



ASIAN FINANCE BANK

بنك التمويل الآسيوي

**Interim Financial Statements
For The Half Year Ended 30 June 2011**



ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS**UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011**

	Note	<u>Economic Entity</u>		<u>Bank</u>	
		<u>30.06.2011</u> <u>RM</u>	<u>31.12.2010</u> <u>RM</u>	<u>30.06.2011</u> <u>RM</u>	<u>31.12.2010</u> <u>RM</u>
Assets					
Cash and short-term funds	2	1,025,504,870	1,148,012,825	1,025,504,870	1,148,012,825
Financial investments held-for-trading	3	19,966,600	117,640,973	19,966,600	117,640,973
Financial investments available-for-sale	4	169,629,843	94,372,699	169,629,843	94,372,699
Financial investments-held-to-maturity	5	151,723,514	110,958,004	151,723,514	110,958,004
Financing and advances	6	680,232,168	721,029,028	680,232,168	721,029,028
Other assets	7	6,075,220	16,681,028	6,075,220	16,681,028
Statutory deposits with Bank Negara Malaysia		9,233,975	4,951,715	9,233,975	4,951,715
Investment in jointly controlled entity	8	14,485,620	15,089,958	16,222,255	16,222,255
Property, plant and equipment		4,323,679	4,381,280	4,323,679	4,381,280
Intangible assets		6,733,750	8,044,089	6,733,750	8,044,089
Total assets		2,087,909,239	2,241,161,599	2,089,645,874	2,242,293,896
Liabilities					
Deposits from customers	9	936,305,090	1,125,717,727	936,305,090	1,125,717,727
Deposits and placements of banks and other financial institutions	10	663,570,227	711,617,736	663,570,227	711,617,736
Other liabilities	11	12,849,574	20,491,881	12,849,574	20,491,881
Total liabilities		1,612,724,891	1,857,827,344	1,612,724,891	1,857,827,344
Equity					
Ordinary share capital		532,530,020	443,775,020	532,530,020	443,775,020
Reserves		(57,345,672)	(60,440,765)	(55,609,037)	(59,308,468)
Total equity		475,184,348	383,334,255	476,920,983	384,466,552
Total Liabilities and Equity		2,087,909,239	2,241,161,599	2,089,645,874	2,242,293,896
Commitments and contingencies	19	521,432,795	541,373,311	521,432,795	541,373,311
Capital Adequacy					
Core capital ratio	21	51.79%	45.18%	51.70%	45.17%
Risk-weighted capital ratio	21	52.94%	46.63%	52.85%	46.61%

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INTERIM FINANCIAL STATEMENTS**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 JUNE 2011**

	Note	<u>Economic Entity</u>			
		<u>2nd Quarter Ended 30.06.2011</u> RM	<u>2nd Quarter Ended 30.06.2010</u> RM	<u>Half Year Ended 30.06.2011</u> RM	<u>Half Year Ended 30.06.2010</u> RM
Income derived from investment of depositors' funds	12	16,262,244	13,694,949	33,811,925	26,383,138
Income derived from investment of shareholders' funds	13	5,270,052	6,419,753	11,071,310	14,521,978
Allowances for impairment on financing and advances	14	2,765,182	(13,221,285)	282,531	(15,341,972)
Profit Equalization Reserve		-	-	-	(113,000)
Total distributable income		24,297,478	6,893,417	45,165,766	25,450,144
Income attributable to depositors	15	(10,639,029)	(7,950,716)	(21,785,118)	(14,746,321)
		13,658,449	(1,057,299)	23,380,648	10,703,823
Personnel expenses	16	(7,152,887)	(6,429,193)	(14,239,250)	(12,645,943)
Other overheads and expenditures	17	(4,922,655)	(4,311,100)	(9,637,707)	(8,718,070)
Share of profit / (loss) after tax of joint controlled entity		274,271	455,898	694,149	902,370
Profit / (loss) before taxation		1,857,178	(11,341,694)	197,840	(9,757,820)
Taxation		-	2,850,554	-	2,576,325
Net profit / (loss) for the financial year		1,857,178	(8,491,140)	197,840	(7,181,495)
Profit / (loss) attributable to :					
Owners of the parent		1,857,178	(8,491,140)	197,840	(7,181,495)
Minority interest		-	-	-	-
		1,857,178	(8,491,140)	197,840	(7,181,495)
Earnings per shares (sen)					
Basic and diluted		1.39	(9.57)	0.07	(4.05)
Profit / (loss) for the period		1,857,178	(8,491,140)	197,840	(7,181,495)
Other comprehensive income :					
Financial investment available-for-sale					
- Unrealised net gain on revaluation	18	1,289,850	556,408	2,897,253	1,022,904
Other comprehensive income for the period		1,289,850	556,408	2,897,253	1,022,904
Total Comprehensive Income/(Loss) For The Period		3,147,028	(7,934,732)	3,095,093	(6,158,591)
Total comprehensive income / (loss) attributable to:					
Owners of the parent		3,147,028	(7,934,732)	3,095,093	(6,158,591)
Minority interest		-	-	-	-
		3,147,028	(7,934,732)	3,095,093	(6,158,591)

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INTERIM FINANCIAL STATEMENTS**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 JUNE 2011**

		<u>2nd</u> <u>Quarter</u> <u>Ended</u> <u>30.06.2011</u> <u>RM</u>	<u>2nd Quarter</u> <u>Ended</u> <u>30.06.2010</u> <u>RM</u>	<u>Bank</u> <u>Half Year</u> <u>Ended</u> <u>30.06.2011</u> <u>RM</u>	<u>Half Year</u> <u>Ended</u> <u>30.06.2010</u> <u>RM</u>
	Note				
Income derived from investment of depositors' funds	12	16,262,244	13,694,949	33,811,925	26,383,138
Income derived from investment of shareholders' funds	13	6,297,762	6,419,753	12,369,797	14,521,978
Allowances for impairment on financing and advances	14	2,765,182	(13,221,285)	282,531	(15,341,972)
Profit Equalization Reserve		-	-	-	(113,000)
Total distributable income		25,325,188	6,893,417	46,464,253	25,450,144
Income attributable to depositors	15	<u>(10,639,029)</u>	<u>(7,950,716)</u>	<u>(21,785,118)</u>	<u>(14,746,321)</u>
		14,686,159	(1,057,299)	24,679,135	10,703,823
Personnel expenses	16	(7,152,887)	(6,429,193)	(14,239,250)	(12,645,943)
Other overheads and expenditures	17	(4,922,655)	(4,311,100)	(9,637,707)	(8,718,070)
Share of profit / (loss) after tax of joint controlled entity		-	-	-	-
Profit / (loss) before taxation		2,610,617	(11,797,592)	802,178	(10,660,189)
Taxation		-	2,850,554	-	2,576,325
Net profit / (loss) for the financial year		2,610,617	(8,947,038)	802,178	(8,083,864)
Profit / (loss) attributable to :					
Owners of the parent		2,610,617	(8,947,038)	802,178	(8,083,864)
Minority interest		-	-	-	-
		2,610,617	(8,947,038)	802,178	(8,083,864)
Earnings per shares (sen)					
Basic and diluted		1.96	(10.08)	0.30	(4.55)
Profit / (loss) for the period		2,610,617	(8,947,038)	802,178	(8,083,864)
Other comprehensive income :					
Financial investment available-for-sale	18				
- Unrealised net gain on revaluation		1,289,850	556,408	2,897,253	1,022,904
Other comprehensive income for the period		1,289,850	556,408	2,897,253	1,022,904
Total Comprehensive Income/(Loss) For The Period		3,900,467	(8,390,630)	3,699,431	(7,060,960)
Total comprehensive income / (loss) attributable to:					
Owners of the parent		3,900,467	(8,390,630)	3,699,431	(7,060,960)
Minority interest		-	-	-	-
		3,900,467	(8,390,630)	3,699,431	(7,060,960)

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INTERIM FINANCIAL STATEMENTS**UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2011**

<u>Economic Entity</u>	<u>Share Capital</u>	<u>Accumulated Losses</u>	<u>AFS Reserve</u>	<u>Total</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
<u>30.06.2011</u>				
Balance as at 1 January 2011	443,775,020	(56,904,026)	(3,536,739)	383,334,255
Effect of adopting FRS 139	-	-	-	-
As restated	443,775,020	(56,904,026)	(3,536,739)	383,334,255
Net profit for the financial year	-	197,840	-	197,840
Other comprehensive income/(loss):				
Financial investment available-for-sale				
- Unrealised net gain on revaluation	-	-	2,897,253	2,897,253
Income tax relating to components of other comprehensive income	-	-	-	-
Total comprehensive income	-	-	2,897,253	2,897,253
Issues of share capital (2 nd tranche)	88,755,000	-	-	88,755,000
Balance as at 30 June 2011	532,530,020	(56,706,186)	(639,486)	475,184,348
<u>31.12.2010</u>				
Balance as at 1 January 2010	355,020,010	(22,475,199)	(5,179,271)	327,365,540
Effect of adopting FRS 139	-	(559,079)	-	(559,079)
As restated	355,020,010	(23,034,278)	(5,179,271)	326,806,461
Net profit for the financial year	-	(33,869,748)	-	(33,869,748)
Other comprehensive income/(loss):				
Financial investment available-for-sale				
- Unrealised net gain on revaluation	-	-	2,190,043	2,190,043
Income tax relating to components of other comprehensive income	-	-	(547,511)	(547,511)
Total comprehensive income	-	-	1,642,532	1,642,532
Issues of share capital (1 st tranche)	88,755,010	-	-	88,755,010
Balance as at 31 December 2010	443,775,020	(56,904,026)	(3,536,739)	383,334,255

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INTERIM FINANCIAL STATEMENTS**UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2011 (CONTINUED)**

Bank	Share Capital	Accumulated Losses	AFS Reserve	Total
	RM	RM	RM	RM
<u>30.06.2011</u>				
Balance as at 1 January 2011	443,775,020	(55,771,729)	(3,536,739)	384,466,552
Effect of adopting FRS 139	-	-	-	-
As restated	443,775,020	(55,771,729)	(3,536,739)	384,466,552
Net profit for the financial year	-	802,178	-	802,178
Other comprehensive income/(loss):				
Financial investment available-for-sale				
- Unrealised net gain on revaluation	-	-	2,897,253	2,897,253
Income tax relating to components of other comprehensive income	-	-	-	-
Total comprehensive income	-	-	2,897,253	2,897,253
Issues of share capital (2 nd tranche)	88,755,000	-	-	88,755,000
Balance as at 30 June 2011	532,530,020	(54,969,551)	(639,486)	476,920,983
<u>31.12.2010</u>				
Balance as at 1 January 2010	355,020,010	(21,456,744)	(5,179,271)	328,383,995
Effect of adopting FRS 139	-	(559,079)	-	(559,079)
As restated	355,020,010	(22,015,823)	(5,179,271)	327,824,916
Net profit for the financial year	-	(33,755,906)	-	(33,755,906)
Other comprehensive income/(loss):				
Financial investment available-for-sale				
- Unrealised net gain on revaluation	-	-	2,190,043	2,190,043
Income tax relating to components of other comprehensive income	-	-	(547,511)	(547,511)
Total comprehensive income	-	-	1,642,532	1,642,532
Issues of share capital (1 st tranche)	88,755,010	-	-	88,755,010
Balance as at 31 December 2010	443,775,020	(55,771,729)	(3,536,739)	384,466,552

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INTERIM FINANCIAL STATEMENTS**UNAUDITED STATEMENT OF CASH FLOW FOR THE HALF YEAR ENDED 30 JUNE 2011**

	Note	Economic Entity		Bank	
		30.06.2011	31.12.2010	30.06.2011	31.12.2010
		RM	RM	RM	RM
CASH FLOW FROM OPERATING ACTIVITIES					
Profit / (Loss) before taxation		197,840	(27,983,248)	802,178	(27,869,406)
Adjustments for:					
Depreciation of property, plant and equipment		1,137,771	2,057,833	1,137,771	2,057,833
Amortisation of intangible assets		1,826,914	3,522,434	1,826,914	3,522,434
Write off of property, plant and equipment		-	11,129	-	11,129
Profit from:					
- Investment on financial assets held-for-trading		(134,457)	(501,129)	(134,457)	(501,129)
- Investment on financial investments available-for-sale		(2,726,576)	(1,744,528)	(2,726,576)	(1,744,528)
- Investment on financial investments held-to-maturity		(1,947,882)	(2,842,777)	(1,947,882)	(2,842,777)
Net gain on sale of financial assets held-for-trading		(325,107)	(1,034,592)	(325,107)	(1,034,592)
Net gain on sale of financial investments available-for-sale		11,378	(109,356)	11,378	(109,356)
Unrealised gain /(loss) from financial assets held-for-trading		(13,000)	(90,917)	(13,000)	(90,917)
Accretion of discount less amortisation of premium		(82,647)	(285,212)	(82,647)	(285,212)
Share of loss in jointly controlled entity		-	(1,498,790)	-	-
(Writeback) / allowances for losses on financing and advances		(282,531)	34,573,455	(282,531)	34,573,455
Charge for profit equalisation reserve		-	113,000	-	113,000
Operating (loss) / profit before working capital changes		(2,338,297)	4,187,302	(1,733,959)	5,799,934
(Increase) / decrease in operating assets:					
Financing and advances		41,079,391	(82,511,636)	41,079,391	(82,511,636)
Other assets		10,605,808	(10,498,207)	10,605,808	(10,498,207)
Statutory deposit with Bank Negara Malaysia		(4,282,260)	(538,000)	(4,282,260)	(538,000)
Increase/(decrease) in operating liabilities:					
Deposits from customers		(185,096,506)	46,458,069	(185,096,506)	46,458,069
Deposits and placements of banks & other financial institutions		(52,363,640)	60,288,194	(52,363,640)	60,288,194
Other liabilities		(7,642,307)	4,198,815	(7,642,307)	4,198,815
Net cash (used in) / generated from operating activities		(200,037,811)	21,584,537	(199,433,473)	23,197,169
CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment and intangible assets		(1,596,745)	(1,903,100)	(1,596,745)	(1,903,100)
Net proceeds from:					
- Sale / (Purchase) of financial assets held-for-trading		98,146,937	(98,466,824)	98,146,937	(98,466,824)
- Sale / (Purchase) of financial investments available-for-sale		(70,743,129)	(55,458,490)	(70,743,129)	(55,458,490)
- Sale / (Purchase) of financial investments held-to-maturity		(37,636,545)	(37,808,615)	(37,636,545)	(37,808,615)
Investment in joint controlled entity		604,338	1,612,632	-	-
Repayment of advances by jointly controlled entity		-	1,000,646	-	1,000,646
Net cash used in investing activities		(11,225,144)	(191,023,751)	(11,829,482)	(192,636,383)
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from issuance of share capital		88,755,000	88,755,010	88,755,000	88,755,010
ANALYSIS OF CASH AND CASH EQUIVALENT					
Net decrease in cash and cash equivalents		(122,507,955)	(80,684,204)	(122,507,955)	(80,684,204)
Cash and cash equivalent at beginning of financial period		1,148,012,825	1,228,697,029	1,148,012,825	1,228,697,029
Cash and cash equivalent at end of financial period	2	1,025,504,870	1,148,012,825	1,025,504,870	1,148,012,825

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NOTES TO THE FINANCIAL STATEMENTS

FOR HALF YEAR ENDED 30 JUNE 2011

-PART A – EXPLANATORY NOTES PURSUANT TO GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKS (BNM GP8-I) ISSUED BY BANK NEGARA MALAYSIA

1. General information**a) Performance Review**

The Economic Entity and the Bank registered a profit before zakat and tax of RM0.2m and RM0.8m respectively for the six months period ended 30 June 2011.

The Economic Entity and the Bank's gross financing and advances stood at RM727.3m whilst total Deposit at RM1, 599.9m.

b) Business Plan and outlook for 2H2011

The world economy is still surrounded by risks. The Middle East and North Africa crisis, the European debt problem, Japan's catastrophes and the end of US quantitative easing poses uncertainty and clouded the speed of recovery. Developing Asia however remains robust with strong domestic demand and rising inflationary pressures.

In Malaysia, the 1Q11 GDP growth recorded a healthy 4.6% year-on-year, with private (6.7%) and public (6.1%) consumption offsetting a larger drag from net exports (-24.2%). By sector, services (5.9%) and manufacturing (5.4%) were the main growth drivers. Economic growth momentum will probably moderate in 2Q11 on supply disruptions from the Japan disaster, pullback in commodity prices, rising cost-push inflation, and higher debt servicing burden. Rebound is expected in 2H11 due to the reconstruction of Japan and implementation of ETP projects.

In line with its vision to empower business with Islamic banking values, the Bank will continue to leverage on its Middle East connection to create and bridge business opportunities between Malaysia and the Middle East as well as regionally including Indonesia and Brunei, especially for funding GLCs, in the sectors of oil & gas, shipping, aviation, infrastructure as well as real estate.

The Bank is also actively developing new products as well as risk mitigating strategies to suit varied business requirements, customer's expectations and the different risk profiles.

Based on the positive outlook, the Bank is poised to face the challenges ahead in 2H2011 to chart further growth in its funded assets and hence contribute towards improvement in its profitability.

2. Cash and short-term funds

	<u>Economic Entity and Bank</u>	
	<u>30.06.2011</u>	<u>31.12.2010</u>
	<u>RM</u>	<u>RM</u>
Cash and balances with banks and other financial institutions	7,633,578	6,113,261
Money at call and deposit placements maturing within one month	1,017,871,292	1,141,899,564
	<u>1,025,504,870</u>	<u>1,148,012,825</u>

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-PART A – EXPLANATORY NOTES PURSUANT TO GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKS (BNM GP8-I) ISSUED BY BANK NEGARA MALAYSIA

3. Financial assets held-for-trading

	<u>Economic Entity and Bank</u>	
	<u>30.06.2011</u>	<u>31.12.2010</u>
	<u>RM</u>	<u>RM</u>
At fair value		
Money market instruments:		
Bank Negara Malaysia Sukuk Ijarah	-	50,471,043
Quoted securities:		
<u>In Malaysia</u>		
Islamic commercial paper	19,966,600	63,778,080
<u>Outside Malaysia</u>		
Foreign Islamic unit trust fund	-	3,391,850
	19,966,600	117,640,973

4. Financial investments available-for-sale

	<u>Economic Entity and Bank</u>	
	<u>30.06.2011</u>	<u>31.12.2010</u>
	<u>RM</u>	<u>RM</u>
At fair value		
Money market instruments:		
Bank Negara Malaysia Sukuk Ijarah	40,078,981	-
Quoted securities:		
<u>In Malaysia</u>		
Islamic private debt securities	10,411,166	10,362,900
Islamic Medium Term Notes	45,832,686	10,160,596
<u>Outside Malaysia</u>		
Foreign corporate debt securities held	13,653,194	14,716,948
Corporate Bonds	59,653,816	59,132,255
	169,629,843	94,372,699

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-PART A – EXPLANATORY NOTES PURSUANT TO GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKS (BNM GP8-I) ISSUED BY BANK NEGARA MALAYSIA

5. Financial investments held-to-maturity

	<u>Economic Entity and Bank</u>	
	<u>30.06.2011</u>	<u>31.12.2010</u>
	<u>RM</u>	<u>RM</u>
At amortised cost		
Money market instruments:		
Bank Negara Malaysia Sukuk Ijarah	50,833,729	15,143,986
Cagamas bonds	45,580,651	40,539,140
Quoted securities:		
<u>In Malaysia</u>		
Corporate debt securities held	27,466,477	28,026,254
<u>Outside Malaysia</u>		
Foreign corporate debt securities held	27,842,657	27,248,624
	<u>151,723,514</u>	<u>110,958,004</u>

6. Financing and advances

	<u>30.06.2011</u>	<u>31.12.2010</u>
	<u>RM</u>	<u>RM</u>
At amortised cost		
Term financing		
- house financing	51,131,829	30,558,555
- syndicated term financing	81,053,371	86,357,205
- hire purchase receivables	40,146	43,470
- other term financing	481,745,570	466,049,786
Trusts receipts	70,247,840	96,064,036
Staff financing	793,758	1,182,048
Others	42,307,371	88,144,175
Gross financing and advances	727,319,885	768,399,275
Less : Allowance for impaired financing and advances:		
- individual impairment allowance	(36,153,674)	(34,657,214)
- collective impairment allowance	(10,934,043)	(12,713,033)
Net financing and advances	<u>680,232,168</u>	<u>721,029,028</u>

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-PART A – EXPLANATORY NOTES PURSUANT TO GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKS (BNM GP8-I) ISSUED BY BANK NEGARA MALAYSIA

6. Financing and advances (continued)

	Economic Entity and Bank	
	30.06.2011	31.12.2010
	RM	RM
(i) By type of customer		
Domestic non-bank financial institution		
- Others	41,504,252	45,230,635
Domestic business enterprises		
- Small medium enterprise	29,749,226	37,006,178
- Others	533,077,193	578,898,957
Individuals	19,370,909	5,287,614
Foreign entities	103,618,305	101,975,891
	727,319,885	768,399,275
(ii) By contract		
Ijarah	47,598,989	46,618,824
Istisna	75,342,243	116,516,197
Murabahah	108,944,286	148,444,971
Qardhul Hassan	257,721	627,559
Tawarruq	495,176,646	456,191,724
	727,319,885	768,399,275
(iii) By profit rate sensitivity		
Fixed rate		
- Housing financing	2,337,225	5,276,647
- Hire purchase receivables	24,412,536	26,696,708
- Other fixed rate financing	10,657,997	63,470,851
Variable		
- Base Financing Rate	575,749,941	561,346,837
- Cost-plus	113,904,465	110,980,673
Non-profit sensitive	257,721	627,559
	727,319,885	768,399,275
(iv) By contractual maturity		
Maturity within one year	354,196,956	368,487,397
More than one year to three years	23,931,156	46,866,748
More than three years to five years	126,552,410	28,362,161
More than five years	222,639,363	324,682,969
	727,319,885	768,399,275
(v) By geographical distribution		
Malaysia	656,333,784	693,143,340
Qatar	46,246,378	48,205,219
Indonesia	24,182,435	26,563,964
United Kingdom	557,288	486,752
	727,319,885	768,399,275

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6. Financing and advances (continued)

	<u>Economic Entity and Bank</u>	
	<u>30.06.2011</u>	<u>31.12.2010</u>
	<u>RM</u>	<u>RM</u>
(vi) By economic purpose		
Purchase of landed property:		
- Residential	53,711,221	54,413,085
- Non-Residential	119,470,244	71,286,855
Working Capital	494,678,019	468,576,739
Personal Use	594,835	1,165,951
Purchase of transport vehicles	163,743	119,849,431
Others	58,701,823	53,107,214
	<u>727,319,885</u>	<u>768,399,275</u>
(vii) By sector		
Agriculture	87,061,185	188,465,568
Mining and quarrying	5,034,127	5,987,633
Manufacturing	167,188,225	95,312,096
Construction	20,319,507	64,061,429
Purchase of landed property	51,690,581	31,141,490
Wholesale & retail trade and restaurants & hotels	116,550,548	47,941,721
Transport, storage and communication	120,129,367	78,437,592
Finance, insurance and business services	87,007,030	104,528,846
Education, health and others	1,040,681	15,581,852
Purchase of transport vehicles	163,739	178,905
Consumption credit	706,081	1,173,929
Others	70,428,814	135,588,214
	<u>727,319,885</u>	<u>768,399,275</u>
(viii) Movement in the allowance for impaired advances and financing		
Individual Assessment Allowance		
Balance beginning of period	34,657,214	3,020,481
Allowance made during the period / year	2,967,842	36,644,046
Amount written back	(1,471,382)	(5,007,313)
Balance as at end of period	<u>36,153,674</u>	<u>34,657,214</u>
Collective Assessment Allowance		
Balance beginning of period	12,713,033	10,335,393
Allowance made during the period / year	-	2,377,640
Amount written back	(1,778,990)	-
Balance as at end of period	<u>10,934,043</u>	<u>12,713,033</u>
As % of gross advances and financing less individual assessment allowances	<u>1.58%</u>	<u>1.73%</u>

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9. Deposits from customers

		<u>Economic Entity and Bank</u>	
		<u>30.06.2011</u>	<u>31.12.2010</u>
		<u>RM</u>	<u>RM</u>
(i)	By type of deposit:		
	<u>Non-Mudharabah Funds:</u>		
	Demand deposits	48,069,286	70,863,842
	Savings deposits	1,207,734	2,922,145
		49,277,020	73,785,987
	<u>Mudharabah Funds:</u>		
	Savings deposits	4,271,212	1,078,946
	General investment deposits	86,329,331	121,787,153
	Special investment deposits	796,427,527	929,065,641
		887,028,070	1,051,931,740
		936,305,090	1,125,717,727
(ii)	The deposits are sourced from the following classes of customers:		
	Business enterprises	910,505,055	1,092,906,096
	Individuals	25,800,035	32,811,631
		936,305,090	1,125,717,727
(iii)	The maturity structure of the deposits are as follows:		
	Due within six months	925,780,912	1,120,790,738
	More than six months to one year	10,524,178	4,926,989
		936,305,090	1,125,717,727

10. Deposits and placements of banks and other financial institutions

		<u>Economic Entity and Bank</u>	
		<u>30.06.2011</u>	<u>31.12.2010</u>
		<u>RM</u>	<u>RM</u>
	<u>Non-Mudharabah Funds:</u>		
	Licensed Islamic banks	354,521,624	284,957,384
	Other financial institutions	286,972,564	273,921,915
		641,494,188	558,879,299
	<u>Mudharabah Fund:</u>		
	Licensed Islamic banks	21,567,410	120,000,000
	Other financial institutions	508,629	32,738,437
		22,076,039	152,738,437
		663,570,227	711,617,736

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11. Other liabilities**Economic Entity and Bank**

	30.06.2011	31.12.2010
	RM	RM
Sundry creditors	5,839,249	14,963,544
Other provisions and accruals	6,897,325	5,415,337
Profit equalisation reserve	113,000	113,000
	12,849,574	20,491,881

12. INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS**Economic Entity and Bank**

	2nd Quarter Ended 30.06.2011	2nd Quarter Ended 30.06.2010	Half Year Ended 30.06.2011	Half Year Ended 30.06.2010
	RM	RM	RM	RM
Income derived from investment of:				
(i) General investment deposit	984,742	1,333,346	2,151,943	2,571,509
(ii) Other deposits	15,277,502	12,361,604	31,659,982	23,811,629
	16,262,244	13,694,949	33,811,925	26,383,138

(i) Income derived from investment of general investment deposits

Finance income and hibah:

Financing and advances	513,265	815,459	1,134,077	1,631,289
Financial assets held-for-trading	650	8,338	25,710	13,847
Financial investment available-for-sale	42,827	(5,092)	81,418	(10,770)
Financial investment held-to-maturity	78,155	93,918	158,332	190,226
Money at call and deposits with financial institutions	349,845	420,723	752,406	746,916
	984,742	1,333,346	2,151,943	2,571,509

(ii) Income derived from investment of other deposits

Finance income and hibah:

Financing and advances	7,962,917	7,560,226	16,676,434	15,104,683
Financial assets held-for-trading	10,079	77,300	361,813	128,246
Financial investment available-for-sale	664,420	(47,210)	1,206,078	(99,713)
Financial investment held-to-maturity	1,212,517	870,721	2,337,856	1,761,342
Money at call and deposits with financial institutions	5,427,569	3,900,567	11,077,801	6,917,072
	15,277,502	12,361,604	31,659,982	23,811,629

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13. INCOME DERIVED FROM INVESTMENT OF SHAREHOLDERS' FUNDS

	Economic Entity			
	2nd Quarter Ended 30.06.2011 RM	2nd Quarter Ended 30.06.2010 RM	Half Year Ended 30.06.2011 RM	Half Year Ended 30.06.2010 RM
<u>Finance income and hibah</u>				
Financing and advances	2,433,525	1,940,602	4,463,924	4,077,153
Financial assets held-for-trading	3,080	19,842	85,040	34,269
Financial investment available-for-sale	203,052	(12,118)	329,267	(26,987)
Financial investment held-to-maturity	370,554	223,502	632,777	475,721
Money at call and deposits with financial institutions	1,658,704	1,001,220	2,975,305	1,855,478
Total finance income and hibah	<u>4,668,915</u>	3,173,048	<u>8,486,313</u>	6,415,635
Other operating income (note a - c)	<u>601,137</u>	3,246,705	<u>2,584,997</u>	8,106,343
	<u><u>5,270,052</u></u>	<u><u>6,419,753</u></u>	<u><u>11,071,310</u></u>	<u><u>14,521,978</u></u>
Other operating income comprise of:				
a) Fee and other income:				
Commission	176,095	257,618	405,572	1,093,195
Fees and other income	416,377	2,970,881	2,180,828	6,868,604
	<u>592,472</u>	<u>3,228,499</u>	<u>2,586,400</u>	<u>7,961,799</u>
b) Unrealised gain / (loss) on revaluation of:				
Financial assets held-for-trading	2,847	(51,062)	(11,968)	22,532
	<u>2,847</u>	<u>(51,062)</u>	<u>(11,968)</u>	<u>22,532</u>
c) Gross dividend income from:				
Financial assets held-for-trading	5,818	69,268	10,565	122,012
	<u>5,818</u>	<u>69,268</u>	<u>10,565</u>	<u>122,012</u>
Total other operating income	<u><u>601,137</u></u>	<u><u>3,246,705</u></u>	<u><u>2,584,997</u></u>	<u><u>8,106,343</u></u>

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13. INCOME DERIVED FROM INVESTMENT OF SHAREHOLDERS' FUNDS (continued)

	<u>Bank</u>			
	2nd Quarter Ended 30.06.2011	2nd Quarter Ended 30.06.2010		
	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
<u>Finance income and hibah</u>				
Financing and advances	2,433,525	1,940,602	4,463,924	4,077,153
Financial assets held-for-trading	3,080	19,842	85,040	34,269
Financial investment available-for-sale	203,052	(12,118)	329,267	(26,987)
Financial investment held-to-maturity	370,554	223,502	632,777	475,721
Money at call and deposits with financial institutions	1,658,704	1,001,220	2,975,305	1,855,478
Total finance income and hibah	<u>4,668,915</u>	3,173,048	<u>8,486,313</u>	6,415,634
Other operating income (note a - c)	<u>1,628,847</u>	3,246,705	<u>3,883,484</u>	8,106,344
	<u><u>6,297,762</u></u>	<u><u>6,419,753</u></u>	<u><u>12,369,797</u></u>	<u><u>14,521,978</u></u>
Other operating income comprise of:				
a) Fee and other income:				
Commission	176,095	257,618	405,572	1,093,195
Fees and other income	1,444,087	2,970,881	3,479,315	6,868,604
	<u>1,620,182</u>	<u>3,228,499</u>	<u>3,884,887</u>	<u>7,961,799</u>
b) Unrealised gain / (loss) on revaluation of:				
Financial assets held-for-trading	2,847	(51,062)	(11,968)	22,532
	<u>2,847</u>	<u>(51,062)</u>	<u>(11,968)</u>	<u>22,532</u>
c) Gross dividend income from:				
Financial assets held-for-trading	5,818	69,268	10,565	122,012
	<u>5,818</u>	<u>69,268</u>	<u>10,565</u>	<u>122,012</u>
Total other operating income	<u><u>1,628,847</u></u>	<u><u>3,246,705</u></u>	<u><u>3,883,484</u></u>	<u><u>8,106,343</u></u>

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14. Allowance for impairment on financing and advances

	2nd Quarter Ended 30.06.2011	Economic Entity and Bank		Half Year Ended 30.06.2010
		2nd Quarter Ended 30.06.2010	Half Year Ended 30.06.2011	
	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
Allowance for impaired financing and advances:				
(a) Individual impairment allowance				
- made during the period / year	303,655	13,180,634	2,967,842	15,301,321
- written back during the period / year	(1,289,847)	-	(1,471,383)	-
(b) Collective impairment allowance				
- made during the period / year	-	40,651	-	40,651
- written back during the period / year	(1,778,990)	-	(1,778,990)	-
	<u>(2,765,182)</u>	<u>13,221,285</u>	<u>(282,531)</u>	<u>15,341,972</u>

15. Income attributable to depositors

	2nd Quarter Ended 30.06.2011	Economic Entity and Bank		Half Year Ended 30.06.2010
		2nd Quarter Ended 30.06.2010	Half Year Ended 30.06.2011	
	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
Deposits from customers:				
- Mudharabah funds	6,029,690	5,374,570	12,471,801	10,375,479
	<u>6,029,690</u>	<u>5,374,570</u>	<u>12,471,801</u>	<u>10,375,479</u>
Deposits and placements of banks and other financial institutions:				
- Mudharabah funds	667,580	269,618	1,595,968	544,181
- Non-mudharabah funds	3,941,759	2,306,528	7,717,349	3,826,661
	<u>4,609,339</u>	<u>2,576,146</u>	<u>9,313,317</u>	<u>4,370,842</u>
	<u>10,639,029</u>	<u>7,950,716</u>	<u>21,785,118</u>	<u>14,746,321</u>

16. Personnel expenses

	2nd Quarter Ended 30.06.2011	Economic Entity and Bank		Half Year Ended 30.06.2010
		2nd Quarter Ended 30.06.2010	Half Year Ended 30.06.2011	
	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
Salaries, allowances and bonuses	5,824,703	5,365,016	11,600,220	10,628,516
Contributions to Employee Provident Fund and SOCSO	650,678	592,781	1,317,170	1,306,317
Medical related expenses	268,186	40,991	628,520	85,760
Travelling and parking	29,619	37,745	52,763	57,718
Other staff related cost	379,701	392,660	640,577	567,632
	<u>7,152,887</u>	<u>6,429,193</u>	<u>14,239,250</u>	<u>12,645,943</u>

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17. Other overheads and expenditures

	Economic Entity and Bank			
	2nd Quarter	2nd Quarter	Half Year	Half Year
	Ended	Ended	Ended	Ended
	30.06.2011	30.06.2010	30.06.2011	30.06.2010
	RM	RM	RM	RM
<u>Establishment expenses</u>				
Depreciation of property, plant and equipment	563,837	504,156	1,137,771	1,003,180
Amortisation of intangible assets	913,719	869,764	1,826,914	1,739,352
Rental of premises	507,674	469,291	999,910	947,689
Software and hardware maintenance	937,849	831,250	1,884,462	1,643,737
Rental of equipment and network line	270,486	193,772	536,607	355,141
Security expenses	71,944	67,156	142,206	139,667
Others	426,142	414,688	1,018,971	859,156
	3,691,651	3,350,077	7,546,841	6,687,922
<u>Marketing expenses</u>				
Advertising and promotional activities	51,028	162,836	105,611	278,064
Entertainment expenses	12,271	12,471	20,094	55,659
Travelling expenses	165,147	89,679	215,424	182,965
Others	195	-	507	-
	228,641	264,986	341,636	516,688
<u>Administration and general expenses</u>				
License and association fees and levies	106,650	61,465	205,309	155,346
Travelling, transport and accommodation expenses	107,723	70,597	140,329	98,167
Printing, stationery, postage and clearing charges	47,319	68,167	117,109	185,260
Telecommunication charges	132,037	112,091	293,752	250,846
Shariah Committee remunerations	85,596	95,984	85,596	169,484
Electricity and water	48,913	68,359	139,868	130,539
Directors related fees	90,867	119,316	198,968	289,655
Other professional fees	44,972	48,713	114,029	88,171
Auditors remuneration	37,500	25,000	75,000	81,500
Donations	12,000	-	12,000	-
Others	288,786	26,345	367,270	64,492
	1,002,363	696,037	1,749,230	1,513,460
	4,922,655	4,311,100	9,637,707	8,718,070

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20. Financial risk management**20.1 Credit risk management**

(i) Financing and advances

Financing and advances are summarised as follows:

	<u>Economic Entity and Bank</u>	
	<u>30.06.2011</u>	<u>31.12.2010</u>
	RM	RM
Neither past due nor impaired	542,470,531	710,218,074
Past due but not impaired	126,147,530	5,073,986
Impaired	58,701,823	53,107,215
Gross financing and advances	727,319,884	768,399,275
Less: Individual allowance	(36,153,673)	(34,657,214)
Collective allowance	(10,934,043)	(12,713,033)
Net financing and advances	<u>680,232,168</u>	<u>721,029,028</u>

Financing and advances neither past due nor impaired

Analysis of financing and advances that are neither past due nor impaired analysed based on the Bank's internal credit grading system is as follows:

	<u>30.06.2011</u>	<u>31.12.2010</u>
	RM	RM
Non-rated	542,470,531	710,218,074
	<u>542,470,531</u>	<u>710,218,074</u>

Financing and advances past due but not impaired

Analysis of aging of financing and advances that are past due but not impaired is as follows:

	<u>30.06.2011</u>	<u>31.12.2010</u>
	RM	RM
Past due up to 30 days	120,804,177	5,073,986
Past due 30 to 60 days	3,071,058	-
Past due 60 to 90 days	2,991,572	-
	<u>126,866,807</u>	<u>5,073,986</u>
Fair value of collateral	<u>98,562,707</u>	<u>2,500,000</u>

Financing and advances that are individually determined to be impaired are as follows:

	<u>Balance</u>	<u>Fair value of collateral</u>
	RM	RM
<u>30.06.2011</u>		
Individually impaired financing	<u>58,701,823</u>	<u>68,840,000</u>
<u>31.12.2010</u>		
Individually impaired financing	<u>53,107,215</u>	<u>18,450,000</u>

The movements of allowances for impaired financing and advances are set out in Note 6 (ix).

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20. Financial risk management (continued)**20.1 Credit risk management (continued)**

- (ii) Short term funds, financial assets and investments portfolios

Short term funds, financial assets and investments portfolios are summarised as follows:

<u>Economic Entity and Bank</u>	<u>Short term funds</u>	<u>Financial assets/ investments portfolios</u>	<u>Other assets</u>
<u>30.06.2011</u>			
Neither past due nor impaired	<u>1,017,871,292</u>	<u>883,790,488</u>	<u>6,075,220</u>
<u>31.12.2010</u>			
Neither past due nor impaired	<u>1,141,899,564</u>	<u>1,033,189,750</u>	<u>16,681,028</u>

- (a) Short term funds, financial assets and investments portfolios for the Bank by rating agency designation are as follows:

<u>Economic Entity and Bank</u>	<u>Short term funds</u>	<u>Financial assets/ investments portfolios</u>
<u>30.06.2011</u>		
AAA	888,390,419	192,834,382
AA and below	3,987,767	55,229,657
P1	-	19,966,600
Unrated	130,230,789	800,529,726
Bank Guaranteed	-	-
	<u>1,022,608,976</u>	<u>1,068,560,365</u>
<u>31.12.2010</u>		
AAA	1,062,120,376	187,107,167
AA and below	85,892,449	54,656,375
P1	-	3,967,080
Unrated	-	798,270,082
Bank Guaranteed	-	-
	<u>1,148,012,825</u>	<u>1,044,000,704</u>

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20. Financial risk management (continued)**20.2 Market risk**

(i) Profit Rate Risk

<-----Non-trading book----->

<u>Economic entity</u>	Up to 1 months	1-3 months	3-12 months	1-5 years	Over 5 years	Non-profit sensitive	Trading book	Total	Effective profit rate
30.06.2011	RM	RM	RM	RM	RM	RM	RM	RM	%
<u>Assets</u>									
Cash and short term funds	1,017,871,292	-	-	-	-	7,633,578	-	1,025,504,870	2.79
Financial assets held-for-trading	-	-	-	-	-	-	19,966,600	19,966,600	0.92
Financial investments available-for-sale	-	-	39,618,756	114,543,999	13,556,025	1,911,063	-	169,629,843	3.65
Financial investments held-to-maturity	-	-	50,330,000	99,707,118	-	1,686,396	-	151,723,514	3.31
Financing and advances									
- performing	119,176,429	81,843,050	94,475,652	150,483,567	222,639,363	(47,087,717)	-	621,530,344	5.84
- non performing	-	-	-	-	-	58,701,824	-	58,701,824	-
Other assets	-	-	-	-	-	6,075,220	-	6,075,220	-
Statutory deposits	-	-	-	-	-	9,233,975	-	9,233,975	-
Investment in jointly controlled entity	-	-	-	-	14,485,620	-	-	14,485,620	-
Advance to jointly controlled entity	-	-	-	-	-	-	-	-	-
Deferred taxation assets	-	-	-	-	-	-	-	-	-
Property and equipment	-	-	-	-	-	4,323,679	-	4,323,679	-
Intangible assets	-	-	-	-	-	6,733,750	-	6,733,750	-
Total assets	1,137,047,720	81,843,050	184,424,408	364,734,684	250,681,008	49,211,768	19,966,600	2,087,909,239	

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ASIAN FINANCE BANK BERHAD

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20. Financial risk management (continued)

20.2 Market risk (continued)

(i) Profit Rate Risk

<u>Economic entity</u> 30.06.2011	<-----Non-trading book----->							Effective profit rate	
	Up to 1 months	1-3 months	3-12 months	1-5 years	Over 5 years	Non-profit sensitive	Trading book		Total
	RM	RM	RM	RM	RM	RM	RM	RM	%
<u>Liabilities</u>									
Deposits from customers	823,375,183	98,079,976	13,444,985	-	-	1,404,946	-	936,305,090	2.48
Deposits and placements of banks and other financial institutions	260,223,164	289,698,351	109,332,581	-	-	4,316,131	-	663,570,227	2.73
Other liabilities						12,849,574		12,849,574	-
Total liabilities	1,083,598,347	387,778,327	122,777,566	-	-	18,570,651	-	1,612,724,891	
Total shareholders' equity	-	-	-	-	475,184,348	-	-	475,184,348	-
	1,083,598,347	387,778,327	122,777,566	-	475,184,348	18,570,651	-	2,087,909,239	
Total profit-sensitivity gap	53,449,374	(305,935,277)	61,646,842	364,734,684	(224,503,340)	30,641,117	19,966,600	(0)	

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20. Financial risk management (continued)

20.2 Market risk (continued)

(i) Profit Rate Risk

<-----Non-trading book----->

<u>Economic entity</u>	<u>Up to 1 months</u>	<u>1-3 months</u>	<u>3-12 months</u>	<u>1-5 years</u>	<u>Over 5 years</u>	<u>Non-profit sensitive</u>	<u>Trading book</u>	<u>Total</u>	<u>Effective profit rate</u>
31.12.2010		RM	RM	RM	RM	RM	RM	RM	%
Assets									
Cash and short term funds	1,141,383,801	-	-	-	-	6,629,024	-	1,148,012,825	2.51
Financial assets									
held-for-trading	-	-	-	-	-	484,043	117,156,930	117,640,973	-
Financial investments									
available-for-sale	-	-	-	78,830,266	14,610,008	932,425	-	94,372,699	3.98
Financial investments									
held-to-maturity	-	15,000,000	-	94,672,723	-	1,285,281	-	110,958,004	3.24
Financing and advances									
- performing	30,528,043	122,137,985	162,714,154	75,228,910	324,682,969	(47,370,247)	-	667,921,814	6.19
- non performing	-	-	-	-	-	53,107,214	-	53,107,214	-
Other assets	-	-	-	-	-	16,681,028	-	16,681,028	-
Statutory deposits	-	-	-	-	-	4,951,715	-	4,951,715	-
Investment in jointly controlled entity	-	-	-	-	15,089,958	-	-	15,089,958	-
Advances to jointly controlled entity	-	-	-	-	-	-	-	-	-
Deferred taxation assets	-	-	-	-	-	-	-	-	-
Property and equipment	-	-	-	-	-	4,381,280	-	4,381,280	-
Intangible assets	-	-	-	-	-	8,044,089	-	8,044,089	-
Total assets	1,171,911,844	137,137,985	162,714,154	248,731,899	354,382,935	49,125,852	117,156,930	2,241,161,599	

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20. Financial risk management (continued)

20.2 Market risk (continued)

(i) Profit Rate Risk

<-----Non-trading book----->

<u>Economic entity</u>	Up to 1 months	1-3 months	3-12 months	1-5 years	Over 5 years	Non-profit sensitive	Trading book	Total	Effective profit rate
31.12.2010	RM	RM	RM	RM	RM	RM	RM	RM	%
<u>Liabilities</u>									
Deposits from customers	788,941,151	104,566,778	229,982,863	-	-	2,226,935	-	1,125,717,727	2.32
Deposits and placements of banks and other financial institutions	299,980,736	273,460,692	135,468,831	-	-	2,707,477	-	711,617,736	2.54
Other liabilities	-	-	-	-	-	20,491,881	-	20,491,881	-
Total liabilities	1,088,921,887	378,027,470	365,451,694	-	-	25,426,293	-	1,857,827,344	
Total shareholders' equity	-	-	-	-	383,334,255	-	-	383,334,255	
	1,088,921,887	378,027,470	365,451,694	-	383,334,255	25,426,293	-	2,241,161,599	
Total profit-sensitivity gap	82,989,957	(240,889,485)	(202,737,540)	248,731,899	(28,951,320)	23,699,559	117,156,930	-	

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20. Financial risk management (continued)**20.2 Market risk (continued)**

(i) Profit Rate Risk

<-----Non-trading book----->

Bank	Up to 1 months	1-3 months	3-12 months	1-5 years	Over 5 years	Non-profit sensitive	Trading book	Total	Effective profit rate
30.06.2011		RM	RM	RM	RM	RM	RM	RM	%
Assets									
Cash and short term funds	1,017,871,292	-	-	-	-	7,633,578	-	1,025,504,870	2.79
Deposits and placements with financial institutions	-	-	-	-	-	-	-	-	-
Financial assets held-for-trading	-	-	-	-	-	-	19,966,600	19,966,600	0.92
Financial investment available-for-sale	-	-	39,618,756	114,543,999	13,556,025	1,911,063	-	169,629,843	3.65
Financial investments held-to-maturity	-	-	50,330,000	99,707,118	-	1,686,396	-	151,723,514	3.31
Financing and advances	-	-	-	-	-	-	-	-	-
- performing	119,176,429	81,843,050	94,475,652	150,483,567	222,639,363	(47,087,717)	-	621,530,344	5.84
- non performing	-	-	-	-	-	58,701,824	-	58,701,824	-
Other assets	-	-	-	-	-	6,075,220	-	6,075,220	-
Statutory deposits	-	-	-	-	-	9,233,975	-	9,233,975	-
Investment in jointly controlled entity	-	-	-	-	16,222,255	-	-	16,222,255	-
Advances to jointly controlled entity	-	-	-	-	-	-	-	-	-
Deferred taxation assets	-	-	-	-	-	-	-	-	-
Property and equipment	-	-	-	-	-	4,323,679	-	4,323,679	-
Intangible assets	-	-	-	-	-	6,733,750	-	6,733,750	-
Total assets	1,137,047,721	81,843,050	184,424,408	364,734,684	252,417,643	49,211,768	19,966,600	2,089,645,874	

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20. Financial risk management (continued)

20.2 Market risk (continued)

(i) Profit Rate Risk

<-----Non-trading book----->

Bank	Up to 1 months	1-3 months	3-12 months	1-5 years	Over 5 years	Non-profit sensitive	Trading book	Total	Effective profit rate
30.06.2011		RM	RM	RM	RM	RM	RM	RM	%
Liabilities									
Deposits from customers	823,375,183	98,079,976	13,444,985	-	-	1,404,946	-	936,305,090	2.48
Deposits and placements of banks and other financial institutions	260,223,164	289,698,351	109,332,581	-	-	4,316,131	-	663,570,227	2.73
Other liabilities	-	-	-	-	-	12,849,574	-	12,849,574	-
Total liabilities	1,083,598,347	387,778,327	122,777,566	-	-	18,570,651	-	1,612,724,891	
Total shareholders' equity	-	-	-	-	476,920,983	-	-	476,920,983	
	1,083,598,347	387,778,327	122,777,566	-	476,920,983	18,570,651	-	2,089,645,874	
Total profit-sensitivity gap	53,449,374	(305,935,277)	61,646,842	364,734,684	(224,503,340)	30,641,117	19,966,600	(0)	

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20. Financial risk management (continued)

20.2 Market risk (continued)

(i) Profit Rate Risk

<-----Non-trading book----->

<u>Bank</u>	<u>Up to 1</u>	<u>1-3</u>	<u>3-12</u>	<u>1-5</u>	<u>Over 5</u>	<u>Non-profit</u>	<u>Trading</u>	<u>Total</u>	<u>Effective</u>
31.12.2010	<u>months</u>	<u>months</u>	<u>months</u>	<u>years</u>	<u>years</u>	<u>sensitive</u>	<u>book</u>	<u>RM</u>	<u>profit</u>
		RM	RM	RM	RM	RM	RM	RM	%
<u>Assets</u>									
Cash and short term funds	1,141,383,801	-	-	-	-	6,629,024	-	1,148,012,825	2.51
Financial assets									
held-for-trading	-	-	-	-	-	484,043	117,156,930	117,640,973	-
Financial investments									
available-for-sale	-	-	-	78,830,266	14,610,008	932,425	-	94,372,699	3.98
Financial investments									
held-to-maturity	-	15,000,000	-	94,672,723	-	1,285,281	-	110,958,004	3.24
Financing and advances									
- performing	30,528,043	122,137,985	162,714,154	75,228,910	324,682,969	(47,370,247)	-	667,921,814	6.19
- non performing	-	-	-	-	-	53,107,214	-	53,107,214	-
Other assets	-	-	-	-	-	16,681,028	-	16,681,028	-
Statutory deposits	-	-	-	-	-	4,951,715	-	4,951,715	-
Investment in jointly									
controlled entity	-	-	-	-	16,222,255	-	-	16,222,255	-
Advances to jointly									
controlled entity	-	-	-	-	-	-	-	-	-
Deferred taxation assets	-	-	-	-	-	-	-	-	-
Property and equipment	-	-	-	-	-	4,381,280	-	4,381,280	-
Intangible assets	-	-	-	-	-	8,044,089	-	8,044,089	-
	-	-	-	-	-	-	-	-	-
Total assets	1,171,911,844	137,137,985	162,714,154	248,731,899	355,515,232	49,125,852	117,156,930	2,242,293,896	

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20. Financial risk management (continued)

20.2 Market risk (continued)

(i) Profit Rate Risk

<-----Non-trading book----->

<u>Bank</u>	<u>Up to 1</u>	<u>1-3</u>	<u>3-12</u>	<u>1-5</u>	<u>Over 5</u>	<u>Non-profit</u>	<u>Trading</u>	<u>Total</u>	<u>Effective</u>
31.12.2010	months	months	months	years	years	sensitive	book	RM	profit
		RM	RM	RM	RM	RM	RM	RM	rate
									%
<u>Liabilities</u>									
Deposits from customers	788,941,151	104,566,778	229,982,863	-	-	2,226,935	-	1,125,717,727	2.32
Deposits and placements of banks and other financial institutions	299,980,736	273,460,692	135,468,831	-	-	2,707,477	-	711,617,736	2.54
Other liabilities	-	-	-	-	-	20,491,881	-	20,491,881	-
Total liabilities	1,088,921,887	378,027,470	365,451,694	-	-	25,426,293	-	1,857,827,344	
Total shareholders' equity					384,466,552			384,466,552	
	1,088,921,887	378,027,470	365,451,694	-	384,466,552	25,426,293	-	2,242,293,896	
Total profit-sensitivity gap	82,989,957	(240,889,485)	(202,737,540)	248,731,899	(28,951,320)	23,699,559	117,156,930	-	

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20. Financial risk management (continued)**20.2 Market risk (continued)**

(ii) Foreign Exchange Risk

Economic entity At 30 June 2011	USD	GBP	EUR	SGD	THB	JPY	KWD	BHD	SAR	NZD	AUD	QAR	IDR	AED	CHF	MYR	Total
Assets																	
Cash and short-term funds	988,209	103,964	227,431	44,829	55,809	51,046	65,831	31,241	82,483	259,367	376,568	3,756	20,664	1,464,242	221,873	1,021,507,557	1,025,504,870
Securities held-for-trading	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,966,600	19,966,600
Securities available-for-sale	73,307,011	-	-	-	-	-	-	-	-	-	-	-	-	-	-	96,322,832	169,629,843
Securities-held-to-maturity	55,309,134	-	-	-	-	-	-	-	-	-	-	-	-	-	-	96,414,380	151,723,514
Financing and advances	175,127,351	-	-	-	-	-	-	-	-	-	-	-	-	-	-	505,104,817	680,232,168
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,075,220	6,075,220
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,233,975	9,233,975
Investment in jointly controlled entity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,485,620	14,485,620
Advances to jointly controlled entity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,323,679	4,323,679
Intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,733,750	6,733,750
Total Assets	304,731,704	103,964	227,431	44,829	55,809	51,046	65,831	31,241	82,483	259,367	376,568	3,756	20,664	1,464,242	221,873	1,780,168,431	2,087,909,239
Liabilities																	
Deposits from customers	730,974	24,130	71,235	4,511	-	-	-	-	-	-	-	-	-	1,295,014	-	934,179,225	936,305,090
Deposits and placements of banks and other financial institutions	108,301,017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	555,269,210	663,570,227
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,849,574	12,849,574
Total Liabilities	109,031,992	24,130	71,235	4,511	-	-	-	-	-	-	-	-	-	1,295,014	-	1,502,298,010	1,612,724,891
Net on-balance sheet financial position	195,699,712	79,834	156,196	40,318	55,809	51,046	65,831	31,241	82,483	259,367	376,568	3,756	20,664	169,227	221,873	277,870,422	475,184,348

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20. Financial risk management (continued)**20.2 Market risk (continued)**

(ii) Foreign Exchange Risk

Economic entity

At 31 December 2010	USD	GBP	EUR	SGD	THB	JPY	KWD	BHD	SAR	NZD	AUD	QAR	IDR	AED	CHF	MYR	Total
Assets																	
Cash and short-term funds	1,542,461	28,521	211,560	29,778	58,117	49,801	65,683	32,062	84,219	246,084	329,820	3,836	27,723	188,761	203,289	1,144,911,110	1,148,012,825
Financial investments held-for-trading	3,391,850	-	-	-	-	-	-	-	-	-	-	-	-	-	-	114,249,123	117,640,973
Financial investments available-for-sale	73,173,074	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,199,625	94,372,699
Financial investments-held-to-maturity	54,656,375	-	-	-	-	-	-	-	-	-	-	-	-	-	-	56,301,629	110,958,004
Financing and advances	185,473,023	-	-	-	-	-	-	-	-	-	-	-	-	-	-	535,556,005	721,029,028
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,681,028	16,681,028
Statutory deposits with BNM	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,951,715	4,951,715
Investment in jointly controlled entity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,089,958	15,089,958
Property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,381,280	4,381,280
Intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,044,089	8,044,089
Total Assets	318,236,783	28,521	211,560	29,778	58,117	49,801	65,683	32,062	84,219	246,084	329,820	3,836	27,723	188,761	203,289	1,921,365,563	2,241,161,599
Liabilities																	
Deposits from customers	3,027,676	23,878	66,552	2,352	-	-	-	-	-	-	-	-	-	63,275	-	1,122,533,994	1,125,717,727
Deposits and placements of banks and other financial institutions	132,372,763	-	-	-	-	-	-	-	-	-	-	-	-	-	-	579,244,973	711,617,736
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,491,881	20,491,881
Total Liabilities	135,400,439	23,878	66,552	2,352	-	-	-	-	-	-	-	-	-	63,275	-	1,722,270,848	1,857,827,344
Net on-balance sheet financial position	182,836,344	4,643	145,009	27,426	58,117	49,801	65,683	32,062	84,219	246,084	329,820	3,836	27,723	125,486	203,289	199,094,715	383,334,255

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20. Financial risk management (continued)**20.2 Market risk (continued)**

(ii) Foreign Exchange Risk

Bank																	
At 30 June 2011	USD	GBP	EUR	SGD	THB	JPY	KWD	BHD	SAR	NZD	AUD	QAR	IDR	AED	CHF	MYR	Total
Assets																	
Cash and short-term funds	988,209	103,964	227,431	44,829	55,809	51,046	65,831	31,241	82,483	259,367	376,568	3,756	20,664	1,464,242	221,873	1,021,507,557	1,025,504,870
Securities held-for-trading	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,966,600	19,966,600
Securities available-for-sale	73,307,011	-	-	-	-	-	-	-	-	-	-	-	-	-	-	96,322,832	169,629,843
Securities-held-to-maturity	55,309,134	-	-	-	-	-	-	-	-	-	-	-	-	-	-	96,414,380	151,723,514
Financing and advances	175,127,351	-	-	-	-	-	-	-	-	-	-	-	-	-	-	505,104,817	680,232,168
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,075,220	6,075,220
Statutory deposits with BNM	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,233,975	9,233,975
Investment in jointly controlled entity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,222,255	16,222,255
Advances to jointly controlled entity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,323,679	4,323,679
Intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,733,750	6,733,750
Total Assets	304,731,704	103,964	227,431	44,829	55,809	51,046	65,831	31,241	82,483	259,367	376,568	3,756	20,664	1,464,242	221,873	1,781,905,066	2,089,645,874
Liabilities																	
Deposits from customers	730,974	24,130	71,235	4,511	-	-	-	-	-	-	-	-	-	1,295,014	-	934,179,225	936,305,090
Deposits and placements of banks & other financial institution	108,301,017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	555,269,210	663,570,227
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,849,574	12,849,574
Total Liabilities	109,031,991	24,130	71,235	4,511	-	-	-	-	-	-	-	-	-	1,295,014	-	1,502,298,010	1,612,724,891
Net on-balance sheet financial position	195,699,713	79,834	156,196	40,318	55,809	51,046	65,831	31,241	82,483	259,367	376,568	3,756	20,664	169,227	221,873	279,607,057	476,920,983

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20. Financial risk management (continued)**20.2 Market risk (continued)**

(ii) Foreign Exchange Risk

Bank At 31 December 2010	USD	GBP	EUR	SGD	THB	JPY	KWD	BHD	SAR	NZD	AUD	QAR	IDR	AED	CHF	MYR	Total
Assets																	
Cash and short-term funds	1,542,461	28,521	211,560	29,778	58,117	49,801	65,683	32,062	84,219	246,084	329,820	3,836	27,723	188,761	203,289	1,144,911,110	1,148,012,825
Financial investments held-for-trading	3,391,850	-	-	-	-	-	-	-	-	-	-	-	-	-	-	114,249,123	117,640,973
Financial investments available-for-sale	73,173,074	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,199,625	94,372,699
Financial investments-held-to-maturity	54,656,375	-	-	-	-	-	-	-	-	-	-	-	-	-	-	56,301,629	110,958,004
Financing and advances	185,473,023	-	-	-	-	-	-	-	-	-	-	-	-	-	-	535,556,005	721,029,028
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,681,028	16,681,028
Statutory deposits with BNM	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,951,715	4,951,715
Investment in jointly controlled entity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,222,255	16,222,255
Property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,381,280	4,381,280
Intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,044,089	8,044,089
Total Assets	318,236,783	28,521	211,560	29,778	58,117	49,801	65,683	32,062	84,219	246,084	329,820	3,836	27,723	188,761	203,289	1,922,497,859	2,242,293,896
Liabilities																	
Deposits from customers	3,027,676	23,878	66,552	2,352	-	-	-	-	-	-	-	-	-	63,275	-	1,122,533,994	1,125,717,727
Deposits and placements of banks and other financial institutions	132,372,763	-	-	-	-	-	-	-	-	-	-	-	-	-	-	579,244,973	711,617,736
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,491,881	20,491,881
Total Liabilities	135,400,439	23,878	66,552	2,352	-	-	-	-	-	-	-	-	-	63,275	-	1,722,270,848	1,857,827,344
Net on-balance sheet financial position	182,836,345	4,643	145,009	27,426	58,117	49,801	65,683	32,062	84,219	246,084	329,820	3,836	27,723	125,486	203,289	200,227,011	384,466,552

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21. Capital adequacy

	<u>Economic Entity</u>	
	<u>30.06.2011</u>	<u>31.12.2010</u>
	<u>RM</u>	<u>RM</u>
<u>Tier I Capital</u>		
Paid-up ordinary share capital	532,530,020	443,775,020
Accumulated losses	(56,904,026)	(56,904,026)
	475,625,994	386,870,994
Less :		
Deferred tax assets	-	-
Total Tier I capital	475,625,994	386,870,994
<u>Tier II Capital</u>		
Collective impairment/allowance for bad and doubtful financing ^	10,595,821	12,436,283
Total Tier II capital	10,595,821	12,436,283
Total capital base	486,221,815	399,307,277
<u>Capital ratios</u>		
Inclusive of market risk :		
Core capital ratio (inclusive of market risk)	51.79%	45.18%
Risk-weighted capital ratio (inclusive of market risk)	52.94%	46.63%

^ Excludes collective assessment impairment allowance attributable to financing and advances classified as impaired but not individually assessed for impairment pursuant to BNM's Guideline on "Classification and impairment Provisions for Loans/Financing" issued on 8 January 2010 and subsequently updated on 26 January 2010 and 17 December 2010.

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21. Capital adequacy (continued)

	<u>Bank</u>	
	<u>30.06.2011</u>	<u>31.12.2010</u>
	<u>RM</u>	<u>RM</u>
<u>Tier I Capital</u>		
Paid-up ordinary share capital	532,530,020	443,775,020
Accumulated losses	(55,771,729)	(55,771,729)
	<u>476,758,291</u>	<u>388,003,291</u>
Less :		
Deferred tax assets	-	-
Total Tier I capital	<u>476,758,291</u>	<u>388,003,289</u>
<u>Tier II Capital</u>		
Collective impairment/allowance for bad and doubtful financing ^	<u>10,595,821</u>	<u>12,436,283</u>
Total Tier II capital	<u>10,595,821</u>	<u>12,436,283</u>
Total capital base	<u>487,354,111</u>	<u>400,439,574</u>
<u>Capital ratios</u>		
Inclusive of market risk :		
Core capital ratio (inclusive of market risk)	51.70%	45.17%
Risk-weighted capital ratio (inclusive of market risk)	<u>52.85%</u>	<u>46.61%</u>

^ Excludes collective assessment impairment allowance attributable to financing and advances classified as impaired but not individually assessed for impairment pursuant to BNM's Guideline on "Classification and impairment Provisions for Loans/Financing" issued on 8 January 2010 and subsequently updated on 26 January 2010 and 17 December 2010.

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21. Capital adequacy (continued)**Economic entity****30.06.2011****Exposure Class****Credit Risk*****On-Balance Sheet Exposures***

Sovereigns & Central Banks

Banks, MDBs and FDIs

Corporates

Regulatory Retail

Other Assets

Total for On-Balance Sheet Exposures

Off-Balance Sheet Exposures

Off balance sheet exposures other than OTC derivatives or credit derivatives

Total for Off-Balance Sheet Exposures

Total On and Off-Balance Sheet Exposures

Market Risk

Benchmark Rate Risk

Equity Position Risk

Foreign Currency Risk

Operational Risk

Total RWA and Capital Requirements

<u>Exposure Class</u>	<u>Gross Exposures</u> RM'000	<u>Net Exposures</u> RM'000	<u>Risk Weighted Assets</u> RM'000	<u>Risk Weighted Assets Absorbed by PSIA</u> RM'000	<u>Total Risk Weighted Assets after effects of PSIA</u> RM'000	<u>Capital Requirements</u> RM'000
<u>Credit Risk</u>						
<i>On-Balance Sheet Exposures</i>						
Sovereigns & Central Banks	89,949	89,949	-	-	-	-
Banks, MDBs and FDIs	100,642	100,642	37,870	-	37,870	3,030
Corporates	785,849	785,849	641,237	-	641,237	51,299
Regulatory Retail	52,449	52,449	42,383	-	42,383	3,391
Other Assets	14,486	14,486	21,729	-	21,729	1,738
Total for On-Balance Sheet Exposures	1,043,375	1,043,375	743,219	-	743,219	59,458
<i>Off-Balance Sheet Exposures</i>						
Off balance sheet exposures other than OTC derivatives or credit derivatives	521,433	108,294	102,359	-	102,359	8,189
Total for Off-Balance Sheet Exposures	521,433	108,294	102,359	-	102,359	8,189
Total On and Off-Balance Sheet Exposures	1,564,808	1,151,669	845,578	-	845,578	67,646
<u>Market Risk</u>						
Benchmark Rate Risk	-	625	625	-	625	50
Equity Position Risk	-	-	-	-	-	-
Foreign Currency Risk	-	3,411	3,411	-	3,411	273
Operational Risk	3,411	-	68,772	-	68,772	5,502
Total RWA and Capital Requirements	1,568,219	1,155,705	918,386	-	918,386	73,471

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21. Capital adequacy (continued)**Economic entity - 30.06.2011**

Disclosures on Risk Weights - Expressed in nearest RM thousand (RM'000)

Risk Weights	Sovereigns & Central Banks		Banks, MDBs and FDIs		Insurance Companies, Securities Firms & Fund Managers		Corporates	
	Exposures after Netting & CRM	<i>Risk Weighted Asset</i>	Exposures after Netting & CRM	<i>Risk Weighted Asset</i>	Exposures after Netting & CRM	<i>Risk Weighted Asset</i>	Exposures after Netting & CRM	<i>Risk Weighted Asset</i>
Performing Exposures								
0%	89,949	-	-	-	-	-	-	-
20%	-	-	48,698	9,740	-	-	174,333	34,867
50%	-	-	59,138	29,569	-	-	57,050	28,525
75%	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	602,774	602,774
150%	-	-	-	-	-	-	33,523	50,285
Total	89,949	-	107,835	39,308	-	-	867,680	716,450
Defaulted Exposures								
50%	-	-	-	-	-	-	2,500	1,250
100%	-	-	-	-	-	-	250	250
150%	-	-	-	-	-	-	15,736	23,604
Total	-	-	-	-	-	-	18,486	25,104
Total Performing and Defaulted	89,949	-	107,835	39,308	-	-	886,166	741,554

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21. Capital adequacy (continued)

Economic entity - 30.06.2011

Disclosures on Risk Weights - Expressed in nearest RM thousand (RM'000)

Risk Weights	Regulatory Retail		Other Assets		Total Exposure	Total Risk Weighted Assets
	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset		
Performing Exposures						
0%	-	-	-	-	89,949	-
20%	-	-	-	-	223,031	44,606
50%	-	-	-	-	116,188	58,094
75%	49,149	36,862	-	-	49,149	36,862
100%	-	-	-	-	602,774	602,774
150%	-	-	-	-	33,523	50,285
Total	49,149	36,862	-	-	1,114,613	792,620
Defaulted Exposures						
50%	-	-	-	-	2,500	1,250
100%	-	-	-	-	250	250
150%	4,083	6,125	14,486	21,729	34,305	51,458
Total	4,083	6,125	14,486	21,729	37,055	52,958
Total Performing and Defaulted	53,232	42,986	14,486	21,729	1,151,668	845,578

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21. Capital adequacy (continued)

Geographic Distribution of Gross Credit Exposures

Economic entity

30.06.2011

Exposure Class

Gross Credit Exposures

On-Balance Sheet Exposures

Sovereigns & Central Banks

Banks, MDBs and FDIs

Corporates

Regulatory Retail

Other Assets

Total for On-Balance Sheet Exposures

Off-Balance Sheet Exposures

Off balance sheet exposures other than OTC derivatives or credit derivatives

Total for Off-Balance Sheet Exposures

Total On and Off-Balance Sheet Exposures

	<u>Inside Malaysia</u> RM'000	<u>Outside Malaysia</u> RM'000	<u>Total</u> RM'000
	50,330	-	50,330
	41,504	59,138	100,642
	669,283	156,185	825,466
	51,892	556	52,448
	14,486	-	14,486
	<u>827,495</u>	<u>215,877</u>	<u>1,043,372</u>
	520,766	666	521,432
	<u>520,766</u>	<u>666</u>	<u>521,432</u>
	<u>1,348,261</u>	<u>216,543</u>	<u>1,564,804</u>

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21. Capital adequacy (continued)

Contractual Maturity of Gross Credit Exposures

Economic entity

30.06.2011

Exposure Class

Gross Credit Exposures

On-Balance Sheet Exposures

Sovereigns & Central Banks

Banks, MDBs and FDIs

Corporates

Regulatory Retail

Other Assets

Total for On-Balance Sheet Exposures

Off-Balance Sheet Exposures

Off balance sheet exposures other than OTC derivatives or credit derivatives

Total for Off-Balance Sheet Exposures

Total On and Off-Balance Sheet Exposures

	<u>One Year or Less</u>	<u>Over One Year to Five Years</u>	<u>Over Five Years</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
Sovereigns & Central Banks	50,330	-	-	50,330
Banks, MDBs and FDIs	-	59,138	41,504	100,642
Corporates	373,371	263,201	188,894	825,466
Regulatory Retail	194	884	51,370	52,448
Other Assets	-	-	14,486	14,486
Total for On-Balance Sheet Exposures	423,895	323,223	296,254	1,043,372
Off balance sheet exposures other than OTC derivatives or credit derivatives	458,505	59,429	3,498	521,432
Total for Off-Balance Sheet Exposures	458,505	59,429	3,498	521,432
Total On and Off-Balance Sheet Exposures	882,400	382,652	299,752	1,564,804

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21. Capital adequacy (continued)

<u>Economic entity</u> 31.12.2010				<u>Risk</u> <u>Weighted</u> <u>Assets</u> <u>Absorbed</u> <u>by PSIA</u> RM'000	<u>Total Risk</u> <u>Weighted</u> <u>Assets after</u> <u>effects of PSIA</u> RM'000	<u>Capital</u> <u>Requirements</u> RM'000
<u>Exposure Class</u>	<u>Gross Exposures</u> RM'000	<u>Net</u> <u>Exposures</u> RM'000	<u>Risk</u> <u>Weighted</u> <u>Assets</u> RM'000			
<u>Credit Risk</u>						
<i>On-Balance Sheet Exposures</i>						
Sovereigns & Central Banks	64,987	64,987	-	-	-	-
Banks, MDBs and FDIs	103,794	103,794	38,328	-	38,328	3,066
Corporates	849,353	849,353	661,728	-	661,728	52,938
Regulatory Retail	32,486	32,486	24,365	-	24,365	1,949
Other Assets	18,482	18,482	26,028	-	26,028	2,082
Total for On-Balance Sheet Exposures	1,069,102	1,069,102	750,449	-	750,449	60,036
<i>Off-Balance Sheet Exposures</i>						
Off balance sheet exposures other than OTC derivatives or credit derivatives	541,372	45,170	38,040	-	38,040	3,043
Total for Off-Balance Sheet Exposures	541,372	45,170	38,040	-	38,040	3,043
Total On and Off-Balance Sheet Exposures	1,610,474	1,114,272	788,489	-	788,489	63,079
<u>Market Risk</u>						
	Long Position	Short Position				
Benchmark Rate Risk	-	-	4,814	4,814	-	4,814
Equity Position Risk	-	-	-	-	-	-
Foreign Currency Risk	3,188	-	3,188	3,188	-	3,188
Operational Risk	-	-	-	59,861	-	59,861
Total RWA and Capital Requirements	1,613,662	-	1,122,274	856,352	-	856,352

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21. Capital adequacy (continued)

Economic entity - 31.12.2010

Disclosures on Risk Weights - Expressed in nearest RM thousand (RM'000)

Risk Weights	Sovereigns & Central Banks		Banks, MDBs and FDIs		Insurance Companies, Securities Firms & Fund Managers		Corporates	
	Exposures after Netting & CRM	<i>Risk Weighted Asset</i>	Exposures after Netting & CRM	<i>Risk Weighted Asset</i>	Exposures after Netting & CRM	<i>Risk Weighted Asset</i>	Exposures after Netting & CRM	<i>Risk Weighted Asset</i>
0%	64,987	-	-	-	-	-	-	-
20%	-	-	54,143	10,829	-	-	199,352	39,870
50%	-	-	58,563	29,282	-	-	57,696	28,848
75%	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	595,503	595,503
150%	-	-	-	-	-	-	14,610	21,915
Total	64,987	-	112,706	40,110	-	-	867,161	686,136
Defaulted Exposures								
50%	-	-	-	-	-	-	15,700	7,850
100%	-	-	-	-	-	-	250	250
150%	-	-	-	-	-	-	2,500	3,750
Total	-	-	-	-	-	-	18,450	11,850
Total Performing and Defaulted	64,987	-	112,706	40,110	-	-	885,611	697,986

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21. Capital adequacy (continued)

Economic entity - 31.12.2010

Disclosures on Risk Weights - Expressed in nearest RM thousand (RM'000)

Risk Weights	Regulatory Retail		Other Assets		Total	Total Risk
	Exposures after Netting & CRM	<i>Risk Weighted Asset</i>	Exposures after Netting & CRM	<i>Risk Weighted Asset</i>	Exposures after Netting & CRM	<i>Risk Weighted Asset</i>
Performing Exposures						
0%	-	-	-	-	64,987	-
20%	-	-	-	-	253,495	50,699
50%	-	-	-	-	116,259	58,130
75%	32,486	24,365	-	-	32,486	24,365
100%	-	-	3,392	3,392	598,895	598,895
150%	-	-	15,090	22,635	29,700	44,550
Total	32,486	24,365	18,482	26,027	1,095,822	776,639
Defaulted Exposures						
50%	-	-	-	-	15,700	7,850
100%	-	-	-	-	250	250
150%	-	-	-	-	2,500	3,750
Total	-	-	-	-	18,450	11,850
Total Performing and Defaulted	32,486	24,365	18,482	26,027	1,114,272	788,489

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ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR HALF YEAR ENDED 30 JUNE 2011

-PART A – EXPLANATORY NOTES PURSUANT TO GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKS (BNM GP8-I) ISSUED BY BANK NEGARA MALAYSIA

21. Capital adequacy (continued)

Contractual Maturity of Gross Credit Exposures

Economic entity

31.12.2010

Exposure Class

Gross Credit Exposures

On-Balance Sheet Exposures

Sovereigns & Central Banks

Banks, MDBs and FDIs

Corporates

Regulatory Retail

Other Assets

Total for On-Balance Sheet Exposures

Off-Balance Sheet Exposures

Off balance sheet exposures other than OTC derivatives or credit derivatives

Total for Off-Balance Sheet Exposures

Total On and Off-Balance Sheet Exposures

	<u>One Year or Less RM'000</u>	<u>Over One Year to Five Years RM'000</u>	<u>Over Five Years RM'000</u>	<u>Total RM'000</u>
	64,987	-	-	64,987
	-	58,563	45,231	103,794
	397,039	191,767	260,547	849,353
	569	921	30,996	32,486
	3,392	-	15,090	18,482
	<u>465,987</u>	<u>251,251</u>	<u>351,864</u>	<u>1,069,102</u>
	465,184	62,256	13,932	541,372
	<u>465,184</u>	<u>62,256</u>	<u>13,932</u>	<u>541,372</u>
	<u>931,171</u>	<u>313,507</u>	<u>365,796</u>	<u>1,610,474</u>

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-PART A – EXPLANATORY NOTES PURSUANT TO GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKS (BNM GP8-I) ISSUED BY BANK NEGARA MALAYSIA

21. Capital adequacy (continued)

<u>Bank</u> <u>30.06.2011</u>						
<u>Exposure Class</u>	<u>Gross Exposures</u> RM'000	<u>Net Exposures</u> RM'000	<u>Risk Weighted Assets</u> RM'000	<u>Risk Weighted Assets Absorbed by PSIA</u> RM'000	<u>Total Risk Weighted Assets after effects of PSIA</u> RM'000	<u>Capital Requirements</u> RM'000
<u>Credit Risk</u>						
<i>On-Balance Sheet Exposures</i>						
Sovereigns & Central Banks	89,949	89,949	-	-	-	-
Banks, MDBs and FDIs	100,642	100,642	37,870	-	37,870	3,030
Corporates	785,849	785,849	641,237	-	641,237	51,299
Regulatory Retail	52,449	52,449	42,383	-	42,383	3,391
Other Assets	16,222	16,222	24,333	-	24,333	1,947
Total for On-Balance Sheet Exposures	1,045,111	1,045,111	745,823	-	745,823	59,666
<i>Off-Balance Sheet Exposures</i>						
Off balance sheet exposures other than OTC derivatives or credit derivatives	521,433	108,294	102,359	-	102,359	8,189
Total for Off-Balance Sheet Exposures	521,433	108,294	102,359	-	102,359	8,189
Total On and Off-Balance Sheet Exposures	1,566,544	1,153,405	848,182	-	848,182	67,855
<u>Market Risk</u>						
	Long Position	Short Position				
Benchmark Rate Risk	-	-	625	625	625	50
Equity Position Risk	-	-	-	-	-	-
Foreign Currency Risk	-	-	3,411	3,411	3,411	273
Operational Risk	3,411	-	69,968	-	69,968	5,597
Total RWA and Capital Requirements	1,569,955	-	1,157,441	-	922,186	73,775

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21. Capital adequacy (continued)**Bank - 30.06.2011**

Disclosures on Risk Weights - Expressed in nearest RM thousand (RM'000)

Risk Weights	Sovereigns & Central Banks		Banks, MDBs and FDIs		Insurance Companies, Securities Firms & Fund Managers		Corporates	
	Exposures after Netting & CRM	<i>Risk Weighted Asset</i>	Exposures after Netting & CRM	<i>Risk Weighted Asset</i>	Exposures after Netting & CRM	<i>Risk Weighted Asset</i>	Exposures after Netting & CRM	<i>Risk Weighted Asset</i>
Performing Exposures								
0%	89,949	-	-	-	-	-	-	-
20%	-	-	48,698	9,740	-	-	174,333	34,867
50%	-	-	59,138	29,569	-	-	57,050	28,525
75%	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	602,774	602,774
150%	-	-	-	-	-	-	33,523	50,285
Total	89,949	-	107,835	39,308	-	-	867,680	716,450
Defaulted Exposures								
50%	-	-	-	-	-	-	2,500	1,250
100%	-	-	-	-	-	-	250	250
150%	-	-	-	-	-	-	15,736	23,604
Total	-	-	-	-	-	-	18,486	25,104
Total Performing and Defaulted	89,949	-	107,835	39,308	-	-	886,166	741,554

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NOTES TO THE FINANCIAL STATEMENTS

FOR HALF YEAR ENDED 30 JUNE 2011

-PART A – EXPLANATORY NOTES PURSUANT TO GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKS (BNM GP8-I) ISSUED BY BANK NEGARA MALAYSIA

21. Capital adequacy (continued)**Bank - 30.06.2011**

Disclosures on Risk Weights - Expressed in nearest RM thousand (RM'000)

Risk Weights	Regulatory Retail		Other Assets		Total Exposure	Total Risk Weighted Assets
	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset
Performing Exposures						
0%	-	-	-	-	89,949	-
20%	-	-	-	-	223,031	44,606
50%	-	-	-	-	116,188	58,094
75%	49,149	36,862	-	-	49,149	36,862
100%	-	-	-	-	602,774	602,774
150%	-	-	16,222	24,332	49,745	74,617
Total	49,149	36,862	16,222	24,332	1,130,836	816,953
Defaulted Exposures						
50%	-	-	-	-	2,500	1,250
100%	-	-	-	-	250	250
150%	4,083	6,125	-	-	19,819	29,729
Total	4,083	6,125	-	-	22,569	31,229
Total Performing and Defaulted	53,232	42,986	16,222	24,332	1,153,405	848,182

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NOTES TO THE FINANCIAL STATEMENTS

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-PART A – EXPLANATORY NOTES PURSUANT TO GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKS (BNM GP8-I) ISSUED BY BANK NEGARA MALAYSIA

21. Capital adequacy (continued)

Geographic Distribution of Gross Credit Exposures

Bank

30.06.2011

Exposure Class

Gross Credit Exposures

On-Balance Sheet Exposures

Sovereigns & Central Banks

Banks, MDBs and FDIs

Corporates

Regulatory Retail

Other Assets

Total for On-Balance Sheet Exposures

Off-Balance Sheet Exposures

Off balance sheet exposures other than OTC derivatives or credit derivatives

Total for Off-Balance Sheet Exposures

Total On and Off-Balance Sheet Exposures

	<u>Inside Malaysia</u>	<u>Outside Malaysia</u>	<u>Total</u>
	RM'000	RM'000	RM'000
Sovereigns & Central Banks	50,330	-	50,330
Banks, MDBs and FDIs	41,504	59,138	100,642
Corporates	669,283	156,184	825,467
Regulatory Retail	51,892	556	52,448
Other Assets	16,222	-	16,222
Total for On-Balance Sheet Exposures	829,231	215,878	1,045,109
<i>Off-Balance Sheet Exposures</i>			
Off balance sheet exposures other than OTC derivatives or credit derivatives	520,766	666	521,432
Total for Off-Balance Sheet Exposures	520,766	666	521,432
Total On and Off-Balance Sheet Exposures	1,349,997	216,544	1,566,541

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ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR HALF YEAR ENDED 30 JUNE 2011

-PART A – EXPLANATORY NOTES PURSUANT TO GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKS (BNM GP8-I) ISSUED BY BANK NEGARA MALAYSIA

21. Capital adequacy (continued)

Contractual Maturity of Gross Credit Exposures

<u>Bank</u>				
<u>30.06.2011</u>				
<u>Exposure Class</u>	<u>One Year or Less</u>	<u>Over One Year to Five Years</u>	<u>Over Five Years</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
<u>Gross Credit Exposures</u>				
<i>On-Balance Sheet Exposures</i>				
Sovereigns & Central Banks	50,330	-	-	50,330
Banks, MDBs and FDIs	-	59,138	41,504	100,642
Corporates	373,371	263,201	188,894	825,467
Regulatory Retail	194	884	51,370	52,448
Other Assets	-	-	16,222	16,222
Total for On-Balance Sheet Exposures	423,896	323,222	297,991	1,045,109
<i>Off-Balance Sheet Exposures</i>				
Off balance sheet exposures other than OTC derivatives or credit derivatives	458,505	59,429	3,498	521,432
Total for Off-Balance Sheet Exposures	458,505	59,429	3,498	521,432
Total On and Off-Balance Sheet Exposures	882,401	382,651	301,489	1,566,541

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FOR HALF YEAR ENDED 30 JUNE 2011

-PART A – EXPLANATORY NOTES PURSUANT TO GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKS (BNM GP8-I) ISSUED BY BANK NEGARA MALAYSIA

21. Capital adequacy (continued)

<u>Bank</u> <u>31.12.2010</u>				<u>Risk</u> <u>Weighted</u> <u>Assets</u> <u>Absorbed</u> <u>by PSIA</u> <u>RM'000</u>	<u>Total Risk</u> <u>Weighted</u> <u>Assets after</u> <u>effects of PSIA</u> <u>RM'000</u>	<u>Capital</u> <u>Requirements</u> <u>RM'000</u>
<u>Exposure Class</u>	<u>Gross Exposures</u> <u>RM'000</u>	<u>Net</u> <u>Exposures</u> <u>RM'000</u>	<u>Risk</u> <u>Weighted</u> <u>Assets</u> <u>RM'000</u>			
<u>Credit Risk</u>						
<i>On-Balance Sheet Exposures</i>						
Sovereigns & Central Banks	64,987	64,987	-	-	-	-
Banks, MDBs and FDIs	103,794	103,794	38,328	-	38,328	3,066
Corporates	849,353	849,353	661,728	-	661,728	52,938
Regulatory Retail	32,486	32,486	24,365	-	24,365	1,949
Other Assets	19,614	19,614	27,725	-	27,725	2,218
Total for On-Balance Sheet Exposures	1,070,234	1,070,234	752,146	-	752,146	60,171
<i>Off-Balance Sheet Exposures</i>						
Off balance sheet exposures other than OTC derivatives or credit derivatives	541,372	45,170	38,040	-	38,040	3,043
Total for Off-Balance Sheet Exposures	541,372	45,170	38,040	-	38,040	3,043
Total On and Off-Balance Sheet Exposures	1,611,606	1,115,404	790,186	-	790,186	63,214
<u>Market Risk</u>						
	Long Position	Short Position				
Benchmark Rate Risk	-	-	4,814	4,814	-	4,814
Equity Position Risk	-	-	-	-	-	-
Foreign Currency Risk	3,188	-	3,188	3,188	-	3,188
Operational Risk	-	-	-	60,869	-	60,869
Total RWA and Capital Requirements	1,614,794	-	1,123,406	859,057	-	859,057

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NOTES TO THE FINANCIAL STATEMENTS

FOR HALF YEAR ENDED 30 JUNE 2011

-PART A – EXPLANATORY NOTES PURSUANT TO GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKS (BNM GP8-I) ISSUED BY BANK NEGARA MALAYSIA

21. Capital adequacy (continued)

Bank - 31.12.2010

Disclosures on Risk Weights - Expressed in nearest RM thousand (RM'000)

Risk Weights	Sovereigns & Central Banks		Banks, MDBs and FDIs		Insurance Companies, Securities Firms & Fund Managers		Exposures after Netting & CRM
	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset	
Performing Exposures							
0%	64,987	-	-	-	-	-	-
20%	-	-	54,143	10,829	-	-	199,352
50%	-	-	58,563	29,282	-	-	57,696
75%	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	595,503
150%	-	-	-	-	-	-	14,610
Total	64,987	-	112,706	40,110	-	-	867,161
Defaulted Exposures							
50%	-	-	-	-	-	-	15,700
100%	-	-	-	-	-	-	250
150%	-	-	-	-	-	-	2,500
Total	-	-	-	-	-	-	18,450
Total Performing and Defaulted	64,987	-	112,706	40,110	-	-	885,611

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NOTES TO THE FINANCIAL STATEMENTS

FOR HALF YEAR ENDED 30 JUNE 2011

-PART A – EXPLANATORY NOTES PURSUANT TO GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKS (BNM GP8-I) ISSUED BY BANK NEGARA MALAYSIA

21. Capital adequacy (continued)

Bank - 31.12.2010

Risk Weights	Regulatory Retail		Other Assets		Total Exposure	Total Risk Weighted Assets
	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset
Performing Exposures						
0%	-	-	-	-	64,987	-
20%	-	-	-	-	253,495	50,699
50%	-	-	-	-	116,259	58,130
75%	32,486	24,365	-	-	32,486	24,365
100%	-	-	3,392	3,392	598,895	598,895
150%	-	-	16,222	24,333	30,832	46,247
Total	32,486	24,365	19,614	27,725	1,096,954	778,336
Defaulted Exposures						
50%	-	-	-	-	15,700	7,850
100%	-	-	-	-	250	250
150%	-	-	-	-	2,500	3,750
Total	-	-	-	-	18,450	11,850
Total Performing and Defaulted	32,486	24,365	19,614	27,725	1,115,404	790,186

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21. Capital adequacy (continued)

Geographic Distribution of Gross Credit Exposures

Bank

31.12.2010

Exposure Class

Gross Credit Exposures

On-Balance Sheet Exposures

Sovereigns & Central Banks

Banks, MDBs and FDIs

Corporates

Regulatory Retail

Other Assets

Total for On-Balance Sheet Exposures

Off-Balance Sheet Exposures

Off balance sheet exposures other
than OTC derivatives or credit derivatives

Total for Off-Balance Sheet Exposures

Total On and Off-Balance Sheet Exposures

	<u>Inside Malaysia RM'000</u>	<u>Outside Malaysia RM'000</u>	<u>Total RM'000</u>
	64,987	-	64,987
	45,231	58,563	103,794
	732,888	116,465	849,353
	32,000	486	32,486
	16,222	3,392	19,614
	<u>891,328</u>	<u>178,906</u>	<u>1,070,234</u>
	533,314	8,058	541,372
	<u>533,314</u>	<u>8,058</u>	<u>541,372</u>
	<u>1,424,642</u>	<u>186,964</u>	<u>1,611,606</u>

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21. Capital adequacy (continued)

Contractual Maturity of Gross Credit Exposures

Economic entity

31.12.2010

Exposure Class

Gross Credit Exposures

On-Balance Sheet Exposures

Sovereigns & Central Banks

Banks, MDBs and FDIs

Corporates

Regulatory Retail

Other Assets

Total for On-Balance Sheet Exposures

Off-Balance Sheet Exposures

Off balance sheet exposures other than OTC derivatives or credit derivatives

Total for Off-Balance Sheet Exposures

Total On and Off-Balance Sheet Exposures

	<u>One Year or Less RM'000</u>	<u>Over One Year to Five Years RM'000</u>	<u>Over Five Years RM'000</u>	<u>Total RM'000</u>
	64,987	-	-	64,987
	-	58,563	45,231	103,794
	397,039	191,767	260,547	849,353
	569	921	30,996	32,486
	3,392	-	16,222	19,614
	<u>465,987</u>	<u>251,251</u>	<u>352,996</u>	<u>1,070,234</u>
	465,184	62,256	13,932	541,372
	<u>465,184</u>	<u>62,256</u>	<u>13,932</u>	<u>541,372</u>
	<u>931,171</u>	<u>313,507</u>	<u>366,928</u>	<u>1,611,606</u>

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22. Segment information**Economic Entity****2nd Quarter Ended****30.06.2011**

	Domestic Banking	International Banking	Asset Management and Investment Banking	Total
	RM	RM	RM	RM
External revenue	10,582,798	10,246,121	703,374	21,532,294
Inter-segment (loss) / revenue	(4,773,937)	4,979,861	(205,923)	(0)
Total revenue	5,808,861	15,225,982	497,451	21,532,294
Depositors' payout	(336,007)	(10,303,022)	-	(10,639,029)
Net income	5,472,854	4,922,960	497,451	10,893,265
Operating overheads	(4,754,410)	(2,977,035)	(1,578,912)	(9,310,357)
Share of results of jointly controlled entity	-	-	274,270	274,270
Segmental results / (loss) before taxation	718,444	1,945,925	(807,191)	1,857,178
Taxation				-
Profit for the period				1,857,178

2nd Quarter Ended**30.06.2010**

	Domestic Banking	International Banking	Asset Management and Investment Banking	Total
	RM	RM	RM	RM
External revenue	12,763,197	4,462,195	2,889,311	20,114,703
Inter-segment (loss) / revenue	(2,209,566)	2,512,114	(302,547)	-
Total revenue	10,553,631	6,974,309	2,586,764	20,114,703
Depositors' payout	(525,470)	(7,425,246)	-	(7,950,716)
Net income / (loss)	10,028,161	(450,937)	2,586,764	12,163,987
Operating overheads	(20,985,152)	(942,063)	(2,034,363)	(23,961,579)
Share of results of jointly controlled entity	-	-	-	455,897
Segmental (loss) / results before taxation	(10,956,992)	(1,393,001)	552,400	(11,341,694)
Taxation				2,850,554
Loss for the period				(8,491,140)

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-PART A – EXPLANATORY NOTES PURSUANT TO GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKS (BNM GP8-I) ISSUED BY BANK NEGARA MALAYSIA

22. Segment information**Economic Entity****Half Year Ended****30.06.2011**

	Domestic Banking	International Banking	Asset Management and Investment Banking	Total
	RM	RM	RM	RM
External revenue	21,480,079	22,267,652	1,135,500	44,883,232
Inter-segment (loss) / revenue	(9,585,385)	10,009,840	(424,454)	-
Total revenue	<u>11,894,694</u>	<u>32,277,492</u>	<u>711,046</u>	<u>44,883,232</u>
Depositors' payout	(735,648)	(21,049,470)	-	(21,785,118)
Net income	<u>11,159,046</u>	<u>11,228,022</u>	<u>711,046</u>	<u>23,098,114</u>
Operating overheads	(10,808,021)	(10,795,680)	(1,990,722)	(23,594,423)
Share of results of jointly controlled entity	-	-	694,149	694,149
Segmental results / (loss) before taxation	<u>351,025</u>	<u>432,342</u>	<u>(585,527)</u>	<u>197,840</u>
Taxation				-
Profit for the period				<u>197,840</u>

Half Year Ended**30.06.2010**

	Domestic Banking	International Banking	Asset Management and Investment Banking	Total
	RM	RM	RM	RM
External revenue	23,965,495	14,968,944	1,970,679	40,905,117
Inter-segment (loss) / revenue	(5,941,390)	6,243,938	(302,547)	-
Total revenue	<u>18,024,104</u>	<u>21,212,882</u>	<u>1,668,131</u>	<u>40,905,117</u>
Depositors' payout	(1,034,522)	(13,711,799)	-	(14,746,321)
Net income	<u>16,989,582</u>	<u>7,501,083</u>	<u>1,668,131</u>	<u>26,158,797</u>
Operating overheads	(28,666,273)	(6,078,052)	(2,074,661)	(36,818,986)
Share of results of jointly controlled entity	-	-	-	902,370
Segmental (loss) / results before taxation	<u>(11,676,690)</u>	<u>1,423,031</u>	<u>(406,530)</u>	<u>(9,757,820)</u>
Taxation				2,576,325
Loss for the period				<u>(7,181,495)</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR HALF YEAR ENDED 30 JUNE 2011

-PART A – EXPLANATORY NOTES PURSUANT TO GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKS (BNM GP8-I) ISSUED BY BANK NEGARA MALAYSIA

22. Segment information (continued)**Bank****2nd Quarter Ended****30.06.2011**

	Domestic Banking	International Banking	Asset Management and Investment Banking	Total
	RM	RM	RM	RM
External revenue	10,582,797	10,246,121	1,731,084	22,560,003
Inter-segment (loss) / revenue	(4,773,937)	4,979,861	(205,923)	(0)
Total revenue	<u>5,808,860</u>	<u>15,225,982</u>	<u>1,525,161</u>	<u>22,560,003</u>
Depositors' payout	(336,007)	(10,303,022)	-	(10,639,029)
Net income	<u>5,472,853</u>	<u>4,922,960</u>	<u>1,525,161</u>	<u>11,920,974</u>
Operating overheads	(4,754,410)	(2,977,035)	(1,578,912)	(9,310,357)
Segmental results / (loss) before taxation	<u>718,443</u>	<u>1,945,925</u>	<u>(53,751)</u>	<u>2,610,617</u>
Taxation				-
Profit for the period				<u>2,610,617</u>

2nd Quarter Ended**30.06.2010**

	Domestic Banking	International Banking	Asset Management and Investment Banking	Total
	RM	RM	RM	RM
External revenue	12,763,197	4,462,195	2,889,311	20,114,703
Inter-segment (loss) / revenue	(2,209,566)	2,512,114	(302,547)	-
Total revenue	<u>10,553,631</u>	<u>6,974,309</u>	<u>2,586,764</u>	<u>20,114,703</u>
Depositors' payout	(525,470)	(7,425,246)	-	(7,950,716)
Net income	<u>10,028,161</u>	<u>(450,937)</u>	<u>2,586,764</u>	<u>12,163,987</u>
Operating overheads	(20,985,152)	(942,063)	(2,034,363)	(23,961,579)
Segmental results / (loss) before taxation	<u>(10,956,992)</u>	<u>(1,393,001)</u>	<u>552,400</u>	<u>(11,797,592)</u>
Taxation				2,850,554
Loss for the period				<u>(8,947,038)</u>

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22. Segment information (continued)**Bank****Half Year Ended****30.06.2011**

	Domestic Banking	International Banking	Asset Management and Investment Banking	Total
	RM	RM	RM	RM
External revenue	21,480,078	22,267,652	2,433,988	46,181,719
Inter-segment (loss) / revenue	(9,585,385)	10,009,840	(424,454)	-
Total revenue	<u>11,894,693</u>	<u>32,277,492</u>	<u>2,009,534</u>	<u>46,181,719</u>
Depositors' payout	(735,648)	(21,049,470)	-	(21,785,118)
Net income	<u>11,159,045</u>	<u>11,228,022</u>	<u>2,009,534</u>	<u>24,396,601</u>
Operating overheads	(10,808,021)	(10,795,680)	(1,990,722)	(23,594,423)
Segmental results before taxation	<u>351,024</u>	<u>432,342</u>	<u>18,812</u>	<u>802,178</u>
Taxation				-
Profit for the period				<u><u>802,178</u></u>

Half Year Ended**30.06.2010**

	Domestic Banking	International Banking	Asset Management and Investment Banking	Total
	RM	RM	RM	RM
External revenue	23,965,495	14,968,944	1,970,679	40,905,117
Inter-segment (loss) / revenue	(5,941,390)	6,243,938	(302,547)	-
Total revenue	<u>18,024,104</u>	<u>21,212,882</u>	<u>1,668,131</u>	<u>40,905,117</u>
Depositors' payout	(1,034,522)	(13,711,799)	-	(14,746,321)
Net income	<u>16,989,582</u>	<u>7,501,083</u>	<u>1,668,131</u>	<u>26,158,797</u>
Operating overheads	(28,666,273)	(6,078,052)	(2,074,661)	(36,818,986)
Segmental (loss) / results before taxation	<u>(11,676,690)</u>	<u>1,423,031</u>	<u>(406,530)</u>	<u>(10,660,189)</u>
Taxation				2,576,325
Loss for the period				<u><u>(8,083,864)</u></u>

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22. Segment information (continued)**Economic Entity****30.06.2011**

	Domestic Banking RM	International Banking RM	Asset Management and Investment Banking RM	Total RM
Segment assets	663,681,647	1,385,665,711	38,561,881	2,087,909,239
Deferred tax assets	-	-	-	-
Total assets	<u>663,681,647</u>	<u>1,385,665,711</u>	<u>38,561,881</u>	<u>2,087,909,239</u>
Segment liabilities	<u>146,525,487</u>	<u>1,466,101,011</u>	<u>98,393</u>	<u>1,612,724,891</u>
Total liabilities	<u>146,525,487</u>	<u>1,466,101,011</u>	<u>98,393</u>	<u>1,612,724,891</u>

31.12.2010

	Domestic Banking RM	International Banking RM	Asset Management and Investment Banking RM	Total RM
Segment assets	732,116,749	1,493,717,619	15,327,231	2,241,161,599
Deferred tax assets	-	-	-	-
Total assets	<u>732,116,749</u>	<u>1,493,717,619</u>	<u>15,327,231</u>	<u>2,241,161,599</u>
Segment liabilities	<u>200,295,131</u>	<u>1,657,532,213</u>	-	<u>1,857,827,344</u>
Total liabilities	<u>200,295,131</u>	<u>1,657,532,213</u>	-	<u>1,857,827,344</u>

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22. Segment information (continued)**Bank****30.06.2011**

	Domestic Banking	International Banking	Asset Management and Investment Banking	Total
	RM	RM	RM	RM
Segment assets	663,681,647	1,385,665,711	40,298,516	2,089,645,874
Deferred tax assets	-	-	-	-
Total assets	<u>663,681,647</u>	<u>1,385,665,711</u>	<u>40,298,516</u>	<u>2,089,645,874</u>
Segment liabilities	146,525,487	1,466,101,011	98,393	1,612,724,891
Total liabilities	<u>146,525,487</u>	<u>1,466,101,011</u>	<u>98,393</u>	<u>1,612,724,891</u>

31.12.2010

	Domestic Banking	International Banking	Asset Management and Investment Banking	Total
	RM	RM	RM	RM
Segment assets	732,116,749	1,493,717,619	16,459,528	2,242,293,896
Deferred tax assets	-	-	-	-
Total assets	<u>732,116,749</u>	<u>1,493,717,619</u>	<u>16,459,528</u>	<u>2,242,293,896</u>
Segment liabilities	200,295,131	1,657,532,213	-	1,857,827,344
Total liabilities	<u>200,295,131</u>	<u>1,657,532,213</u>	<u>-</u>	<u>1,857,827,344</u>

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23. Credit exposures arising from credit transactions with connected parties

	<u>Economic Entity and Bank</u>	
	<u>30.06.2011</u>	<u>31.12.2010</u>
	<u>RM</u>	<u>RM</u>
Outstanding credit exposures with connected parties	<u>138,047,032</u>	<u>219,731,700</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>8.53%</u>	<u>14.43%</u>
Percentage of outstanding credit exposures to connected parties which is non-performing or in default	<u>-</u>	<u>-</u>

The credit exposures above are derived based on Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties, which are effective on 1 January 2008.