

Company No.

716122	P
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**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2016

Company No.

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**ASIAN FINANCE BANK BERHAD**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016**

		<b>Economic Entity and Bank</b>	
		<b>30-Jun-16</b>	31-Dec-15
		RM	RM
	Note		
<b>Assets</b>			
Cash and short-term funds	2	<b>362,092,350</b>	263,435,871
Financial investments available-for-sale	3	<b>348,571,594</b>	367,383,219
Financial investments held-to-maturity	4	<b>403,693,828</b>	393,864,137
Financing and advances	5	<b>1,457,381,637</b>	1,459,069,758
Derivative assets	6	<b>1,225,089</b>	778,580
Other assets	7	<b>9,138,606</b>	8,354,253
Statutory deposits with Bank Negara Malaysia		<b>30,723,822</b>	34,683,822
Investment in jointly controlled entity		-	-
Deferred tax assets		-	-
Property, plant and equipment		<b>760,843</b>	1,007,951
Intangible assets		<b>1,473,965</b>	1,842,640
<b>Total assets</b>		<b><u>2,615,061,734</u></b>	<b><u>2,530,420,231</u></b>
<b>Liabilities</b>			
Deposits from customers	8	<b>775,670,292</b>	1,031,686,604
Deposits and placements of banks and other financial institutions	9	<b>1,330,821,138</b>	992,892,617
Derivative liabilities	6	<b>393,600</b>	940,284
Other liabilities	10	<b>11,554,294</b>	12,086,801
<b>Total liabilities</b>		<b><u>2,118,439,324</u></b>	<b><u>2,037,606,306</u></b>
<b>Equity</b>			
Ordinary share capital		<b>532,530,020</b>	532,530,020
Reserves		<b>(35,907,610)</b>	(39,716,095)
<b>Total equity</b>		<b><u>496,622,410</u></b>	<b><u>492,813,925</u></b>
<b>Total Liabilities and Equity</b>		<b><u>2,615,061,734</u></b>	<b><u>2,530,420,231</u></b>
<b>Commitments and contingencies</b>	19	<b><u>375,547,619</u></b>	<b><u>553,069,511</u></b>
<b>Capital Adequacy</b>	21	<b>Economic Entity and Bank</b>	
CET1 capital		<b>24.230%</b>	24.035%
Tier 1 capital		<b>24.230%</b>	24.035%
Total capital ratio		<b><u>25.419%</u></b>	<b><u>25.419%</u></b>

**ASIAN FINANCE BANK BERHAD**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR ENDED 30 JUNE 2016**

		<b>Economic Entity and Bank</b>				
		<b>2nd Quarter Ended</b>	2nd Quarter Ended	<b>Half Year Ended</b>	Half Year Ended	
<b>Note</b>		<b>30-Jun-16</b>	30-Jun-15	<b>30-Jun-16</b>	30-Jun-15	
		<b>RM</b>	RM	<b>RM</b>	RM	
	Income derived from investment of depositors' funds	11	23,741,627	27,959,608	46,927,416	56,934,880
	Income derived from investment of shareholders' funds	12	7,261,969	5,897,915	15,026,576	15,392,760
	Allowances for impairment on financing and advances	13	(2,003,915)	(470,642)	(3,625,780)	(3,093,384)
	<b>Total distributable income</b>		<b>28,999,681</b>	33,386,881	<b>58,328,212</b>	69,234,256
	Income attributable to depositors	14	(19,479,389)	(23,396,249)	(38,991,531)	(45,613,410)
			<b>9,520,292</b>	9,990,632	<b>19,336,681</b>	23,620,846
	Personnel expenses	15	(4,346,827)	(4,800,544)	(8,636,087)	(9,884,576)
	Other overheads and expenditures	16	(3,411,190)	(3,891,993)	(7,233,098)	(7,348,351)
	<b>Profit before taxation</b>		<b>1,762,275</b>	1,298,095	<b>3,467,496</b>	6,387,919
	Taxation		(224,924)	(1,249,092)	(1,167,685)	(2,931,045)
	<b>Net profit for the financial period</b>		<b>1,537,351</b>	49,003	<b>2,299,811</b>	3,456,874
	Profit attributable to:					
	Owners of the Bank		1,537,351	49,003	2,299,811	3,456,874
	Non-controlling interest		-	-	-	-
			<b>1,537,351</b>	49,003	<b>2,299,811</b>	3,456,874
	Earnings per shares (sen)					
	Basic and diluted		1.16	0.04	0.87	1.31

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**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR ENDED 30 JUNE 2016 (CONTINUED)**

		<b>Economic Entity and Bank</b>			
		<b>2nd Quarter Ended</b>	2nd Quarter Ended	<b>Half Year Ended</b>	Half Year Ended
<b>Note</b>		<b>30-Jun-16</b>	30-Jun-15	<b>30-Jun-16</b>	30-Jun-15
		<b>RM</b>	RM	<b>RM</b>	RM
	<b>Profit for the financial period</b>	<b>1,537,351</b>	49,003	<b>2,299,811</b>	3,456,874
	<b>Other comprehensive Income / (loss):</b>				
	Financial investments available-for-sale				
	- Unrealised net gain / (loss) on revaluation	<b>392,810</b>	(181,146)	<b>1,508,674</b>	189,833
17	Income tax relating to components of other comprehensive income	-	-	-	-
	<b>Other comprehensive income / (loss) for the financial period</b>	<b>392,810</b>	(181,146)	<b>1,508,674</b>	189,833
	<b>Total comprehensive income for the financial period</b>	<b>1,930,161</b>	(132,143)	<b>3,808,485</b>	3,646,707
	Total comprehensive income attributable to:				
	Owners of the Bank	<b>1,930,161</b>	(132,143)	<b>3,808,485</b>	3,646,707
	Non-controlling interest	-	-	-	-
		<b>1,930,161</b>	(132,143)	<b>3,808,485</b>	3,646,707

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**ASIAN FINANCE BANK BERHAD**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED 30 JUNE 2016**

	Share Capital RM	Accumulated Losses RM	Statutory Reserve RM	AFS Reserve RM	Total RM
<b><u>Economic Entity and Bank</u></b>					
<b>30-Jun-16</b>					
<b>Balance as at 1 January 2016</b>	532,530,020	(49,685,510)	11,538,745	(1,569,330)	492,813,925
Net profit for the financial period	-	2,299,811	-	-	2,299,811
Other comprehensive income / (loss):					
Financial investments available- for-sale					
- Unrealised net gain on revaluation	-	-	-	1,508,674	1,508,674
Income tax relating to components of other comprehensive income	-	-	-	-	-
Other comprehensive income	-	-	-	1,508,674	1,508,674
<b>Balance as at 30 June 2016</b>	<b>532,530,020</b>	<b>(47,385,699)</b>	<b>11,538,745</b>	<b>(60,656)</b>	<b>496,622,410</b>

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**ASIAN FINANCE BANK BERHAD**  
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**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED 30 JUNE 2016 (CONTINUED)**

	Share Capital RM	Accumulated Losses RM	Statutory Reserve RM	AFS Reserve RM	Total RM
<b><u>Economic Entity and Bank</u></b>					
<b>31-Dec-15</b>					
<b>Balance as at</b>					
<b>1 January 2015</b>	532,530,020	(49,949,046)	11,275,208	(782,022)	493,074,160
Net Profit for the financial year	-	527,073	-	-	527,073
Transfer to statutory reserve	-	(263,537)	263,537	-	-
Other comprehensive (loss):					
Financial investments available- for-sale					
- Unrealised net loss on revaluation	-	-	-	(1,035,931)	(1,035,931)
Income tax relating to components of other comprehensive income	-	-	-	248,623	248,623
Other comprehensive loss for the year	-	-	-	(787,308)	(787,308)
<b>Balance as at</b>					
<b>31 December 2015</b>	<u>532,530,020</u>	<u>(49,685,510)</u>	<u>11,538,745</u>	<u>(1,569,330)</u>	<u>492,813,925</u>

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**ASIAN FINANCE BANK BERHAD**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF CASH FLOW**  
**FOR THE HALF YEAR ENDED 30 JUNE 2016**

	<b>Economic Entity and Bank</b>	
	<b>30-Jun-16</b>	31-Dec-15
	RM	RM
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	<b>3,467,496</b>	775,696
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment (Note 16)	<b>286,843</b>	758,643
Amortisation of intangible assets (Note 16)	<b>368,676</b>	740,817
Profit income from:		
- Investment on financial investments available-for-sale	<b>(7,212,575)</b>	(18,929,638)
- Investment on financial investments held-to-maturity	<b>(8,477,364)</b>	(14,328,470)
Net loss / (gain) on sale of financial investments available-for-sale	<b>140,324</b>	(1,391,358)
Net accretion of discount less amortisation of premium	<b>117,631</b>	65,966
Allowances for losses on financing and advances (Note 13 (a) & (b))	<b>3,474,209</b>	16,810,542
Operating (loss) / gain before working capital changes	<b>(7,834,760)</b>	(15,497,802)
<b>Adjustments for change in operating assets and liabilities:</b>		
Financing and advances	<b>(1,786,088)</b>	261,600,867
Derivative assets	<b>(446,509)</b>	(33,830)
Other assets	<b>(784,353)</b>	(3,294,857)
Statutory deposit with Bank Negara Malaysia	<b>3,960,000</b>	9,330,000
Deposits from customers	<b>(256,016,312)</b>	(135,168,376)
Deposits and placements of banks and other financial institutions	<b>337,928,521</b>	(186,455,666)
Derivative liabilities	<b>(546,684)</b>	(12,015,266)
Other liabilities	<b>(532,507)</b>	3,279,572
Cash generated from / (used in) operating activities	<b>73,941,308</b>	(78,255,359)
Taxation paid	<b>(1,167,685)</b>	(248,623)
Net cash generated from / (used in) operating activities	<b>72,773,623</b>	(78,503,981)

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**ASIAN FINANCE BANK BERHAD**  
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**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF CASH FLOW**  
**FOR THE HALF YEAR ENDED 30 JUNE 2016**

	<b>Economic Entity and Bank</b>	
	<b>30-Jun-16</b>	31-Dec-15
	<b>RM</b>	RM
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	<b>(39,735)</b>	(299,835)
Purchase of intangible asset	-	(776,021)
Net proceeds from:		
- Sale of financial investments available-for-sale	<b>27,392,550</b>	207,876,353
- Purchase of financial investments held-to-maturity	<b>(1,469,959)</b>	(116,523,615)
Net cash generated from / (used in) investing activities	<b>25,882,856</b>	90,276,882
<b>ANALYSIS OF CASH AND CASH EQUIVALENT</b>		
Net increase/(decrease) in cash and cash equivalents	<b>98,656,479</b>	11,772,901
Cash and cash equivalents at beginning of financial period/year	<b>263,435,871</b>	251,662,970
Cash and cash equivalents at end of financial period/year (Note 2)	<b>362,092,350</b>	263,435,871



**ASIAN FINANCE BANK BERHAD**  
**(Incorporated in Malaysia)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR SIX MONTHS ENDED 30 JUNE 2016**

-PART A - EXPLANATORY NOTES PURSUANT TO GUIDELINES ON FINANCIAL REPORTING  
FOR LICENSED ISLAMIC BANK (BNM GP8-1) ISSUED BY BANK NEGARA MALAYSIA

**1. General information**

a) Performance Review

The Economic Entity and the Bank registered a profit before tax of RM3.47m for the six months period ended 30 June 2016.

The Economic Entity and the Bank's gross financing and advances stood at RM1.50b whilst total Deposit at RM2.11b.

b) Business Plan and outlook for 2016

The global economy continued to go through a rough patch in 1Q2016, despite enjoying some support from the first meaningful recovery in crude oil prices since they hit the bottom in January 2016. The downgrades in growth forecasts by international institutions like the World Bank, International Monetary Fund (IMF) and Organisation for Economic Co-operation and Development (OECD) reflect growing concerns about both the near-term prospects of global trade and commodity prices, as well as the economic momentum of the United States (US) and China, the two largest economies in the world. Uncertainties with regard to the "Brexit" also led to wild swings in global financial markets and will, in the near term, hold back business and investment decisions. Another risk, which is more worrisome, is that the UK's decision might prompt other countries in the region to renegotiate their relationship with Brussels, or even worse, consider leaving the EU altogether. With the euro zone already adopting the Negative Interest Rate Policy (NIRP), the Brexit will likely intensify capital outflows from Europe as investors rush for safe-haven assets, namely assets denominated in the US dollar (USD) and Japanese yen (JPY). Adding to this, the possibility of higher US interest rates at year end is putting global financial market players on their toes. The possibility of drastic policy changes in the US after the election in November compounds the anxiety of the global business community.

On the local front, Malaysia's gross domestic product (GDP) growth continued to decelerate in 1Q2016, clocking in at 4.2% year-on-year (y-o-y) and 1.0% quarter-on-quarter (q-o-q) on a seasonally adjusted basis. Domestic demand is not expected to pick up significantly in 2H2016, although the recent uptick in consumer spending growth provides some comfort. Investment growth, which was flat in 1Q2016, will not likely gain much momentum in 2H2016 as anxiety over the ramifications of the Brexit, expectations of a hike in the FFR, and lack of clarity on China's economy will continue to take a toll on business sentiment. The ringgit however have started to stabilise following the Brexit. MARC is of the view that Malaysia's GDP growth will remain below its potential in 2016 and adjusting its forecast lower by 30 basis points (bps) to 4.1%. (MARC).

In line with its vision to empower business with Islamic banking values, the Economic Entity and 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, especially for funding GLCs in the sectors of oil and gas, shipping, aviation, infrastructure as well as real estate.

The Economic Entity and the Bank will continue to enhance and preserve its performance and also ensure sustainability going forward. Strategies and approaches will constantly be reviewed to suit business needs, customers' expectations and business requirements, with appropriate risk mitigations in place while ensuring compliance with regulatory requirements.

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**ASIAN FINANCE BANK BERHAD**  
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**2. Cash and short-term funds**

	<b>Economic Entity and Bank</b>	
	<b>30-Jun-16</b>	31-Dec-15
	<b>RM</b>	<b>RM</b>
Cash and balances with banks and other financial institutions	17,995,829	72,705,228
Money at call and deposit placements maturing within one month	344,096,521	190,730,643
	<b>362,092,350</b>	<b>263,435,871</b>

**3. Financial investments available-for-sale**

	<b>Economic Entity and Bank</b>	
	<b>30-Jun-16</b>	31-Dec-15
	<b>RM</b>	<b>RM</b>
<b>At fair value</b>		
<b>Quoted securities:</b>		
<u>In Malaysia</u>		
Islamic Medium Term Notes	297,928,012	316,831,787
Corporate Sukuk	50,643,582	50,551,432
	<b>348,571,594</b>	<b>367,383,219</b>

**4. Financial investments held-to-maturity**

	<b>Economic Entity and Bank</b>	
	<b>30-Jun-16</b>	31-Dec-15
	<b>RM</b>	<b>RM</b>
<b>At amortised cost</b>		
<b>Quoted securities:</b>		
<u>In Malaysia</u>		
Islamic Medium Term Notes	403,693,828	393,864,137
	<b>403,693,828</b>	<b>393,864,137</b>

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**ASIAN FINANCE BANK BERHAD**  
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**5. Financing and advances**

	<b>Economic Entity and Bank</b>	
	<b>30-Jun-16</b>	31-Dec-15
	RM	RM
<b>At amortised cost</b>		
Term financing		
- house financing	<b>25,427,304</b>	26,116,968
- syndicated term financing	-	-
- hire purchase receivables	-	-
- other term financing	<b>241,617,502</b>	265,146,640
Trusts receipts	<b>2,869,467</b>	2,870,199
Staff financing	<b>749,102</b>	356,852
Revolving Credit	<b>1,161,299,250</b>	1,147,644,484
Others	<b>67,408,812</b>	55,450,206
Gross financing and advances	<b>1,499,371,437</b>	1,497,585,349
Less: Allowance for impaired financing and advances:		
- individual impairment allowance	<b>(10,406,619)</b>	(10,062,217)
- collective impairment allowance	<b>(31,583,181)</b>	(28,453,374)
Net financing and advances	<b>1,457,381,637</b>	1,459,069,758
<b>(i) By type of customer</b>		
Domestic non-bank financial institution		
- Others	<b>100,035,656</b>	100,085,562
Domestic business enterprises		
- Small medium enterprise	<b>11,701,816</b>	12,306,877
- Government	<b>140,095,164</b>	120,143,200
- Others	<b>1,220,554,661</b>	1,237,721,816
Individuals	<b>14,560,770</b>	14,450,280
Foreign entities	<b>12,423,370</b>	12,877,614
	<b>1,499,371,437</b>	1,497,585,349
<b>(ii) By contract</b>		
Ijarah	<b>6,965,894</b>	7,556,125
Qard	<b>744,140</b>	346,475
Bai'	<b>1,491,661,403</b>	1,489,682,749
	<b>1,499,371,437</b>	1,497,585,349

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**ASIAN FINANCE BANK BERHAD**  
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**5. Financing and advances (continued)**

	<b>Economic Entity and Bank</b>	
	<b>30-Jun-16</b>	31-Dec-15
	RM	RM
<b>(iii) By profit rate sensitivity</b>		
Fixed rate		
- Housing financing	-	-
- Hire purchase receivables	-	-
- Other fixed rate financing	<b>72,367,377</b>	82,512,341
Variable		
- Base Financing Rate	<b>288,103,219</b>	284,731,211
- Cost-plus	<b>1,138,156,701</b>	1,129,995,322
Non-profit sensitive	<b>744,140</b>	346,475
	<b><u>1,499,371,437</u></b>	<u>1,497,585,349</u>
<b>(iv) By contractual maturity</b>		
Maturity within one year	<b>1,241,985,932</b>	1,242,802,532
More than one year to three years	<b>96,042,868</b>	62,163,020
More than three years to five years	<b>113,483,798</b>	129,148,967
More than five years	<b>47,858,839</b>	63,470,830
	<b><u>1,499,371,437</u></b>	<u>1,497,585,349</u>
<b>(v) By geographical distribution</b>		
Malaysia	<b>1,498,935,973</b>	1,497,130,071
United Kingdom	<b>435,464</b>	455,278
	<b><u>1,499,371,437</u></b>	<u>1,497,585,349</u>

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**5. Financing and advances (continued)**

	<b>Economic Entity and Bank</b>	
	<b>30-Jun-16</b>	31-Dec-15
	RM	RM
<b>(vi) By economic purpose</b>		
Purchase of landed property:		
- Residential	<b>24,899,575</b>	26,363,868
- Non-Residential	<b>125,863,562</b>	126,568,215
Working Capital	<b>1,315,169,469</b>	1,307,288,469
Personal Use	<b>766,034</b>	377,081
Purchase of transport vehicles	<b>5,624</b>	11,038
Purchase of Fixed Asset (excluding landed properties)	<b>19,518,446</b>	23,879,690
Others	<b>13,148,727</b>	13,096,988
	<b><u>1,499,371,437</u></b>	<u>1,497,585,349</u>
<b>(vii) By sector</b>		
Agriculture	<b>245,459,713</b>	204,348,325
Mining and quarrying	<b>141,743,514</b>	157,184,731
Manufacturing	<b>189,427,480</b>	198,811,244
Electricity, gas and water	<b>110,099,863</b>	110,153,973
Construction	<b>133,439,377</b>	153,732,128
Purchase of landed property	<b>26,204,905</b>	26,940,512
Wholesale & retail trade and restaurants & hotels	<b>208,073,195</b>	201,831,827
Transport, storage and communication	<b>30,022,935</b>	46,931,845
Finance, insurance and business services	<b>414,121,219</b>	397,262,645
Education, health and others	-	-
Purchase of transport vehicles	<b>5,624</b>	11,038
Consumption credit	<b>773,612</b>	377,081
Others	-	-
	<b><u>1,499,371,437</u></b>	<u>1,497,585,349</u>

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**ASIAN FINANCE BANK BERHAD**  
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**5. Financing and advances (continued)**

	<b>Economic Entity and Bank</b>	
	<b>30-Jun-16</b> RM	31-Dec-15 RM
<b>(viii) Movement in the allowance for impaired advances and financing</b>		
<b>Individual Assessment Allowance</b>		
Balance beginning of financial year	10,062,217	10,085,406
Allowance made during the financial period/year (Note 13 (a))	428,497	329,952
Amount written back in respect of recoveries (Note 13(a))	(84,095)	(353,141)
Amount written off during the financial period as uncollectible	-	-
Balance as at end of financial period/year	<u>10,406,619</u>	<u>10,062,217</u>
<b>Collective Assessment Allowance</b>		
Balance beginning of financial year,	28,453,374	11,619,643
Allowance made during the financial period/year (Note 13 (b))	3,129,807	16,833,731
Amount written back in respect of recoveries (Note 13 (b))	-	-
Balance as at end of financial period/year	<u>31,583,181</u>	<u>28,453,374</u>
As % of gross financing and advances less individual assessment allowances	<u>2.12%</u>	<u>1.91%</u>
<b>(ix) Movement in impaired financing and advances</b>		
Balance beginning of financial year	13,096,988	12,981,424
Classified as impaired during the financial period	691,965	515,547
Reclassified as non-impaired	-	-
Amount recovered	(640,226)	(399,983)
Amount written off during the financial period as uncollectible	-	-
Balance as at end of financial period/year	<u>13,148,727</u>	<u>13,096,988</u>
Gross impaired financing and advances ratio	<u>0.88%</u>	<u>0.87%</u>

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**5. Financing and advances (continued)**
**(x) Financing by types and Shariah contracts**
**Economic Entity and Bank - 30 June 2016**

Type	Bai'	Ijarah	Qard	Total financing, advances and other receivables
	RM	RM	RM	RM
Term Financing	260,078,010	6,965,894	902	267,044,806
House Financing	23,107,845	2,319,459	-	25,427,304
Syndicated Financing	-	-	-	-
Hire purchase receivables	-	-	-	-
Other term financing	236,970,165	4,646,435	902	241,617,502
Trust receipts	2,869,467	-	-	2,869,467
Staff financing	5,864	-	743,238	749,102
Revolving credit	1,161,299,250	-	-	1,161,299,250
Others	67,408,812	-	-	67,408,812
<b>Total financing, advances and other receivables</b>	<b>1,491,661,403</b>	<b>6,965,893</b>	<b>744,140</b>	<b>1,499,371,437</b>

**Economic Entity and Bank - 31 December 2015**

Type	Bai'	Ijarah	Qard	Total financing, advances and other receivables
	RM	RM	RM	RM
Term Financing	283,706,581	7,556,125	901	291,263,607
House Financing	23,753,909	2,363,059	-	26,116,968
Syndicated Financing	-	-	-	-
Hire purchase receivables	-	-	-	-
Other term financing	259,952,672	5,193,066	901	265,146,639
Trust receipts	2,870,199	-	-	2,870,199
Staff financing	11,278	-	345,574	356,852
Revolving credit	1,147,644,484	-	-	1,147,644,484
Others	55,450,207	-	-	55,450,207
<b>Total financing, advances</b>	<b>1,489,682,749</b>	<b>7,556,125</b>	<b>346,475</b>	<b>1,497,585,349</b>

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**5. Financing and advances (continued)**

	<b>Economic Entity and Bank</b>	
	<b>30-Jun-16</b> RM	31-Dec-15 RM
<b>(xi) Impaired financing by sector</b>		
Manufacturing	299,778	300,510
Construction	5,596,139	5,596,139
Wholesale & retail trade and restaurants & hotels	1,172,542	1,171,245
Purchase of landed property	6,072,691	6,029,094
Consumption credit	7,577	-
	<u>13,148,727</u>	<u>13,096,988</u>
<b>(xii) Impaired financing by geographical distribution</b>		
Malaysia	<u>13,148,727</u>	<u>13,096,988</u>

**6. Derivative financial instruments**

The table below shows the fair values of derivative financial instruments, recorded as assets or liabilities, together with their notional amounts. The notional amount, recorded gross, is the amount of derivative's underlying asset, reference rate or index and is the basis upon which change in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the period/year end and are indicative of neither the market risks nor the credit risk.

	<b>Economic Entity and Bank</b>					
	<b>30-Jun-16</b>			<b>31-Dec-15</b>		
	Contract/ Notional amount RM	Fair value		Contract/ Notional amount RM	Fair value	
	Assets RM	Liabilities RM		Assets RM	Liabilities RM	
<b>Trading derivatives</b>						
Foreign exchange contracts:						
Currency forward						
- Less than one year	142,404,457	1,225,089	(393,600)	278,184,190	778,580	(940,284)

**7. Other assets**

	<b>Economic Entity and Bank</b>	
	<b>30-Jun-16</b> RM	31-Dec-15 RM
Prepayment and deposit	2,026,139	1,494,315
Other debtors	3,925,842	3,673,313
Tax recoverable	3,186,625	3,186,625
	<u>9,138,606</u>	<u>8,354,253</u>



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**8. Deposits from customers**

	<b>Economic Entity and Bank</b>	
	<b>30-Jun-16</b>	31-Dec-15
	RM	RM
<b>(i) By type of deposit:</b>		
<u>Non-Mudharabah Funds:</u>		
Demand deposits	<b>32,876,112</b>	178,768,163
Savings deposits	<b>2,134,693</b>	1,953,412
Commodity Murabahah	<b>714,594,048</b>	824,901,661
General investment deposits	<b>10,399,703</b>	9,612,603
	<b>760,004,556</b>	1,015,235,839
<u>Mudharabah Funds:</u>		
Savings deposits	<b>131,536</b>	54,566
General investment deposits	<b>15,534,200</b>	16,396,199
	<b>15,665,736</b>	16,450,765
	<b>775,670,292</b>	1,031,686,604
<b>(ii) The deposits are sourced from the following classes of customers:</b>		
Business enterprises	<b>760,692,139</b>	1,016,209,219
Individuals	<b>14,978,153</b>	15,477,385
	<b>775,670,292</b>	1,031,686,604
<b>(iii) The maturity structure of saving deposits, amount payable on demand and term deposits are as follows:</b>		
Due within six months	<b>623,880,928</b>	884,965,446
More than six months to one year	<b>4,940,836</b>	4,295,630
More than one year to three years	<b>4,438,318</b>	-
More than three years	<b>142,410,210</b>	142,425,528
	<b>775,670,292</b>	1,031,686,604
<b>(iv) By type of contract:</b>		
Mudharabah	<b>15,665,736</b>	16,450,765
Tawarruq	<b>724,993,751</b>	834,514,264
Wadiah	<b>35,010,805</b>	180,721,575
	<b>775,670,292</b>	1,031,686,604

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**9. Deposits and placements of banks and other financial institutions**

	<b>Economic Entity and Bank</b>	
	<b>30-Jun-16</b>	31-Dec-15
	RM	RM
<b>(i) By type of deposit:</b>		
<u>Non-Mudharabah Funds:</u>		
Licensed Islamic banks	263,273,296	70,067,833
Other financial institutions	1,067,547,842	922,824,784
	<u>1,330,821,138</u>	<u>992,892,617</u>
<u>Mudharabah Fund:</u>		
Other financial institutions	-	-
	-	-
	<u>1,330,821,138</u>	<u>992,892,617</u>
<b>(ii) By type of contract:</b>		
Mudharabah	-	-
Tawarruq	1,330,052,895	992,480,668
Wadiah	768,243	411,949
	<u>1,330,821,138</u>	<u>992,892,617</u>

**10. Other liabilities**

	<b>Economic Entity and Bank</b>	
	<b>30-Jun-16</b>	31-Dec-15
	RM	RM
Sundry creditors	7,343,723	5,952,622
Other provisions and accruals	4,210,571	6,134,179
	<u>11,554,294</u>	<u>12,086,801</u>

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**11. Income derived from investment of depositors' funds**

	<b>Economic Entity and Bank</b>	
	<b>2nd Quarter Ended 30-Jun-16 RM</b>	2nd Quarter Ended 30-Jun-15 RM
Income derived from investment of:		
(i) General investment deposit	<b>293,577</b>	474,052
(ii) Other deposits	<b>23,448,050</b>	27,485,556
	<b>23,741,627</b>	27,959,608
(i) Income derived from investment of general investment deposits		
<u>Finance income and hibah:</u>		
Financing and advances	<b>181,882</b>	265,883
Financial investment available-for-sale	<b>35,340</b>	81,474
Financial investment held-to-maturity	<b>41,929</b>	47,442
Money at call and deposits with financial institutions	<b>34,426</b>	79,253
	<b>293,577</b>	474,052
(ii) Income derived from investment of other deposits		
<u>Finance income and hibah:</u>		
Financing and advances	<b>14,526,893</b>	15,419,051
Financial investment available-for-sale	<b>2,822,646</b>	4,719,092
Financial investment held-to-maturity	<b>3,348,887</b>	2,751,297
Money at call and deposits with financial institutions	<b>2,749,624</b>	4,596,116
	<b>23,448,050</b>	27,485,556

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**11. Income derived from investment of depositors' funds (continued)**

	<b>Economic Entity and Bank</b>	
	<b>Half Year Ended 30-Jun-16 RM</b>	<b>Half Year Ended 30-Jun-15 RM</b>
Income derived from investment of:		
(i) General investment deposit	<b>594,156</b>	1,025,320
(ii) Other deposits	<b>46,333,260</b>	55,909,560
	<b>46,927,416</b>	56,934,880
(i) Income derived from investment of general investment deposits		
<u>Finance income and hibah:</u>		
Financing and advances	<b>378,050</b>	608,775
Financial investment available-for-sale	<b>72,177</b>	182,226
Financial investment held-to-maturity	<b>85,310</b>	91,478
Money at call and deposits with financial institutions	<b>58,619</b>	142,841
	<b>594,156</b>	1,025,320
(ii) Income derived from investment of other deposits		
<u>Finance income and hibah:</u>		
Financing and advances	<b>29,462,597</b>	33,098,974
Financial investment available-for-sale	<b>5,627,273</b>	9,913,996
Financial investment held-to-maturity	<b>6,651,811</b>	5,021,838
Money at call and deposits with financial institutions	<b>4,591,579</b>	7,874,752
	<b>46,333,260</b>	55,909,560

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**12. Income derived from investment of shareholders' funds**

	<b>Economic Entity and Bank</b>			
	<b>2nd Quarter Ended 30-Jun-16 RM</b>	2nd Quarter Ended 30-Jun-15 RM	<b>Half Year Ended 30-Jun-16 RM</b>	Half Year Ended 30-Jun-15 RM
<u>Finance income and hibah</u>				
Financing and advances	<b>3,463,776</b>	3,040,376	<b>7,190,234</b>	6,565,554
Financial investments available-for-sale	<b>673,047</b>	930,626	<b>1,372,801</b>	1,966,432
Financial investments held-to-maturity	<b>798,531</b>	542,509	<b>1,622,611</b>	995,229
Money at call and deposits with financial institutions	<b>655,804</b>	906,276	<b>1,115,372</b>	1,560,000
Total finance income and hibah	<b>5,591,158</b>	5,419,787	<b>11,301,018</b>	11,087,215
Other operating income (note a)	<b>1,670,811</b>	478,128	<b>3,725,558</b>	4,305,545
	<b>7,261,969</b>	5,897,915	<b>15,026,576</b>	15,392,760
Other operating income comprise of:				
(a) Fee and other income:				
Commission	<b>228,457</b>	96,571	<b>443,802</b>	251,384
Fees and other income	<b>7,921,600</b>	3,338,835	<b>2,450,267</b>	8,538,339
Net gain/(loss) on derivatives foreign exchange contracts	<b>(6,479,246)</b>	(2,957,278)	<b>831,489</b>	(4,484,178)
Total other operating income	<b>1,670,811</b>	478,128	<b>3,725,558</b>	4,305,545

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**13. Allowance for impairment on financing and advances**

	<b>Economic Entity and Bank</b>	
	<b>2nd Quarter Ended 30-Jun-16 RM</b>	<b>2nd Quarter Ended 30-Jun-15 RM</b>
Allowance for impaired financing and advances:		
(a) Individual impairment allowance		
- made during the financial period	<b>184,490</b>	-
- written back during the financial period	<b>(39,059)</b>	(29,358)
(b) Collective impairment allowance		
- made during the financial period	<b>1,852,484</b>	500,000
- written back during the financial period	-	-
(c) Sundry debtors impairment allowance		
- made during the financial period	<b>6,000</b>	-
- written back during the financial period	-	-
	<b>2,003,915</b>	<b>470,642</b>
	<b>Half Year Ended 30-Jun-16 RM</b>	<b>Half Year Ended 30-Jun-15 RM</b>
Allowance for impaired financing and advances:		
(a) Individual impairment allowance		
- made during the financial period (Note 5 (viii))	<b>428,497</b>	-
- written back during the financial period (Note 5 (viii))	<b>(84,095)</b>	(106,616)
(b) Collective impairment allowance		
- made during the financial period (Note 5 (viii))	<b>3,129,807</b>	3,200,000
- written back during the financial period	-	-
(c) Sundry debtors impairment allowance		
- made during the financial period	<b>280,832</b>	-
- written back during the financial period	<b>(129,261)</b>	-
	<b>3,625,780</b>	<b>3,093,384</b>

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**14. Income attributable to depositors**

	<b>Economic Entity and Bank</b>	
	<b>2nd Quarter Ended 30-Jun-16 RM</b>	2nd Quarter Ended 30-Jun-15 RM
Deposits from customers:		
- Mudharabah funds	<b>79,376</b>	866,036
- Non-mudharabah funds	<b>7,020,265</b>	7,775,023
	<b>7,099,641</b>	8,641,059
Deposits and placements of banks and other financial institutions:		
- Mudharabah funds	-	249,521
- Non-mudharabah funds	<b>12,379,748</b>	14,505,669
	<b>12,379,748</b>	14,755,190
	<b>19,479,389</b>	23,396,249
	<b>Half Year Ended 30-Jun-16 RM</b>	Half Year Ended 30-Jun-15 RM
Deposits from customers:		
- Mudharabah funds	<b>161,655</b>	2,214,874
- Non-mudharabah funds	<b>14,886,170</b>	16,183,168
	<b>15,047,825</b>	18,398,043
Deposits and placements of banks and other financial institutions:		
- Mudharabah funds	-	845,709
- Non-mudharabah funds	<b>23,943,706</b>	26,369,658
	<b>23,943,706</b>	27,215,367
	<b>38,991,531</b>	45,613,410

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**15. Personnel expenses**

	<b>Economic Entity and Bank</b>	
	<b>2nd Quarter Ended 30-Jun-16 RM</b>	2nd Quarter Ended 30-Jun-15 RM
Salaries, allowances and bonuses	<b>3,593,133</b>	4,196,420
Contributions to Employee Provident Fund and SOCSO	<b>396,774</b>	439,550
Medical related expenses	<b>265,674</b>	117,013
Travelling and parking	<b>7,823</b>	33,431
Other staff related cost	<b>83,424</b>	14,130
	<b>4,346,827</b>	4,800,544
	<b>Half Year Ended 30-Jun-16 RM</b>	Half Year Ended 30-Jun-15 RM
Salaries, allowances and bonuses	<b>7,390,581</b>	8,555,619
Contributions to Employee Provident Fund and SOCSO	<b>787,314</b>	848,462
Medical related expenses	<b>329,360</b>	202,366
Travelling and parking	<b>19,277</b>	45,513
Other staff related cost	<b>109,555</b>	232,616
	<b>8,636,087</b>	9,884,576



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**16. Other overheads and expenditures**

	<b>Economic Entity and Bank</b>	
	<b>2nd Quarter Ended 30-Jun-16 RM</b>	<b>2nd Quarter Ended 30-Jun-15 RM</b>
<u>Establishment expenses</u>		
Depreciation of property, plant and equipment	138,451	194,525
Amortisation of intangible assets	184,076	189,667
Rental of premises	469,956	475,559
Software and hardware maintenance	1,115,255	1,020,071
Rental of equipment and network line	94,839	160,864
Security expenses	91,737	92,184
Others	473,286	619,475
	<b>2,567,600</b>	<b>2,752,345</b>
<u>Marketing expenses</u>		
Advertising and promotional activities	57,091	21,918
Entertainment expenses	2,672	4,861
Travelling expenses	12,534	5,183
Others	-	599
	<b>72,297</b>	<b>32,560</b>
<u>Administration and general expenses</u>		
License and association fees and levies	84,159	77,178
Travelling, transport and accomodation expenses	37,661	53,254
Printing, stationery, postage and clearing charges	97,207	79,803
Telecommunication charges	103,308	95,374
Shariah Committee remunerations	64,000	64,000
Electricity and water	81,414	81,752
Directors related fees	128,000	309,002
Other professional fees	18,195	250,887
Auditors remuneration	67,500	65,500
Donations	-	-
Others	89,849	30,337
	<b>771,293</b>	<b>1,107,087</b>
	<b>3,411,190</b>	<b>3,891,993</b>

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**16. Other overheads and expenditures (continued)**

	<b>Economic Entity and Bank</b>	
	<b>Half Year Ended 30-Jun-16 RM</b>	<b>Half Year Ended 30-Jun-15 RM</b>
<u>Establishment expenses</u>		
Depreciation of property, plant and equipment	<b>286,843</b>	396,596
Amortisation of intangible assets	<b>368,676</b>	379,338
Rental of premises	<b>953,953</b>	956,254
Software and hardware maintenance	<b>2,632,482</b>	1,891,452
Rental of equipment and network line	<b>195,202</b>	332,306
Security expenses	<b>192,744</b>	195,627
Others	<b>884,155</b>	1,181,226
	<b>5,514,055</b>	5,332,799
<u>Marketing expenses</u>		
Advertising and promotional activities	<b>69,626</b>	90,245
Entertainment expenses	<b>10,661</b>	8,806
Travelling expenses	<b>52,221</b>	85,036
Others	-	599
	<b>132,508</b>	184,686
<u>Administration and general expenses</u>		
License and association fees and levies	<b>204,714</b>	197,498
Travelling, transport and accomodation expenses	<b>88,689</b>	93,023
Printing, stationery, postage and clearing charges	<b>180,215</b>	159,822
Telecommunication charges	<b>280,183</b>	239,578
Shariah Committee remunerations	<b>64,000</b>	64,000
Electricity and water	<b>157,977</b>	164,622
Directors related fees	<b>234,543</b>	376,002
Other professional fees	<b>59,315</b>	368,619
Auditors remuneration	<b>135,000</b>	128,000
Donations	-	-
Others	<b>181,899</b>	39,702
	<b>1,586,535</b>	1,830,866
	<b>7,233,098</b>	7,348,351

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**17. Other comprehensive income**

	<b>Economic Entity and Bank</b>	
	<b>2nd Quarter Ended 30-Jun-16 RM</b>	2nd Quarter Ended 30-Jun-15 RM
Financial investment available-for-sale		
- Unrealised net (loss)/gain on revaluation	<b>392,810</b>	(181,146)
Income tax relating to components of other comprehensive income	-	-
	<b>392,810</b>	<b>(181,146)</b>
	<b>Half Year Ended 30-Jun-16 RM</b>	Half Year Ended 30-Jun-15 RM
Financial investment available-for-sale		
- Unrealised net (loss)/gain on revaluation	<b>1,508,674</b>	189,833
Income tax relating to components of other comprehensive income	-	-
	<b>1,508,674</b>	<b>189,833</b>

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**18. Significant related party balances and transactions**

Credit exposures arising from transactions with connected parties

Credit exposures with connected parties as per Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties ('Revised BNM/GP6') are as follows:

	<b>Economic Entity and Bank</b>	
	<b>30-Jun-16</b>	31-Dec-15
	<b>RM</b>	RM
Outstanding credit exposures with connected parties	<u><b>145,379,564</b></u>	<u>91,011,185</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u><b>5.56%</b></u>	<u>3.38%</u>
Percentage of outstanding credit exposures to connected parties which is non-performing or in default	<u><b>0.00%</b></u>	<u>0.00%</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.

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**19. Commitments and contingencies**

In the normal course of business, the Economic Entity and the Bank makes various commitments and incurs certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transaction, hence, they are not provided for in the financial statements.

<b>Economic Entity and Bank</b>	<b>Principal amount RM</b>	<b>Gross Positive Fair Value - Derivative Contract RM</b>	<b>Credit equivalent amount* RM</b>	<b>Risk weighted amount RM</b>
<b>30-Jun-16</b>				
Direct credit substitutes	27,549,625	-	27,549,625	27,424,188
Trade-related contingencies	12,536,145	-	2,507,229	2,507,229
Irrevocable commitments to extend credit:				
- one year or less	178,209,624	-	89,104,812	89,104,812
- over one year to five years	13,659,798	-	6,829,900	6,829,899
- over five years	1,187,970	-	593,985	446,114
Foreign exchange related contracts				
- one year or less	142,404,457	1,225,089	2,967,555	1,034,899
<b>Total</b>	<b>375,547,619</b>	<b>1,225,089</b>	<b>129,553,106</b>	<b>127,347,141</b>

	<b>Principal amount RM</b>	<b>Gross Positive Fair Value - Derivative Contract RM</b>	<b>Credit equivalent amount* RM</b>	<b>Risk weighted amount RM</b>
<b>31-Dec-15</b>				
Direct credit substitutes	6,659,250	-	6,659,250	6,533,813
Trade-related contingencies	3,991,761	-	798,352	798,352
Irrevocable commitments to extend credit:				
- one year or less	255,046,341	-	127,523,170	127,523,170
- over one year to five years	3,000,000	-	1,500,000	1,500,000
- over five years	6,187,969	-	3,093,985	2,945,489
Foreign exchange related contracts				
- one year or less	278,184,190	778,580	4,225,117	1,078,534
<b>Total</b>	<b>553,069,511</b>	<b>778,580</b>	<b>143,799,874</b>	<b>140,379,358</b>

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**20. Financial risk management**

**20.1 Credit risk management**

**(i) Financing and advances**

Financing and advances are summarised as follows:

	<b>Economic Entity and Bank</b>	
	<b>30-Jun-16</b>	31-Dec-15
	<b>RM</b>	RM
Neither past due nor impaired	<b>1,269,565,229</b>	1,446,930,998
Past due but not impaired	<b>216,657,481</b>	37,557,363
Impaired	<b>13,148,727</b>	13,096,988
Gross financing and advances	<b>1,499,371,437</b>	1,497,585,349
Less: Individual allowance	<b>(10,406,619)</b>	(10,062,217)
Collective allowance	<b>(31,583,181)</b>	(28,453,374)
Net financing and advances	<b>1,457,381,637</b>	1,459,069,758

(a) 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:

	<b>Economic Entity and Bank</b>	
	<b>30-Jun-16</b>	31-Dec-15
	<b>RM</b>	RM
<u>Internal Credit Rating (CRR)</u>		
CRR1 - CRR3	<b>106,354,348</b>	287,523,633
CRR4 - CRR6	<b>1,002,317,918</b>	1,132,875,107
CRR7 - CRR10	<b>151,804,820</b>	17,651,147
Non rated CRR	<b>9,088,143</b>	8,881,111
	<b>1,269,565,229</b>	1,446,930,998

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

**20.1 Credit risk management (continued)**

**(i) Financing and advances (continued)**

(a) Financing and advances neither past due nor impaired (continued)

The above detailed out the Bank's financing and advances which are rated using the Bank's internal risk rating, and none are rated by the External Credit Assessment Institution (ECAI). For the purpose of Pillar 3 disclosures, the Unrated and Rated Counterparties are rated specific to the credit exposures, using the issue rating of the ECAI based on the assigned risk weights as follows:-

Risk Weights	20%	50%	100%	150%	100%
ECAI	-----RATINGS-----				
S&P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
MOODY'S	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B1 to C	Unrated
FITCH	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
RAM	AAA to AA	A+ to A-	BBB to BB	B to D	Unrated
MARC	AAA to AA	A+ to A-	BBB to BB-	B to D	Unrated

(b) 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:

	<b>Economic Entity and Bank</b>	
	<b>30-Jun-16</b>	31-Dec-15
	<b>RM</b>	RM
Past due up to 30 days	<b>215,301,967</b>	35,702,442
Past due 30 to 60 days	<b>1,220,941</b>	1,415,990
Past due 60 to 90 days	<b>134,573</b>	438,931
	<b><u>216,657,481</u></b>	<u>37,557,363</u>

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**ASIAN FINANCE BANK BERHAD**  
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**20. Financial risk management (continued)**

**20.1 Credit risk management (continued)**

**(i) Financing and advances (continued)**

(c) Impaired financing and advances

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

	<b>Economic Entity and Bank</b>	
	<b>30-Jun-16</b>	31-Dec-15
	<b>RM</b>	RM
Gross impaired financing and advances	<b>13,148,727</b>	13,096,988
Less: Impairment allowance	<b>(10,406,619)</b>	(10,062,217)
Net impaired financing and advances	<b>2,742,108</b>	3,034,771

The movements of allowances for impaired financing and advances are set out in Note 5.

Credit Risk Mitigation (CRM) Disclosures

In mitigating its credit exposure, the Bank currently employs the cash collateral (one of the form of collaterals under Credit Risk Mitigants), which provides 0% risk weights. Other form of collaterals such as financing facility against charges over residential and commercial properties, pledged over shares, and supports in the form of debentures, assignments and guarantees are not taken into consideration as CRM and are therefore assigned with 100% risk weights.



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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 for the Economic Entity and the Bank by rating agency designation are as follows:

<b>Economic Entity and Bank</b>	<b>Short term funds</b>	<b>Financial investments portfolios</b>	<b>Derivative assets</b>	<b>Other assets</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>30-Jun-16</b>				
<b>Neither past due nor impaired</b>				
AAA	332,411,112	474,641,608	-	-
AA and below	14,698,538	277,955,266	-	-
Unrated	12,138,215	-	1,225,089	9,138,607
	<u>359,247,865</u>	<u>752,596,874</u>	<u>1,225,089</u>	<u>9,138,607</u>
<b>Individually impaired</b>	-	-	-	-
	<u>359,247,865</u>	<u>752,596,874</u>	<u>1,225,089</u>	<u>9,138,607</u>
<b>31-Dec-15</b>				
<b>Neither past due nor impaired</b>				
AAA	165,999,696	488,801,218	-	-
AA and below	68,713,851	272,446,138	-	-
Unrated	25,824,551	-	778,580	8,354,253
	<u>260,538,098</u>	<u>761,247,356</u>	<u>778,580</u>	<u>8,354,253</u>
<b>Individually impaired</b>	-	-	-	-
	<u>260,538,098</u>	<u>761,247,356</u>	<u>778,580</u>	<u>8,354,253</u>

The amount of short term funds, financial assets and investments portfolios that are past due but not impaired is not material.

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

**20.2 Market risk**

**(i) Profit Rate Risk**

Economic Entity and Bank	----- Non-trading book ----->						Trading book	Total	Effective profit rate
	Up to 1 months	1-3 months	3-12 months	1-5 years	Over 5 years	Non-profit sensitive			
	RM	RM	RM	RM	RM	RM	RM	RM	
<b>30-Jun-16</b>									
<b>Assets</b>									
Cash and short term funds	344,096,521	-	-	-	-	17,995,829	-	362,092,350	3.05
Financial investments available-for-sale	-	35,427,897	90,486,208	222,655,126	-	2,363	-	348,571,594	4.13
Financial investments held-to-maturity	-	-	71,114,576	166,552,770	166,026,482	-	-	403,693,828	4.28
Financing and advances - performing	836,816,349	356,442,421	48,727,162	209,526,667	34,703,961	(41,983,650)	-	1,444,232,910	5.20
- non performing	-	-	-	-	-	13,148,727	-	13,148,727	-
Derivative assets	1,118,889	106,200	-	-	-	-	-	1,225,089	-
Other assets	-	-	-	-	-	9,138,606	-	9,138,606	-
Statutory deposits	-	-	-	-	-	30,723,822	-	30,723,822	-
Property and equipment	-	-	-	-	-	760,843	-	760,843	-
Intangible assets	-	-	-	-	-	1,473,965	-	1,473,965	-
<b>Total assets</b>	<b>1,182,031,759</b>	<b>391,976,518</b>	<b>210,327,946</b>	<b>598,734,563</b>	<b>200,730,443</b>	<b>31,260,505</b>	<b>-</b>	<b>2,615,061,734</b>	

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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

Economic Entity and Bank	----- Non-trading book ----->						Trading book	Total	Effective profit rate
	Up to 1 months	1-3 months	3-12 months	1-5 years	Over 5 years	Non-profit sensitive			
	RM	RM	RM	RM	RM	RM	RM	RM	
<b>30-Jun-16</b>									
<b>Liabilities</b>									
Deposits from customers	156,692,001	380,034,312	88,336,832	146,436,725	-	4,170,422	-	775,670,292	3.72
Deposits and placements of banks and other financial institutions	373,981,652	665,314,775	285,063,490	-	-	6,461,221	-	1,330,821,138	3.94
Derivative liabilities	307,000	86,600	-	-	-	-	-	393,600	-
Other liabilities	-	-	-	-	-	11,554,294	-	11,554,294	-
Total liabilities	530,980,653	1,045,435,687	373,400,322	146,436,725	-	22,185,937	-	2,118,439,324	
Total shareholders equity	-	-	-	-	496,622,410	-	-	496,622,410	
	530,980,653	1,045,435,687	373,400,322	146,436,725	496,622,410	22,185,937	-	2,615,061,734	
<b>Total profit-sensitivity gap</b>	<b>651,051,106</b>	<b>(653,459,169)</b>	<b>(163,072,376)</b>	<b>452,297,838</b>	<b>(295,891,967)</b>	<b>9,074,568</b>	<b>-</b>	<b>-</b>	

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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**

Economic Entity and Bank	----- Non-trading book ----->						Trading book	Total	Effective profit rate
	Up to 1 months	1-3 months	3-12 months	1-5 years	Over 5 years	Non-profit sensitive			
	RM	RM	RM	RM	RM	RM	RM		
31-Dec-15									
<b>Assets</b>									
Cash and short term funds	190,730,643	-	-	-	-	72,705,228	-	263,435,871	3.12
Financial investments available-for-sale	-	35,565,082	115,754,445	216,061,329	-	2,363	-	367,383,219	4.34
Financial investments held-to-maturity	-	-	15,228,469	217,586,214	161,049,454	-	-	393,864,137	4.28
Financing and advances - performing	776,271,020	345,859,803	120,657,130	191,311,987	50,367,707	(38,494,877)	-	1,445,972,770	5.07
- non performing	-	-	-	-	-	13,096,988	-	13,096,988	
Derivative assets	753,830	24,750	-	-	-	-	-	778,580	
Other assets	-	-	-	-	-	8,354,253	-	8,354,253	
Statutory deposits	-	-	-	-	-	34,683,822	-	34,683,822	
Property and equipment	-	-	-	-	-	1,007,951	-	1,007,951	
Intangible assets	-	-	-	-	-	1,842,640	-	1,842,640	
<b>Total assets</b>	<b>967,755,493</b>	<b>381,449,635</b>	<b>251,640,044</b>	<b>624,959,530</b>	<b>211,417,161</b>	<b>93,198,368</b>	<b>-</b>	<b>2,530,420,231</b>	

**ASIAN FINANCE BANK BERHAD**  
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**20. Financial risk management (continued)**

**20.2 Market risk (continued)**

**(i) Profit Rate Risk**

Economic Entity and Bank	----- Non-trading book ----->						Trading book	Total	Effective profit rate
	Up to 1 months	1-3 months	3-12 months	1-5 years	Over 5 years	Non-profit sensitive			
	RM	RM	RM	RM	RM	RM	RM	RM	
31-Dec-15									
<b>Liabilities</b>									
Deposits from customers	536,451,358	293,612,539	54,027,961	142,000,000	-	5,594,746	-	1,031,686,604	3.09
Deposits and placements of banks and other financial institutions	404,032,424	504,533,752	74,570,412	-	-	9,756,029	-	992,892,617	3.78
Derivative liabilities	896,884	43,400	-	-	-	-	-	940,284	
Other liabilities	-	-	-	-	-	12,086,801	-	12,086,801	
Total liabilities	941,380,666	798,189,691	128,598,373	142,000,000	-	27,437,576	-	2,037,606,306	
Total shareholders equity	-	-	-	-	492,813,925	-	-	492,813,925	
	941,380,666	798,189,691	128,598,373	142,000,000	492,813,925	27,437,576	-	2,530,420,231	
<b>Total profit-sensitivity gap</b>	26,374,827	(416,740,056)	123,041,671	482,959,530	(281,396,764)	65,760,792	-	-	

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**ASIAN FINANCE BANK BERHAD**  
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**20. Financial risk management (continued)**

**20.2 Market Risk (continued)**

**(ii) Foreign Exchange Risk**

Economic Entity and Bank				
<u>30-Jun-16</u>	USD	MYR	Others	Total
RM'000				
<b>Assets</b>				
Cash and short-term funds	21,948	335,238	4,906	362,092
Financial investments available-for-sale	-	348,571	-	348,571
Financial investments-held-to-maturity	-	403,694	-	403,694
Financing and advances	143,309	1,314,073	-	1,457,382
Derivative assets	8	1,217	-	1,225
Other assets	-	9,139	-	9,139
Statutory deposits with				
Bank Negara Malaysia	-	30,724	-	30,724
Property, plant and equipment	-	761	-	761
Intangible assets	-	1,474	-	1,474
<b>Total Assets</b>	<b>165,265</b>	<b>2,444,891</b>	<b>4,906</b>	<b>2,615,062</b>
<b>Liabilities</b>				
Deposits from customers	4,025	771,053	592	775,670
Deposits and placements of banks and other financial institutions	52,415	1,278,406	-	1,330,821
Derivative liabilities	226	168	-	394
Other liabilities	-	11,554	-	11,554
<b>Total Liabilities</b>	<b>56,666</b>	<b>2,061,181</b>	<b>592</b>	<b>2,118,439</b>
<b>Net on-balance sheet financial position</b>	<b>108,599</b>	<b>383,710</b>	<b>4,314</b>	<b>496,623</b>

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**ASIAN FINANCE BANK BERHAD**  
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**20. Financial risk management (continued)**

**20.2 Market Risk (continued)**

**(ii) Foreign Exchange Risk (continued)**

**Economic Entity and Bank**

31-Dec-2015	USD	MYR	Others	Total
RM'000				
<b>Assets</b>				
Cash and short-term funds	39,018	168,880	55,538	263,436
Financial investments available-for-sale	-	367,383	-	367,383
Financial investments-held-to-maturity	-	393,864	-	393,864
Financing and advances	159,939	1,299,131	-	1,459,070
Derivative assets	2	390	386	779
Other assets	-	8,354	-	8,354
Statutory deposits with				
Bank Negara Malaysia	-	34,684	-	34,684
Property, plant and equipment	-	1,008	-	1,008
Intangible assets		1,843		1,843
<b>Total Assets</b>	<b>198,959</b>	<b>2,275,537</b>	<b>55,924</b>	<b>2,530,420</b>
<b>Liabilities</b>				
Deposits from customers	6,545	884,136	141,005	1,031,686
Deposits and placements of banks and other financial institutions	-	992,893	-	992,893
Derivative liabilities	59	666	215	940
Other liabilities	-	12,087	-	12,087
<b>Total Liabilities</b>	<b>6,604</b>	<b>1,889,782</b>	<b>141,220</b>	<b>2,037,606</b>
<b>Net on-balance sheet financial position</b>	<b>192,355</b>	<b>385,755</b>	<b>(85,296)</b>	<b>492,814</b>

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**ASIAN FINANCE BANK BERHAD**  
(Incorporated in Malaysia)

**21. Capital adequacy**

	<b>Economic Entity and Bank</b>	
	<b>30-Jun-16</b>	31-Dec-15
	<b>RM</b>	RM
<u>CET1 Capital</u>		
Paid-up ordinary share capital	532,530,020	532,530,020
Accumulated losses	(49,685,510)	(49,685,510)
AFS revaluation reserve	(60,656)	(1,569,330)
Statutory reserve	11,538,744	11,538,744
	<b>494,322,598</b>	492,813,924
Less : CET1 regulatory adjustments		
Deferred tax assets	-	-
Cumulative (gains)/losses of AFS financial instruments	(292,157)	537,614
Total CET1 capital	<b>494,030,441</b>	493,351,538
<u>Tier 1 Capital</u>		
Additional Tier 1 capital instruments	-	-
Less: Tier 1 regulatory adjustments	-	-
Total Tier 1 capital	<b>494,030,441</b>	493,351,538
<u>Tier II Capital</u>		
Collective impairment/allowance for bad and doubtful financing ^	24,244,297	28,407,853
Total Tier II capital	<b>24,244,297</b>	28,407,853
Total capital base	<b>518,274,738</b>	521,759,391
<u>Capital ratios</u>		
Inclusive of market risk:		
CET1 capital (inclusive of market risk)	<b>24.230%</b>	24.035%
Tier 1 capital (inclusive of market risk)	<b>24.230%</b>	24.035%
Total capital ratio (inclusive of market risk)	<b>25.419%</b>	25.419%

^ 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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**ASIAN FINANCE BANK BERHAD**  
(Incorporated in Malaysia)

21. Capital adequacy (continued)

Economic Entity and Bank

30-Jun-16

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

	Gross Exposures		Net	Risk	Risk	Total Risk	Capital
	RM'000	RM'000	Exposures	Weighted	Weighted	Assets after	Requirements
			RM'000	Assets	Assets	effects of PSIA	RM'000
				by PSIA	Absorbed	RM'000	
				RM'000	by PSIA	RM'000	
	-	-	-	-	-	-	-
	119,656	119,656	20,007	-	20,007	1,601	
	2,092,219	2,092,219	1,773,760	-	1,773,760	141,901	
	23,239	23,239	18,430	-	18,430	1,474	
	-	-	-	-	-	-	-
	2,235,114	2,235,114	1,812,197	-	1,812,197	144,976	
	375,548	129,553	127,347	-	127,347	10,188	
	375,548	129,553	127,347	-	127,347	10,188	
	2,610,662	2,364,667	1,939,544	-	1,939,544	155,163	
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	1,690	1,282	1,690	-	1,690	135	
	-	-	-	-	97,712	7,817	
	2,612,352	2,611,944	2,366,357	-	2,038,945	163,116	

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**ASIAN FINANCE BANK BERHAD**  
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21. Capital adequacy (continued)

**Economic Entity and Bank**  
**30-Jun-16**

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>
<b>Performing Exposures</b>								
0%	-	-	19,620	-	-	-	250,016	-
20%	-	-	102,451	20,490	-	-	235,768	47,154
50%	-	-	251	126	-	-	-	-
75%	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	1,491,576	1,491,576
150%	-	-	-	-	-	-	240,746	361,119
<b>Total</b>	-	-	<b>122,322</b>	<b>20,616</b>	-	-	<b>2,218,106</b>	<b>1,899,849</b>
<b>Defaulted Exposures</b>								
0%	-	-	-	-	-	-	-	-
50%	-	-	-	-	-	-	407	204
100%	-	-	-	-	-	-	-	-
150%	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	<b>407</b>	<b>204</b>
<b>Total Performing and Defaulted Exposures</b>	-	-	<b>122,322</b>	<b>20,616</b>	-	-	<b>2,218,513</b>	<b>1,900,052</b>

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**ASIAN FINANCE BANK BERHAD**  
(Incorporated in Malaysia)

**21. Capital adequacy (continued)**

**Economic Entity and Bank**  
**30-Jun-16**

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

<b>Risk Weights</b>	<b>Regulatory Retail</b>	<b>Risk</b>	<b>Total Exposure</b>	<b>Total Risk Weighted Assets</b>
	Exposures after Netting & CRM	<b>Weighted Asset</b>	Exposures after Netting & CRM	<b>Risk Weighted Asset</b>
<b>Performing Exposures</b>				
0%	-	-	269,636	-
20%	-	-	338,219	67,644
50%	-	-	251	126
75%	21,495	16,121	21,495	16,121
100%	-	-	1,491,576	1,491,576
150%	-	-	240,746	361,119
<b>Total</b>	<b>21,495</b>	<b>16,121</b>	<b>2,361,923</b>	<b>1,936,586</b>
<b>Defaulted Exposures</b>				
0%	-	-	-	-
50%	-	-	407	204
100%	1,504	1,504	1,504	1,504
150%	833	1,250	833	1,250
<b>Total</b>	<b>2,337</b>	<b>2,754</b>	<b>2,744</b>	<b>2,957</b>
<b>Total Performing and Defaulted Exposures</b>	<b>23,832</b>	<b>18,875</b>	<b>2,364,667</b>	<b>1,939,544</b>

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**ASIAN FINANCE BANK BERHAD**  
(Incorporated in Malaysia)

21. Capital adequacy (continued)

Geographic Distribution of Gross Credit Exposures

	Inside Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
<b><u>Economic Entity and Bank</u></b>			
<b><u>30-Jun-16</u></b>			
<b><u>Exposure Class</u></b>			
<b><u>Gross Credit Exposures</u></b>			
<i>On-Balance Sheet Exposures</i>			
Sovereigns & Central Banks	-	-	-
Banks, MDBs and FDIs	119,656	-	119,656
Corporates	2,092,219	-	2,092,219
Regulatory Retail	14,739	8,500	23,239
Other Assets	-	-	-
<b>Total for On-Balance Sheet Exposures</b>	<b><u>2,226,614</u></b>	<b><u>8,500</u></b>	<b><u>2,235,114</u></b>
<i>Off-Balance Sheet Exposures</i>			
Off balance sheet exposures other than OTC derivatives or credit derivatives	374,114	1,434	375,548
<b>Total for Off-Balance Sheet Exposures</b>	<b><u>374,114</u></b>	<b><u>1,434</u></b>	<b><u>375,548</u></b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b><u>2,600,728</u></b>	<b><u>9,934</u></b>	<b><u>2,610,662</u></b>

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**ASIAN FINANCE BANK BERHAD**  
(Incorporated in Malaysia)

21. Capital adequacy (continued)

Contractual Maturity of Gross Credit Exposures

	One Year or Less RM'000	Over One Year to Five Years RM'000	Over Five Years RM'000	Total RM'000
<b><u>Economic Entity and Bank</u></b>				
<b><u>30-Jun-16</u></b>				
<b><u>Exposure Class</u></b>				
<b><u>Gross Credit Exposures</u></b>				
<b><i>On-Balance Sheet Exposures</i></b>				
Sovereigns & Central Banks	-	-	-	-
Banks, MDBs and FDIs	100,036	19,620	-	119,656
Corporates	1,252,183	624,227	215,809	2,092,219
Regulatory Retail	833	953	21,453	23,239
Other Assets	-	-	-	-
<b>Total for On-Balance Sheet Exposures</b>	<b>1,353,052</b>	<b>644,800</b>	<b>237,262</b>	<b>2,235,114</b>
<b><i>Off-Balance Sheet Exposures</i></b>				
Off balance sheet exposures other than OTC derivatives or credit derivatives	360,700	13,660	1,188	375,548
<b>Total for Off-Balance Sheet Exposures</b>	<b>360,700</b>	<b>13,660</b>	<b>1,188</b>	<b>375,548</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>1,713,752</b>	<b>658,460</b>	<b>238,450</b>	<b>2,610,662</b>

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**ASIAN FINANCE BANK BERHAD**  
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21. Capital adequacy (continued)

**Economic Entity and Bank**

31-Dec-15 <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
<b><u>Credit Risk</u></b>						
<b><i>On-Balance Sheet Exposures</i></b>						
Sovereigns & Central Banks	-	-	-	-	-	-
Banks, MDBs and FDIs	119,706	119,706	20,017	-	20,017	1,601
Corporates	2,099,046	2,099,046	1,772,575	-	1,772,575	141,806
Regulatory Retail	23,571	23,571	18,646	-	18,646	1,492
Other Assets	-	-	-	-	-	-
<b>Total for On-Balance Sheet Exposures</b>	<b>2,242,323</b>	<b>2,242,323</b>	<b>1,811,238</b>	<b>-</b>	<b>1,811,238</b>	<b>144,899</b>
<b><i>Off-Balance Sheet Exposures</i></b>						
Off balance sheet exposures other than OTC derivatives or credit derivatives	553,070	143,800	140,381	-	140,381	11,230
<b>Total for Off-Balance Sheet Exposures</b>	<b>553,070</b>	<b>143,800</b>	<b>140,381</b>	<b>-</b>	<b>140,381</b>	<b>11,230</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>2,795,393</b>	<b>2,386,123</b>	<b>1,951,619</b>	<b>-</b>	<b>1,951,619</b>	<b>156,129</b>
<b><u>Market Risk</u></b>						
	Long Position	Short Position				
Benchmark Rate Risk	-	-	-	-	-	-
Equity Position Risk	-	-	-	-	-	-
Foreign Currency Risk	1,543	3,144	3,144	3,144	3,144	252
Operational Risk	-	-	-	97,903	97,903	7,832
<b>Total RWA and Capital Requirements</b>	<b>2,796,936</b>	<b>2,798,537</b>	<b>2,389,267</b>	<b>2,052,666</b>	<b>2,052,666</b>	<b>164,213</b>

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**ASIAN FINANCE BANK BERHAD**  
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**21. Capital adequacy (continued)**

**Economic Entity and Bank**

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

31-Dec-15

<b><u>Risk Weights</u></b>	<b>Sovereigns &amp; Central Banks</b>		<b>Banks, MDBs and FDIs</b>		<b>Corporates</b>	
	Exposures after Netting & CRM	<b><i>Risk Weighted Asset</i></b>	Exposures after Netting & CRM	<b><i>Risk Weighted Asset</i></b>	Exposures after Netting & CRM	<b><i>Risk Weighted Asset</i></b>
<b>Performing Exposures</b>						
0%	-	-	19,620	-	285,040	-
20%	-	-	104,019	20,804	204,707	40,941
50%	-	-	251	126	-	-
75%	-	-	-	-	-	-
100%	-	-	-	-	1,502,125	1,502,125
150%	-	-	-	-	245,433	368,149
<b>Total</b>	-	-	123,890	20,930	2,237,305	1,911,215
<b>Defaulted Exposures</b>						
0%	-	-	-	-	-	-
50%	-	-	-	-	763	382
100%	-	-	-	-	-	-
150%	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	763	382
<b>Total Performing and Defaulted Exposures</b>	-	-	123,890	20,930	2,238,068	1,911,597

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**ASIAN FINANCE BANK BERHAD**  
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**21. Capital adequacy (continued)**

**Economic Entity and Bank**

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

31-Dec-15

<b><u>Risk Weights</u></b>	<b>Regulatory Retail</b>		<b>Total</b>	<b>Total Risk</b>
	Exposures after Netting & CRM	<b>Risk Weighted Asset</b>	Exposures after Netting & CRM	<b>Weighted Assets</b>
<b>Performing Exposures</b>				
0%	-	-	304,660	-
20%	-	-	308,726	61,745
50%	-	-	251	126
75%	21,893	16,420	21,893	16,420
100%	-	-	1,502,125	1,502,125
150%	-	-	245,433	368,149
<b>Total</b>	<b>21,893</b>	<b>16,420</b>	<b>2,383,088</b>	<b>1,948,565</b>
<b>Defaulted Exposures</b>				
0%	-	-	-	-
50%	-	-	763	382
100%	1,473	1,473	1,473	1,473
150%	799	1,199	799	1,199
<b>Total</b>	<b>2,272</b>	<b>2,672</b>	<b>3,035</b>	<b>3,054</b>
<b>Total Performing and Defaulted Exposures</b>	<b>24,165</b>	<b>19,092</b>	<b>2,386,123</b>	<b>1,951,619</b>



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**ASIAN FINANCE BANK BERHAD**  
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21. Capital adequacy (continued)

Geographic Distribution of Gross Credit Exposures

	Inside Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
<b><u>Economic Entity and Bank</u></b>			
<b>31-Dec-15</b>			
<b><u>Exposure Class</u></b>			
<b><u>Gross Credit Exposures</u></b>			
<b><i>On-Balance Sheet Exposures</i></b>			
Sovereigns & Central Banks	-	-	-
Banks, MDBs and FDIs	119,706	-	119,706
Corporates	2,078,940	20,106	2,099,046
Regulatory Retail	14,948	8,623	23,571
Other Assets	-	-	-
<b>Total for On-Balance Sheet Exposures</b>	<b><u>2,213,594</u></b>	<b><u>28,729</u></b>	<b><u>2,242,323</u></b>
<b><i>Off-Balance Sheet Exposures</i></b>			
<b>Off balance sheet exposures other than OTC derivatives or credit derivatives</b>	<b><u>552,193</u></b>	<b><u>877</u></b>	<b><u>553,070</u></b>
<b>Total for Off-Balance Sheet Exposures</b>	<b><u>552,193</u></b>	<b><u>877</u></b>	<b><u>553,070</u></b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b><u>2,765,787</u></b>	<b><u>29,606</u></b>	<b><u>2,795,393</u></b>

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**ASIAN FINANCE BANK BERHAD**  
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**21. Capital adequacy (continued)**

**Contractual Maturity of Gross Credit Exposures**

	One Year or Less RM'000	Over One Year to Five Years RM'000	Over Five Years RM'000	Total RM'000
<b><u>Economic Entity and Bank</u></b>				
<b>31-Dec-15</b>				
<b><u>Exposure Class</u></b>				
<b><u>Gross Credit Exposures</u></b>				
<b><i>On-Balance Sheet Exposures</i></b>				
<b>Sovereigns &amp; Central Banks</b>	-	-	-	-
<b>Banks, MDBs and FDIs</b>	100,086	19,620	-	119,706
<b>Corporates</b>	1,293,284	599,913	205,849	2,099,046
<b>Regulatory Retail</b>	574	1,070	21,927	23,571
<b>Other Assets</b>	-	-	-	-
<b>Total for On-Balance Sheet Exposures</b>	<u>1,393,944</u>	<u>620,603</u>	<u>227,776</u>	<u>2,242,323</u>
<b><i>Off-Balance Sheet Exposures</i></b>				
<b>Off balance sheet exposures other than OTC derivatives or credit derivatives</b>	543,882	3,000	6,188	553,070
<b>Total for Off-Balance Sheet Exposures</b>	<u>543,882</u>	<u>3,000</u>	<u>6,188</u>	<u>553,070</u>
<b>Total On and Off-Balance Sheet Exposures</b>	<u>1,937,826</u>	<u>623,603</u>	<u>233,964</u>	<u>2,795,393</u>

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**ASIAN FINANCE BANK BERHAD**  
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**21. Capital adequacy (continued)**

**Disclosure of rated and unrated exposures according to rating by ECAs**

**Economic Entity and Bank**

**30-Jun-16**

Exposure Class	Rating of Corporate by approved ECAs					
	MOODY'S	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B+ to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	FITCH	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	RAM	AAA to AA3	A to A3	BBB to BB	B to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
<b><u>On and Off Balance Sheet Exposures</u></b>						
<b><u>Credit exposure (using Corporate Risk Weights)</u></b>						
Public Sector Entity (applicable for entities risk weighted based on their external rating as	-	-	-	-	-	-
Insurance Companies, Securities Firms & Fund Managers	-	-	-	-	-	-
Corporates	-	476,513,793	-	-	-	250,015,452
<b>Total</b>	-	<b>476,513,793</b>	-	-	-	<b>250,015,452</b>

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**ASIAN FINANCE BANK BERHAD**  
(Incorporated in Malaysia)

**21. Capital adequacy (continued)**

**Disclosure of rated and unrated exposures according to rating by ECAIs (continued)**

**Economic Entity and Bank**

**30-Jun-16**

Exposure Class	Rating of Sovereign Central Banks by approved ECAIs					
	MOODY'S	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B+ to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	FITCH	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	RAM	AAA to AA3	A to A3	BBB to BB	B to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
<b><u>On and Off Balance Sheet Exposures</u></b>						
Sovereign Central Banks	-	-	-	-	-	-
Total	-	-	-	-	-	-

Exposure Class	Rating of Banking Institutions by approved ECAIs					
	MOODY'S	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B+ to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	FITCH	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	RAM	AAA to AA3	A to A3	BBB to BB	B to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
<b><u>On and Off Balance Sheet Exposures</u></b>						
Banks, MDBs and FDI	-	19,620,000	-	-	-	-
Total	-	19,620,000	-	-	-	-

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**ASIAN FINANCE BANK BERHAD**  
(Incorporated in Malaysia)

**21. Capital adequacy (continued)**

**Disclosure of rated and unrated exposures according to rating by ECAs**

**Economic Entity and Bank**  
**31-Dec-15**

Exposure Class	Rating of Corporate by approved ECAs					
	MOODY'S	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B+ to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	FITCH	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	RAM	AAA to AA3	A to A3	BBB to BB	B to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
<b><u>On and Off Balance Sheet Exposures</u></b>						
<b><u>Credit exposure (using Corporate Risk Weights)</u></b>						
Public Sector Entity (applicable for entities risk weighted based on their external rating as	-	-	-	-	-	-
Insurance Companies, Securities Firms & Fund Managers	-	-	-	-	-	-
Corporates	-	485,163,134	-	-	-	250,016,593
<b>Total</b>	-	<b>485,163,134</b>	-	-	-	<b>250,016,593</b>

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**ASIAN FINANCE BANK BERHAD**  
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**21. Capital adequacy (continued)**

**Disclosure of rated and unrated exposures according to rating by ECAIs (continued)**

**Economic Entity and Bank**  
**31-Dec-15**

Exposure Class	Rating of Sovereign Central Banks by approved ECAIs					
	MOODY'S	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B+ to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	FITCH	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	RAM	AAA to AA3	A to A3	BBB to BB	B to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
<b><u>On and Off Balance Sheet Exposures</u></b>						
Sovereign Central Banks	-	-	-	-	-	-
Total	-	-	-	-	-	-

Exposure Class	Rating of Banking Institutions by approved ECAIs					
	MOODY'S	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B+ to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	FITCH	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	RAM	AAA to AA3	A to A3	BBB to BB	B to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
<b><u>On and Off Balance Sheet Exposures</u></b>						
Banks, MDBs and FDI	-	19,620,000	-	-	-	-
Total	-	19,620,000	-	-	-	-

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**ASIAN FINANCE BANK BERHAD**  
(Incorporated in Malaysia)

**22. Segmental information**

	Domestic Banking RM	International Banking RM	Asset Management and Investment Banking RM	Total RM
<b><u>Economic Entity and Bank</u></b>				
<b>2nd Quarter Ended</b>				
<b>30-Jun-16</b>				
External revenue	18,792,035	12,211,560	-	31,003,595
Inter-segment revenue	(10,370,668)	10,370,668	-	-
Total revenue	8,421,367	22,582,228	-	31,003,595
Depositors' payout	(167,883)	(19,311,506)	-	(19,479,389)
Net income	8,253,484	3,270,722	-	11,524,206
Operating overheads				
of which:				
Depreciation of property, plant and equipment	(4,502,231)	(2,933,259)	-	(7,435,490)
Amortisation of intangible assets	(138,451)	-	-	(138,451)
Allowance for impairment of financing advances	(184,075)	-	-	(184,075)
	(2,003,914)	-	-	(2,003,914)
Segmental results before taxation	1,424,813	337,463	-	1,762,276
Segmental results before taxation				1,762,276
Profit equalisation reserve				-
Profit before taxation				1,762,276
Taxation				(224,924)
Profit for the financial period				1,537,352

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**ASIAN FINANCE BANK BERHAD**  
(Incorporated in Malaysia)

**22. Segmental information (continued)**

	<b>Domestic Banking RM</b>	<b>International Banking RM</b>	<b>Asset Management and Investment Banking RM</b>	<b>Total RM</b>
<b><u>Economic Entity and Bank</u></b>				
2nd Quarter Ended 30-Jun-15				
External revenue	19,171,533	14,685,990	-	33,857,523
Inter-segment revenue	(11,289,511)	11,289,511	-	-
Total revenue	7,882,022	25,975,501	-	33,857,523
Depositors' payout	(244,672)	(23,151,577)	-	(23,396,249)
Net income	7,637,350	2,823,924	-	10,461,274
Operating overheads of which:				
Depreciation of property, plant and equipment	(4,412,400)	(3,895,946)	-	(8,308,346)
Amortisation of intangible assets	(194,524)	-	-	(194,524)
Allowance for impairment of financing advances	(189,667)	-	-	(189,667)
	(470,642)	-	-	(470,642)
Segmental results before taxation	2,370,117	(1,072,022)	-	1,298,095
Segmental results before taxation				1,298,095
Profit equalisation reserve				-
Profit before taxation				1,298,095
Taxation				(1,249,092)
Profit for the financial period				49,003



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**ASIAN FINANCE BANK BERHAD**  
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**22. Segmental information (continued)**

	Domestic Banking RM	International Banking RM	Asset Management and Investment Banking RM	Total RM
<b><u>Economic Entity and Bank</u></b>				
<b>Half Year Ended</b>				
<b><u>30-Jun-16</u></b>				
External revenue	38,247,081	23,706,911	-	61,953,992
Inter-segment revenue	(21,442,575)	21,442,575	-	-
Total revenue	<u>16,804,506</u>	<u>45,149,486</u>	-	<u>61,953,992</u>
Depositors' payout	(333,632)	(38,657,899)	-	(38,991,531)
Net income	<u>16,470,874</u>	<u>6,491,587</u>	-	<u>22,962,461</u>
Operating overheads				
of which:	(8,597,457)	(6,616,209)	-	(15,213,666)
Depreciation of property, plant and equipment	(286,843)	-	-	(286,843)
Amortisation of intangible assets	(368,676)	-	-	(368,676)
Allowance for impairment of financing advances	(3,625,780)	-	-	(3,625,780)
Segmental results before taxation	<u>3,592,118</u>	<u>(124,622)</u>	-	<u>3,467,496</u>
Segmental results before taxation				3,467,496
Profit equalisation reserve				-
Profit before taxation				<u>3,467,496</u>
Taxation				(1,167,685)
Profit for the financial period				<u>2,299,811</u>

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**ASIAN FINANCE BANK BERHAD**  
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**22. Segmental information (continued)**

	<b>Domestic Banking RM</b>	<b>International Banking RM</b>	<b>Asset Management and Investment Banking RM</b>	<b>Total RM</b>
<b><u>Economic Entity and Bank</u></b>				
Half Year Ended 30-Jun-15				
External revenue	41,261,906	31,065,734	-	72,327,640
Inter-segment revenue	(23,473,474)	23,473,474	-	-
Total revenue	17,788,432	54,539,208	-	72,327,640
Depositors' payout	(539,377)	(45,074,033)	-	(45,613,410)
Net income	17,249,055	9,465,175	-	26,714,230
Operating overheads of which:				
Depreciation of property, plant and equipment	(8,395,533)	(8,061,460)	-	(16,456,993)
Amortisation of intangible assets	(396,596)	-	-	(396,596)
Allowance for impairment of financing advances	(379,338)	-	-	(379,338)
	(3,093,384)	-	-	(3,093,384)
Segmental results before taxation	4,984,204	1,403,715	-	6,387,919
Segmental results before taxation				6,387,919
Profit equalisation reserve				-
Profit before taxation				6,387,919
Taxation				(2,931,045)
Profit for the financial period				3,456,874

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**ASIAN FINANCE BANK BERHAD**  
(Incorporated in Malaysia)

**22. Segmental information (continued)**

	Domestic Banking RM	International Banking RM	Asset Management and Investment Banking RM	Total RM
<b><u>Economic Entity and Bank</u></b>				
<b><u>30-Jun-16</u></b>				
Segment assets	1,472,010,689	1,143,051,045	-	2,615,061,734
Total assets	<u>1,472,010,689</u>	<u>1,143,051,045</u>	<u>-</u>	<u>2,615,061,734</u>
Segment liabilities	73,398,781	2,045,040,543	-	2,118,439,324
Total liabilities	<u>73,398,781</u>	<u>2,045,040,543</u>	<u>-</u>	<u>2,118,439,324</u>
	Domestic Banking RM	International Banking RM	Asset Management and Investment Banking RM	Total RM
<b><u>31-Dec-2015</u></b>				
Segment assets	1,474,222,109	1,056,198,122	-	2,530,420,231
Total assets	<u>1,474,222,109</u>	<u>1,056,198,122</u>	<u>-</u>	<u>2,530,420,231</u>
Segment liabilities	219,286,729	1,818,319,577	-	2,037,606,306
Total liabilities	<u>219,286,729</u>	<u>1,818,319,577</u>	<u>-</u>	<u>2,037,606,306</u>

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**ASIAN FINANCE BANK BERHAD**  
**(Incorporated in Malaysia)**

**Pillar 3, Basell II - Capital Adequacy Framework for Islamic Banks (CAFIB) Disclosures -  
Chief Executive Officer Attestation**

In accordance with Bank Negara Malaysia's Capital Adequacy Framework for Islamic Bank (CAFIB) Pillar 3 Disclosure Requirement, it is hereby attested that the disclosures as set forth in the accompanying notes to the financial statements related to significant business and operations risks of Asian Finance Bank Berhad for the half year ended 30 June 2016 are consistent with the manner in which the Bank assesses and manages its risks, and are not misleading in any particular way.



AZIDY DAUD  
CHAIRMAN,  
INTERIM MANAGEMENT COMMITTEE