Directors)	147,129	141,268
Credit/charge cards	83,604	81,870
Revolving credit	3,793,268	3,630,059
Margin financing	198,561	207,186
Factoring	5,731	4,674
Gross loans, advances and financing	40,588,283	41,057,115
Less: Allowance for impairment		
- Collective impairment	(350,852)	(301,601)
- Individual impairment	(189,481)	(263,498)
Total net loans, advances and financing	40,047,950	40,492,016

(b) BY MATURITY STRUCTURE

Maturing within one year	8,809,482	9,678,740
One year to three years	4,695,929	4,609,944
Three years to five years	7,075,986	6,813,615
Over five years	20,006,886	19,954,816
	40,588,283	41,057,115

(c) BY TYPE OF CUSTOMER

Domestic banking institutions	424	-
Domestic non-banking institutions :-		
- Stock-broking companies	229	231
- Others	1,250,612	1,304,372
Domestic business enterprises :-		
- Small medium enterprises	8,151,248	7,731,103
- Others	14,465,935	14,680,028
Government and statutory bodies	82,099	92,725
Individuals	16,069,656	15,833,956
Foreign individuals	3,221	3,084
Other domestic entities	55,779	13,634
Foreign entities	509,080	1,397,982
	40,588,283	41,057,115

(d) BY INTEREST / PROFIT RATE SENSITIVITY

Fixed rate :-		
- Housing loans/financing	371,099	362,329
- Hire purchase receivables	11,176,066	10,967,008
- Other fixed rate loans/financing	3,818,158	3,823,349
- Margin financing	198,561	207,186
Variable rate :-		
- BLR plus	15,215,859	16,064,029
- Cost plus	9,808,540	9,633,214
	40,588,283	41,057,115

A11. LOANS, ADVANCES AND FINANCING (Cont.)

(e) BY ECONOMIC PURPOSE

	Group	
	31/3/2015	31/12/2014
	RM'000	RM'000
Construction	3,037,344	3,146,539
Purchase of landed property of which :-		
- Residential	6,467,702	5,737,764
- Non-residential	5,243,704	5,813,704
Purchase of securities	696,221	664,471
Purchase of transport vehicles	11,713,935	11,494,825
Fixed assets other than land and building	379,721	326,163
Personal use	888,645	887,115
Credit card	83,604	81,870
Consumer durable	881	803
Merger and acquisition	366,717	447,524
Working capital	11,055,783	11,689,397
Others	654,026	766,940
	40,588,283	41,057,115

(f) BY SECTOR

Primary agriculture	683,270	684,340
Mining and quarrying	810,286	666,518
Manufacturing	2,098,164	2,071,976
Electricity, gas and water supply	295,430	377,940
Construction	3,952,218	4,112,804
Real estate	6,374,708	6,100,730
Wholesale and retail trade and restaurants and hotels	2,378,086	2,182,791
Transport, storage and communication	2,024,050	2,106,782
Finance, insurance and business services	3,816,457	4,944,337
Education, health and others	1,892,193	1,815,614
Household	16,211,429	15,975,397
Others	51,992	17,886
	40,588,283	41,057,115

(g) BY GEOGRAPHICAL DISTRIBUTION

Perlis	104,805	130,950
Kedah	1,231,979	1,216,592
Pulau Pinang	2,013,051	2,000,495
Perak	1,255,440	1,171,747
Selangor	12,908,271	12,874,207
Wilayah Persekutuan	11,921,808	11,712,171
Negeri Sembilan	919,093	895,433
Melaka	975,620	982,343
Johor	3,266,278	3,254,531
Pahang	807,684	824,164
Terengganu	974,492	989,058
Kelantan	229,754	230,819
Sarawak	1,351,053	1,277,605
Sabah	1,724,239	1,705,599
Labuan	521,741	520,747
Outside Malaysia	382,975	1,270,654
	40,588,283	41,057,115

A11. LOANS, ADVANCES AND FINANCING (Cont.)

(h) IMPAIRED LOANS, ADVANCES AND FINANCING

(i) Movements of impaired loans, advances and financing

	Group	
	31/3/2015	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	308,201	543,093
Reclassified as non-impaired during the financial period/year	(74,733)	(289,556)
Amount recovered during the financial period/year	(26,181)	(135,501)
Amount written-off during the financial period/year	(160,376)	(94,353)
Amount converted to financial investments available-for-sale	-	(16,865)
	794,687	747,776

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

Construction	86,254	77,071
Purchase of landed property of which :-		
- Residential	237,740	231,048
- Non-residential	26,543	31,278
Purchase of securities	9,504	10,420
Purchase of transport vehicles	93,549	86,409
Fixed assets other than land and building	330	282
Personal use	5,685	7,826
Credit card	430	326
Consumer durable	13	13
Working capital	314,640	286,669
Others	19,999	16,434
	794,687	747,776

(iii) Impaired loans, advances and financing by sector

Primary agriculture	14,991	17,556
Mining and quarrying	15	-
Manufacturing	49,430	53,950
Electricity, gas and water supply	234	246
Construction	136,212	258,070
Real estate	3,223	323
Wholesale and retail trade and restaurants and hotels	53,752	41,850
Transport, storage and communication	5,587	5,099
Finance, insurance and business services	187,743	38,442
Education, health and others	1,863	1,607
Household	341,637	330,633
	794,687	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	
	31/3/2015	31/12/2014
	RM'000	RM'000
Perlis	868	901
Kedah	23,553	22,141
Pulau Pinang	33,046	35,458
Perak	17,318	15,193
Selangor	413,648	277,204
Wilayah Persekutuan	110,243	139,798
Negeri Sembilan	22,633	24,380
Melaka	8,137	8,575
Johor	36,848	49,319
Pahang	6,634	48,236
Terengganu	5,400	17,139
Kelantan	5,834	5,152
Sarawak	15,064	14,407
Sabah	13,923	12,384
Outside Malaysia	81,538	77,489
	794,687	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	50,004	45,835
Amount written-off during the financial period/year	(753)	(43,361)
Amount reclassified to individual impairment	-	(12,314)
Balance at the end of financial period/year	350,852	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	86,220	79,268
Amount recovered during the financial period/year	(819)	(4,386)
Amount written-off during the financial period/year	(159,609)	(50,870)
Unwinding discount of allowance	(1,496)	(12,432)
Exchange difference	1,687	1,792
Amount reclassified from collective impairment	-	12,314
Balance at the end of financial period/year	189,481	263,498

A12. OTHER ASSETS

Cheque clearing accounts	186,347	179,711
Foreclosed properties	8,589	9,099
Other debtors, deposits and prepayments	121,536	97,289
Amount due from joint ventures	22,160	14,858
	338,632	300,957

A13. OTHER LIABILITIES

Bank Negara Malaysia and Credit Guarantee Corporation Funding Programmes	37,170	33,602
Margin and collateral deposits	136,095	145,430
Trust accounts for remisiers	47,718	48,183
Defined contribution plan	18,525	15,301
Accrued employee benefits	61,358	31,322
Other creditors and accruals	186,819	199,387
Provision for zakat	4,200	5,037
Sundry creditors	158,928	89,505
	650,813	567,767

A14. INTEREST INCOME

	<-----Group----->			
	Individual Quarter Ended		Cumulative Quarter Ended	
	31/3/2015	31/3/2014	31/3/2015	31/3/2014
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing	449,238	412,952	449,238	412,952
Money at call and deposits with financial institutions	19,724	34,227	19,724	34,227
Financial assets held-for-trading	36,338	34,946	36,338	34,946
Financial investments available-for-sale	92,845	63,329	92,845	63,329
Financial investments held-to-maturity	6,099	5,235	6,099	5,235
Subordinated term loan	1,308	1,308	1,308	1,308
Others	(308)	23	(308)	23
	605,244	552,020	605,244	552,020
Accretion of discount less amortisation of premium	5,317	6,963	5,317	6,963
	610,561	558,983	610,561	558,983
of which :-				
Interest income earned on impaired loans, advances and financing	425	(1,310)	425	(1,310)

A15. INTEREST EXPENSE

Deposits and placements of banks and other financial institutions	20,504	20,264	20,504	20,264
Deposits from customers	339,257	279,453	339,257	279,453
Loans sold to Cagamas Berhad	1,492	4,653	1,492	4,653
Derivatives	31,756	34,732	31,756	34,732
Others	2,528	899	2,528	899
	395,537	340,001	395,537	340,001

A16. OTHER OPERATING INCOME

	<-----Group----->			
	Individual Quarter Ended		Cumulative Quarter Ended	
	31/3/2015 RM'000	31/3/2014 RM'000	31/3/2015 RM'000	31/3/2014 RM'000
<u>Fee income</u>				
Gross brokerage	26,334	17,773	26,334	17,773
Underwriting fees	1,393	-	1,393	-
Portfolio management fees	38,777	3,921	38,777	3,921
Corporate advisory fees	1,400	2,041	1,400	2,041
Commission	3,733	3,756	3,733	3,756
Service charges and fees	14,088	15,313	14,088	15,313
Guarantee fees	6,153	5,520	6,153	5,520
Arrangement fees	2,388	90	2,388	90
Agency fees	430	523	430	523
Initial service charges	22,350	8,161	22,350	8,161
Other fee income	653	1,113	653	1,113
	117,699	58,211	117,699	58,211
<u>Income from financial instruments</u>				
Gains arising on financial assets held-for-trading :-				
- net gains on disposal	8,087	1,459	8,087	1,459
- unrealised gains	794	7	794	7
- gross dividend income	948	-	948	-
Gains/(loss) on derivatives :-				
- realised	1,476	616	1,476	616
- unrealised	(6,792)	4,057	(6,792)	4,057
Gains arising on financial investments available-for-sale :-				
- net gains on disposal	4,250	1,118	4,250	1,118
- gross dividend income	2,486	838	2,486	838
Gains arising on financial investments held-to-maturity :-				
- net gains on redemption	21,756	2,903	21,756	2,903
	33,005	10,998	33,005	10,998
<u>Other income</u>				
Foreign exchange gains	17,005	14,914	17,005	14,914
Rental income	371	379	371	379
Gains on disposal of property and equipment	40	4,681	40	4,681
Gains on disposal of foreclosed properties	196	1,536	196	1,536
Other non-operating income	3,397	4,662	3,397	4,662
	21,009	26,172	21,009	26,172
Total other operating income	171,713	95,381	171,713	95,381

A17. OTHER OPERATING EXPENSES

	-----Group----->			
	Individual Quarter Ended		Cumulative Quarter Ended	
	31/3/2015	31/3/2014	31/3/2015	31/3/2014
	RM'000	RM'000	RM'000	RM'000
<u>Personnel costs</u>				
Wages, salaries and bonus	120,792	85,614	120,792	85,614
Defined contribution plan	19,303	13,983	19,303	13,983
Other personnel costs	15,293	10,491	15,293	10,491
	155,388	110,088	155,388	110,088
<u>Promotion and marketing-related expenses</u>				
Business promotion and advertisement	6,244	1,508	6,244	1,508
Entertainment	1,104	600	1,104	600
Travelling and accommodation	1,418	941	1,418	941
Dealers' handling fees	2,452	453	2,452	453
Commission	18,328	-	18,328	-
Others	1,786	660	1,786	660
	31,332	4,162	31,332	4,162
<u>Establishment-related expenses</u>				
Rental of premises	10,612	7,432	10,612	7,432
Equipment rental	820	314	820	314
Repair and maintenance	10,608	8,236	10,608	8,236
Depreciation of property and equipment	5,183	4,460	5,183	4,460
Amortisation of intangible assets	1,807	1,801	1,807	1,801
IT consultancy fee	16,577	13,745	16,577	13,745
Dataline rental	1,536	1,232	1,536	1,232
Security services	4,289	4,032	4,289	4,032
Electricity, water and sewerage	3,482	2,651	3,482	2,651
Insurance and indemnities	1,391	807	1,391	807
Others	1,526	999	1,526	999
	57,831	45,709	57,831	45,709
<u>General and administrative expenses</u>				
Telecommunication expenses	3,522	2,289	3,522	2,289
Directors' remuneration	565	642	565	642
Auditors' remuneration :-				
(i) Statutory audit	545	461	545	461
(iii) Audit related fees	-	7	-	7
(iv) Non audit fees	24	60	24	60
Professional fees	3,359	2,032	3,359	2,032
Property and equipment written-off	58	23	58	23
Intangible asset written off	6	-	6	-
Postage and courier charges	1,008	959	1,008	959
Stationery and consumables	2,878	1,907	2,878	1,907
Commission and brokerage expenses	1,457	815	1,457	815
Donations	742	2,879	742	2,879
Settlement, clearing and bank charges	2,253	1,995	2,253	1,995
Stamp duties	45	1,408	45	1,408
Allowance for litigation losses	125	-	125	-
Commissioned dealers representative performance incentive	1,310	1,013	1,310	1,013
Subscription fees	644	587	644	587
Transaction levy	1,998	533	1,998	533
Subsidies and allowances	284	239	284	239
Others	3,667	2,591	3,667	2,591
	24,490	20,440	24,490	20,440
Total other operating expenses	269,041	180,399	269,041	180,399

**A18. ALLOWANCE FOR/(WRITE-BACK OF) ALLOWANCE
 FOR IMPAIRMENT LOSSES ON LOANS,
 ADVANCES AND FINANCING**

	<-----Group----->			
	Individual Quarter Ended		Cumulative Quarter Ended	
	31/3/2015 RM'000	31/3/2014 RM'000	31/3/2015 RM'000	31/3/2014 RM'000
Collective impairment				
- made during the financial year	50,001	11,397	50,001	11,397
Individual impairment				
- made during the financial year	86,359	7,539	86,359	7,539
- written-back during the financial year	(851)	(2,121)	(851)	(2,121)
Bad debts				
- recovered	(12,243)	(24,529)	(12,243)	(24,529)
- written-off	796	1,416	796	1,416
Additional allowance for impaired debts				
- other debtors	62	27	62	27
	124,124	(6,271)	124,124	(6,271)

**A19. WRITE-BACK OF ALLOWANCE FOR IMPAIRMENT
 LOSSES ON SECURITIES**

Write-back of allowance for impairment loss on financial investments available-for-sale	-	(207)	-	(207)
	-	(207)	-	(207)

A20. SEGMENTAL INFORMATION ON REVENUE AND PROFIT

The segment analysis by activity for the individual and cumulative quarters ended 31 March 2015 and 31 March 2014 are as follows:-

	<----- Individual and cumulative quarter ended 31 March 2015 ----->					
	Commercial Banking RM'000	Investment Banking RM'000	Insurance RM'000	Others RM'000	Eliminations RM'000	Group RM'000
Revenue						
External revenue	315,753	128,392	-	4,788	-	448,933
Intersegment revenue	(4,905)	(3,210)	-	74,412	(66,297)	-
Segment revenue	310,848	125,182	-	79,200	(66,297)	448,933
Overhead expenses	(163,008)	(101,605)	-	(4,694)	266	(269,041)
of which :-						
Depreciation of property and equipment	(3,699)	(1,395)	-	(89)	-	(5,183)
Amortisation of intangible assets	(1,451)	(353)	-	(3)	-	(1,807)
(Allowances for)/write-back of allowance for impairment on loans, advances and financing/securities	(124,578)	454	-	-	-	(124,124)
Segment results	23,262	24,031	-	74,506	(66,031)	55,768
Finance costs	-	-	-	(10,700)	-	(10,700)
Share of results of joint ventures (net of tax)	-	-	(1,693)	-	-	(1,693)
Share of results of associate (net of tax)	-	-	5,383	-	-	5,383
Profit before taxation and zakat	23,262	24,031	3,690	63,806	(66,031)	48,758
Taxation and zakat						(13,944)
Net profit for the individual and cumulative quarter						34,814

	<----- Individual and cumulative quarter ended 31 March 2014 ----->					
	Commercial Banking RM'000	Investment Banking RM'000	Insurance RM'000	Others RM'000	Eliminations RM'000	Group RM'000
Revenue						
External revenue	316,702	50,337	-	4,057	-	371,096
Intersegment revenue	(5,309)	(4,555)	-	127,475	(117,611)	-
Segment revenue	311,393	45,782	-	131,532	(117,611)	371,096
Operating expenses	(141,999)	(32,477)	-	(6,494)	571	(180,399)
of which :-						
Depreciation of property and equipment	(3,805)	(556)	-	(99)	-	(4,460)
Amortisation of intangible assets	(1,654)	(144)	-	(3)	-	(1,801)
(Allowances for)/write-back of allowance for impairment on loans, advances and financing/securities	5,900	578	-	-	-	6,478
Segment results	175,294	13,883	-	125,038	(117,040)	197,175
Finance costs	-	-	-	(10,579)	-	(10,579)
Share of results of joint ventures (net of tax)	-	-	(3,190)	-	-	(3,190)
Share of results of associate (net of tax)	-	-	2,412	-	-	2,412
Profit before taxation and zakat	175,294	13,883	(778)	114,459	(117,040)	185,818
Taxation and zakat						(43,090)
Net profit for the individual and cumulative quarter						142,728

A21. 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.

A22. 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.

A23. 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 :-

	31/3/2015	31/12/2014
	Principal Amount	Principal Amount
	RM'000	RM'000
<u>Contigent liabilities</u>		
Direct credit substitutes	583,185	813,629
Forward assets purchases	25,532	-
Transaction related contingent items	2,015,848	2,043,704
Short-term self-liquidating trade related contingencies	1,087,949	746,576
Obligation under underwriting commitments	122,083	17,122
Foreign exchange related contracts #		
- Less than one year	6,519,505	7,403,019
- One year to less than five years	1,241,112	1,260,435
- Five years and above	96,030	96,030
Interest rate related contracts #		
- Less than one year	988,427	1,156,279
- One year to less than five years	2,090,813	1,831,125
- Five years and above	600,148	390,148
Irrevocable commitments to extend credit		
- Maturity less than one year	8,705,410	8,987,864
- Maturity more than one year	2,294,849	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	400,124	322,761
Unutilised credit card lines	192,684	208,865
	26,963,699	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.

A24. 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 RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000
As at 31 March 2015												
Trading derivatives												
Foreign exchange contracts												
- Currency forwards	1,992,145	274,601	-	2,266,746	109,928	22,513	-	132,441	4,619	-	-	4,619
- Cross currency swaps	4,376,191	679,506	383,035	5,438,732	37,535	24,888	1,559	63,982	286,905	54,584	62,897	404,386
- Currency options	151,169	-	-	151,169	(381)	-	-	(381)	1,354	-	-	1,354
Interest rate contracts												
- Interest rate swaps	988,427	1,263,813	1,427,148	3,679,388	4,383	7,873	9,863	22,119	3,541	6,249	11,246	21,036
	7,507,932	2,217,920	1,810,183	11,536,035	151,465	55,274	11,422	218,161	296,419	60,833	74,143	431,395

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	5,702,801	786,411	383,035	6,872,247	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
	8,558,932	1,767,555	1,810,183	12,136,670	121,281	36,939	11,815	170,035	224,369	52,829	48,557	325,755

A24. 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 RM 61.7 million (FYE 31/12/2014: RM2.0 million), while the notional amount of interest rate contract was RM 1,474.2 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 RM 416.7 million (FYE 31/12/2014: RM384.2 million) and RM 98.6 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.

A25. 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
31 March 2015				
Assets				
Financial assets held-for-trading	51,767	19,979	-	71,746
Financial investments available-for-sale *				
- Private debt securities	-	6,814,931	-	6,814,931
- Equity securities	94,546	-	147,564	242,110
- BNM and government	245,159	4,574,257	-	4,819,416
Derivative financial assets	-	217,718	-	217,718
	391,472	11,626,885	147,564	12,165,921
Liabilities				
Derivative financial liabilities	-	430,952	-	430,952
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.

A25. 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	31/3/2015 RM'000	31/12/2014 RM'000
As at beginning of the financial period/year	147,564	134,312
Purchases	-	3,517
Sales	-	200
Exchanges differences	-	(3,716)
Total gains recognised in Other Comprehensive Income	-	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>147,564</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.

A26. 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 31 March 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	
	31/3/2015 RM'000	31/12/2014 RM'000	31/3/2015 RM'000	31/12/2014 RM'000	31/3/2015 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	1,263,470	1,263,470	206,324	206,324	199,071	199,071
Retained profit	750,079	760,153	161,049	163,244	260,918	260,692
Unrealised gains/(losses) on AFS	77,084	30,893	(170)	(7,730)	12,968	5,347
	<u>4,638,307</u>	<u>4,602,190</u>	<u>727,203</u>	<u>721,838</u>	<u>1,472,757</u>	<u>1,464,910</u>
Less Regulatory adjustments:-						
- Goodwill	(149,355)	(150,690)	(775)	(891)	(314,924)	(314,772)
- Investments in subsidiaries	(155,630)	(77,815)	(260)	(130)	(115,370)	(124,563)
- Deferred tax assets	-	(218)	(414)	(2,900)	(5,469)	(5,990)
- 55% of cumulative gains of AFS	(42,396)	(16,991)	-	-	(7,132)	(2,941)
Total CET I Capital	<u>4,290,926</u>	<u>4,356,476</u>	<u>725,754</u>	<u>717,917</u>	<u>1,029,862</u>	<u>1,016,644</u>
Total Tier I Capital (a)	<u>4,290,926</u>	<u>4,356,476</u>	<u>725,754</u>	<u>717,917</u>	<u>1,029,862</u>	<u>1,016,644</u>
<u>Tier II capital</u>						
Subordinated loans	420,000	480,000	-	-	-	-
Regulatory adjustments	79,390	135,347	51,214	49,020	-	3,556
Collective impairment #	173,173	129,134	20,473	21,120	11,726	9,001
Less : Investment in subsidiaries	(233,445)	(311,259)	(390)	(520)	(11,726)	(12,557)
Total Tier II Capital (b)	<u>439,118</u>	<u>433,222</u>	<u>71,297</u>	<u>69,620</u>	<u>-</u>	<u>-</u>
Total Tier I & II Capital (a) + (b)	<u>4,730,044</u>	<u>4,789,698</u>	<u>797,051</u>	<u>787,537</u>	<u>1,029,862</u>	<u>1,016,644</u>
Capital base before proposed dividends	4,730,044	4,789,698	797,051	787,537	1,029,862	1,016,644
Proposed dividends	-	(66,031)	-	-	-	-
Capital base after proposed dividends	<u>4,730,044</u>	<u>4,723,667</u>	<u>797,051</u>	<u>787,537</u>	<u>1,029,862</u>	<u>1,016,644</u>
b) The breakdown of risk-weighted assets :-						
Credit risk	32,488,422	32,586,612	5,463,749	5,390,103	2,727,028	2,791,978
Market risk	327,980	284,148	1,249	2,590	340,263	191,477
Operational risk	1,946,868	1,954,278	374,049	366,578	336,864	325,813
Total risk-weighted assets	<u>34,763,270</u>	<u>34,825,038</u>	<u>5,839,047</u>	<u>5,759,271</u>	<u>3,404,155</u>	<u>3,309,268</u>
c) Capital adequacy ratios :-						
<u>Before deducting proposed dividends:-</u>						
CET I Capital Ratio	12.343%	12.510%	12.429%	12.465%	30.253%	30.721%
Tier I Capital Ratio	12.343%	12.510%	12.429%	12.465%	30.253%	30.721%
Tier I Capital Ratio	<u>13.606%</u>	<u>13.754%</u>	<u>13.650%</u>	<u>13.674%</u>	<u>30.253%</u>	<u>30.721%</u>
<u>After deducting proposed dividends:-</u>						
CET I Capital Ratio	12.343%	12.320%	12.429%	12.465%	30.253%	30.721%
Tier I Capital Ratio	12.343%	12.320%	12.429%	12.465%	30.253%	30.721%
Total Capital Ratio	<u>13.606%</u>	<u>13.564%</u>	<u>13.650%</u>	<u>13.674%</u>	<u>30.253%</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.

A27. OPERATIONS OF ISLAMIC BANKING

(i) Unaudited Islamic Statements of Financial Position

	Group	
	31/3/2015	31/12/2014
	RM'000	RM'000
ASSETS		
Cash and short-term funds	2,941,959	3,333,472
Financial investments available-for-sale	1,502,565	1,532,500
Financial investments held-to-maturity	84,195	82,754
Derivative financial assets	171	12
Financing, advances and other financing	7,297,001	7,163,621
Other assets	522,796	305,228
Statutory deposit with Bank Negara Malaysia	327,000	298,000
Taxation recoverable	2	-
Deferred tax assets	414	2,900
Property and equipment	3,081	3,261
Intangible assets	775	891
TOTAL ASSETS	12,679,959	12,722,639
LIABILITIES, ISLAMIC BANKING FUNDS		
Deposits from customers	9,614,027	9,870,394
Deposits and placements of banks and other financial institutions	2,238,948	2,045,720
Derivative financial liabilities	220	34
Other liabilities	27,033	30,358
Provision for taxation	4,158	4,071
Total Liabilities	11,884,386	11,950,577
SHAREHOLDERS' EQUITY		
Share capital	360,000	360,000
Reserves	435,573	412,062
Total Equity	795,573	772,062
TOTAL LIABILITIES AND EQUITY	12,679,959	12,722,639
COMMITMENTS AND CONTINGENCIES	2,303,297	2,112,921

A27. OPERATIONS OF ISLAMIC BANKING (Cont.)

(ii) Unaudited Islamic Income Statements

	<-----Group----->			
	Individual Quarter Ended		Cumulative Quarter Ended	
	31/3/2015	31/3/2014	31/3/2015	31/3/2014
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	128,697	113,869	128,697	113,869
Income derived from investment of Shareholders' funds	8,932	7,695	8,932	7,695
Allowance for losses on financing, advances and other financing	(1,659)	(162)	(1,659)	(162)
	135,970	121,402	135,970	121,402
Income attributable to depositors	(82,964)	(72,008)	(82,964)	(72,008)
Income attributable to shareholders	53,006	49,394	53,006	49,394
Other operating expenses	(29,484)	(28,379)	(29,484)	(28,379)
Profit before taxation	23,522	21,015	23,522	21,015
Taxation	(5,757)	(3,217)	(5,757)	(3,217)
Net profit for the financial period attributable to the equity holders of the Company	17,765	17,798	17,765	17,798

(iii) Unaudited Statements of Comprehensive Islamic Income

	<-----Group----->			
	Individual Quarter Ended		Cumulative Quarter Ended	
	31/3/2015	31/3/2014	31/3/2015	31/3/2014
	RM'000	RM'000	RM'000	RM'000
Profit after taxation	17,765	17,798	17,765	17,798
Other comprehensive income :-				
- Net fair value change in financial investments available-for-sale	7,560	1,318	7,560	1,318
- Deferred tax on revaluation of financial investments available-for-sale	(1,814)	(316)	(1,814)	(316)
Other comprehensive income for the financial period, net of tax	5,746	1,002	5,746	1,002
Total comprehensive income for the financial period attributable to the equity holders of the Company	23,511	18,800	23,511	18,800

A27. OPERATIONS OF ISLAMIC BANKING (Cont.)

(iv) Financing

	Group	
	31/3/2015	31/12/2014
	RM'000	RM'000
<u>By type</u>		
Cash line	221,474	203,963
Term financing		
- Housing financing	1,877,132	1,832,181
- Syndicated term financing	265,587	262,031
- Hire purchase receivables	2,164,245	2,044,709
- Business term financing	1,961,092	1,919,442
Bills receivables	10,319	12,189
Trust receipts	27,624	19,848
Claims on customers under acceptance credits	105,716	121,416
Staff financing	9,464	9,629
Revolving credit	724,331	807,125
	<u>7,366,984</u>	<u>7,232,533</u>
Less : Allowance for impairment		
- Collective impairment	(36,792)	(37,393)
- Individual impairment	(33,191)	(31,519)
Total net financing	<u>7,297,001</u>	<u>7,163,621</u>

(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	27,014	90,964
Reclassified as non-impaired during the financial period/year	(18,561)	(54,830)
Amount recovered during the financial period/year	(2,832)	(34,076)
Amount written-off during the financial period/year	(2,383)	(4,531)
	<u>132,395</u>	<u>129,157</u>

(b) Movements in the allowance for impairment on financing

Collective impairment

Balance at the beginning of financial period/year	37,393	33,719
Additional allowance for impairment during the financial period/year	(601)	6,383
Amount written-off during the financial period/year	-	(2,709)
	<u>36,792</u>	<u>37,393</u>

Individual impairment

Balance at the beginning of financial period/year	31,519	34,584
Allowance for impairment during the financial period/year	2,437	1,509
Amount recovered during the financial period/year	(40)	(3,782)
Amount written-off during the financial period/year	(2,383)	(1,813)
Unwinding of income	(29)	(763)
Exchange difference	1,687	1,784
	<u>33,191</u>	<u>31,519</u>

A27. OPERATIONS OF ISLAMIC BANKING (Cont.)

(vi) Deposits from customers

	Group	
	31/3/2015	31/12/2014
	RM'000	RM'000
<u>By type of deposits</u>		
Non-Mudharabah Funds		
Demand deposits	2,506,487	2,664,058
Savings deposits	405,507	395,338
Negotiable Instruments of Deposits	-	249,412
Murabahah term deposits	5,654,020	5,190,631
Commodity Murabahah Deposit (CMD)	922,533	1,030,814
	<hr/> 9,488,547	<hr/> 9,530,253
Mudharabah Funds		
General investment deposits	<hr/> 125,480	<hr/> 340,141
Total deposits from customers	<hr/> 9,614,027	<hr/> 9,870,394

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 RM48.8 million for the current financial quarter ended 31 March 2015 as compared to RM185.8 million for the preceding year's corresponding quarter. The drop in PBT was mainly due to higher allowance for loan impairment (net of recoveries) of RM130.4 million and higher overhead expenses of RM88.6 million, net of the increase in other operating income and Islamic banking income of RM76.3 million of RM5.5 million respectively.

Commercial Banking

The results of the commercial banking segment is mainly attributable to the AFFIN Bank Berhad ("ABB") Group which registered a lower PBT of RM23.3 million for the current financial quarter as compared to RM175.3 million for the preceding year's corresponding quarter. The drop in PBT was mainly due to higher allowance for loan impairment and higher overhead expenses of RM130.5 million and RM21.0 million respectively. For the quarter under review, the reduction in net interest income of RM8.9 million was offset by the increase in Islamic banking income and other operating income of RM5.5 million and RM2.9 million respectively.

The wholly-owned subsidiary, namely AFFIN Islamic Bank Berhad registered a higher PBT of RM23.5 million for the quarter under review as compared to RM21.0 million for the same period last year. The increase in operating income of RM5.1 million was partially offset by the increase in the allowance for financing loss and overhead expenses of RM1.5 million and RM1.1 million respectively.

Investment Banking

The results of the investment banking segment is attributed to AFFIN Hwang Investment Bank Berhad (fka HwangDBS Investment Bank Berhad) ["AFFIN Hwang IB"] Group which reported a higher PBT of RM24.0 million for the current financial quarter as compared to RM13.9 million for the preceding year's corresponding quarter. The improved performance was mainly due to the increase in other operating income and net interest income of RM72.3 million and RM7.1 million respectively, net of higher overhead expenses of RM69.1 million. The PBT is after taking into consideration the fair value adjustment of RM9.5 million on held-to-maturity securities arising from the acquisition of HwangDBS Investment Bank Berhad in the previous year.

For the quarter ended 31 March 2015, the asset management businesses contributed a higher pre-tax profit of RM20.5 million as compared to RM7.4 million for the same period last year, mainly due to higher other operating income of RM51.4 million net of higher overhead expenses of RM39.1 million. The increase in other operating income was mainly attributable to higher management fee income and higher fee on sale of unit trust of RM34.8 million and RM14.2 million respectively.

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 higher pre-tax loss of RM2.5 million for the current financial quarter as compared to RM1.6 million for the preceding year's corresponding quarter, mainly due to higher reserves for future policyholders' liabilities of RM5.5 million as compared to RM1.6 million for the previous year, in line with the downward shift of the MGS yield. This was partially offset by higher investment income of RM3.2 million, attributed to the realisation of investment properties and higher mark-to-market gains in respect of bonds portfolio of the Non-Par Fund. For the quarter under review, lower expenses coupled with higher in-force policies had also resulted in higher earnings for the life insurance business.

AXA AFFIN General Insurance Berhad ("AAGI") reported a higher pre-tax profit of RM20.8 million for the current financial quarter as compared to RM14.7 million for the preceding year's corresponding quarter. The improved performance was mainly due to higher earned premium of RM34.5 million attributable to health and motor businesses, higher investment income of RM2.9 million net of the increase in net claims, overhead expenses and net commission incurred of RM20.0 million, RM6.4 million and RM4.8 million respectively. Included in the share of results in AAGI of RM5.4 million for the year under review was an adjustment of RM0.5 million on under-recognition of Group's share of profit for the previous financial year.

Other business segment

The result of the other business segment is mainly attributable to AFFIN Moneybrokers Sdn Bhd ("AMB") which reported a higher pre-tax profit of RM0.9 million for the current financial quarter as compared to the RM0.5 million for the preceding year's corresponding quarter, mainly due to higher net brokerage income net of higher overhead expenses.

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

The Group reported a lower profit before tax and zakat ("PBT") of RM48.8 million for the current financial quarter as compared to RM287.6 million for the preceding quarter ended 31 December 2014. This was mainly due to higher allowance for loan impairment RM107.0 million, lower recoveries of RM68.5 million, higher overhead expenses of RM25.3 million as well as the reduction in both net interest income and Islamic banking income of RM32.1 million and RM5.8 million respectively. The other operating income however increased by RM9.8 million for the quarter under review.

B3. PROSPECTS FOR FINANCIAL YEAR 2015

Commercial Banking

For the remaining period of FYE 2015, the Bank expects the competition and challenges in the retail and fixed deposits markets to stir up due to the changes in financial environment, financial reforms not only from the existing players but also the competitors from the non-financial services sector.

The recent economic development on oil prices, ringgit depreciation, subsidy rationalisation as well as the implementation of GST had impacted the banking industry as a whole. The Bank would also expect a moderation in household demand and potential stress in asset quality.

Under the current environment, the Bank is stepping up its efforts to improve efficiency and productivity in delivering its products and services. The Bank will continue to be guided by its strategic plans to retain the Bank's competitive edge and grow its business within the well-defined risk parameters.

The Bank will also continue to focus 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 believes its strong collaboration within the Group and relationship with customers will stand in good stead to further grow its business in targeted key segments.

Investment Banking

The Investment Banking Group continues to be optimistic on the potential opportunities in the capital markets, albeit at a slower pace, largely driven by the magnitude of fluctuations in global oil prices, movements of ringgit exchange rate and uncertainties in the global financial environment. Malaysia's economic fundamentals are expected to remain resilient to mitigate potential vulnerable arising from the external front.

The Investment Banking Group also looks forward to its first full year of operating as a merged entity upon successfully completed its merger exercise in the last quarter of 2014, which together with the collaboration with Daiwa Securities Group Inc., of Japan has created a leading domestic stockbroking position for the Group. However, the Group 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 asset and fund management division shall continue to grow its business and selectively capitalise on the 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.

Insurance

AXA AFFIN Life Insurance ("AALI")

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 ("AAGI")

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 31 March 2015 is summarised below :-

Headline KPIs	As announced for the financial year 2015	Actual Achieved 31/3/2015
(i) After Tax Returns on Equity (ROE)	8.0%	0.4%
(ii) After Tax Returns on Assets (ROA)	0.9%	0.1%
(iii) Gross Impaired Loan Ratio	1.64%	1.96%
(iv) Earnings Per Share (EPS)	33.00 sen	1.55 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		Cumulative Quarter Ended	
	31/3/2015	31/3/2014	31/3/2015	31/3/2014
	RM'000	RM'000	RM'000	RM'000
Malaysian Taxation :-				
- Income tax based on profit for the financial year	12,756	34,823	12,756	34,823
Deferred tax :-				
- Relating to originating temporary differences	967	10,040	967	10,040
Under/(over) provision in prior years :-				
- Current taxation	10	(1,937)	10	(1,937)
	13,733	42,926	13,733	42,926

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

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.

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	
	31/3/2015 RM'000	31/12/2014 RM'000
<u>By Type of Deposits:-</u>		
Money Market Deposits	466,750	1,177,702
Demand Deposits	7,613,770	8,096,429
Savings Deposits	2,062,323	2,047,242
Fixed Deposits	30,644,486	31,032,250
Negotiable Instruments of Deposits ('NIDs')	6,825,511	7,059,508
Commodity Murabahah Deposit (CMD)	922,532	1,030,814
Other deposits	213,444	160,060
	<u>48,748,816</u>	<u>50,604,005</u>
Maturity structure of fixed deposits and NIDs are as follows:-		
Due within six months	31,798,012	31,712,118
Six months to one year	4,778,563	5,670,967
One year to three years	887,302	701,583
Three years to five years	6,120	7,090
	<u>37,469,997</u>	<u>38,091,758</u>
<u>By Type of Customers:-</u>		
Government and statutory bodies	8,453,622	9,335,163
Business enterprises	13,495,008	14,468,197
Individuals	12,739,547	13,138,092
Domestic banking institutions	6,617,560	6,736,994
Domestic non-banking financial institutions	5,952,936	5,639,041
Foreign Entities	394,105	398,477
Others	1,096,038	888,041
	<u>48,748,816</u>	<u>50,604,005</u>

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

<u>By Type of Institutions:-</u>		
Licensed banks	2,580,620	2,783,993
Licensed investment banks	549,116	154,173
Bank Negara Malaysia	51,354	47,898
Other financial institutions	917,503	2,381,739
	<u>4,098,593</u>	<u>5,367,803</u>
<u>By Maturity Structure:-</u>		
Due within six months	4,047,239	5,319,905
Six months to one year	51,354	47,898
	<u>4,098,593</u>	<u>5,367,803</u>

(iii) Borrowings

<u>Unsecured :-</u>		
One year or less (short-term)	66,581	66,590
More than one year (medium/long-term)	905,697	905,868
	<u>972,278</u>	<u>972,458</u>

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	
	31/3/2015	31/12/2014
	RM'000	RM'000
<u>Total retained profits of AFFIN Holdings Berhad and its subsidiaries :-</u>		
- Realised	2,148,626	2,067,594
- Unrealised		
- deferred tax recognised in the income statement	12,849	23,708
- other items of income and expense	99,218	79,501
	2,260,693	2,170,803
<u>Total share of retained profits in associate:-</u>		
- Realised	220,831	216,357
- Unrealised	5,070	4,161
<u>Total share of retained profits/(losses) in joint ventures :-</u>		
- Realised	(16,389)	(13,758)
- Unrealised	(142)	(1,080)
	2,470,063	2,376,483
Add: Consolidation adjustments	(286,163)	(276,657)
Total Group retained profits as per consolidated financial statements	2,183,900	2,099,826

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 RM74.9 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

No dividend has been proposed for the quarter under review.

B12. EARNINGS PER SHARE

	<-----Group----->			
	Individual Quarter Ended		Cumulative Quarter Ended	
	31/3/2015	31/3/2014	31/3/2015	31/3/2014
Net profit attributable to equity holders of the Company (RM'000)	30,085	142,728	30,085	142,728
Weighted average number of ordinary shares in issue	1,942,948,547	1,494,575,806	1,942,948,547	1,494,575,806
Basic earnings per share (sen)	1.55	9.55	1.55	9.55

The basic earnings per share of the Group for the current financial quarter ended 31 March 2015 have been calculated based on the net profit attributable to the equity holders of the company of RM30,085,000 (2014: RM142,728,000) divided by the weighted average number of ordinary shares in issue during the current financial quarter of 1,942,948,547 (2014: 1,494,575,806).

B13. ECONOMIC PROFIT/(LOSS)

	<-----Group----->			
	Individual Quarter Ended		Cumulative Quarter Ended	
	31/3/2015	31/3/2014	31/3/2015	31/3/2014
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to equity holders of the Company for the financial period	30,085	142,728	30,085	142,728
Less: Economic charge	(211,110)	(163,237)	(211,110)	(163,234)
Economic profit/(loss) attributable to equity holders of the Company for the financial period	(181,025)	(20,509)	(181,025)	(20,506)

Formula for calculation of economic charge:

- (i) Economic charge = Cost of equity x Average total equity for the financial year
- (ii) Cost of equity = Beta x Market risk premium + Risk-free rate
 - Beta = 5-year adjusted Bloomberg Beta
 - Market risk premium = the market return in excess of the return earned on risk-free assets.
 - Risk-free rate = the rate of return of a 10-year Malaysian Government Securities at the closing of the reporting period.