



**ASIAN FINANCE BANK**

بنك التمويل الآسيوي

**Interim Financial Statements - Unaudited  
For The Nine Months Ended 30 September 2012**



**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS - UNAUDITED****STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2012**

	Note	<u>Economic Entity</u>		<u>Bank</u>	
		<u>30.09.2012</u>	<u>31.12.2011</u>	<u>30.09.2012</u>	<u>31.12.2011</u>
		<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
<b>Assets</b>					
Cash and short-term funds	2	533,891,434	1,044,235,480	533,891,434	1,044,235,480
Financial assets held-for-trading	3	13,240,879	34,952,550	13,240,879	34,952,550
Financial investments available-for-sale	4	324,092,810	187,695,108	324,092,810	187,695,108
Financial investments-held-to-maturity	5	133,467,023	201,370,127	133,467,023	201,370,127
Financing and advances	6	1,266,940,195	936,500,793	1,266,940,195	936,500,793
Other assets	7	6,394,531	2,499,978	6,394,531	2,499,978
Statutory deposits with Bank Negara Malaysia		17,583,975	12,283,975	17,583,975	12,283,975
Investment in jointly controlled entity	8	-	7,615,290	-	8,111,128
Property, plant and equipment		4,030,203	4,847,325	4,030,203	4,847,325
Intangible assets		4,165,220	5,778,949	4,165,220	5,778,949
<b>Total Assets</b>		<b>2,303,806,270</b>	<b>2,437,779,575</b>	<b>2,303,806,270</b>	<b>2,438,275,413</b>
<b>Liabilities</b>					
Deposits from customers	9	1,365,488,618	1,090,659,995	1,365,488,618	1,090,659,995
Deposits and placements of banks and other financial institutions	10	457,381,454	859,617,428	457,381,454	859,617,428
Other liabilities	11	9,751,078	11,435,240	9,751,078	11,435,240
<b>Total Liabilities</b>		<b>1,832,621,150</b>	<b>1,961,712,663</b>	<b>1,832,621,150</b>	<b>1,961,712,663</b>
<b>Equity</b>					
Ordinary share capital		532,530,020	532,530,020	532,530,020	532,530,020
Reserves		(61,344,900)	(56,463,108)	(61,344,900)	(55,967,270)
<b>Total Equity</b>		<b>471,185,120</b>	<b>476,066,912</b>	<b>471,185,120</b>	<b>476,562,750</b>
<b>Total Liabilities and Equity</b>		<b>2,303,806,270</b>	<b>2,437,779,575</b>	<b>2,303,806,270</b>	<b>2,438,275,413</b>
<b>Commitments and Contingencies</b>	20	<b>605,792,472</b>	<b>415,457,096</b>	<b>605,792,472</b>	<b>415,457,096</b>
<b>Capital Adequacy</b>					
Core capital ratio	22	28.55%	39.14%	28.54%	39.14%
Risk-weighted capital ratio	22	29.69%	40.29%	29.68%	40.28%

**ASIAN FINANCE BANK BERHAD**

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**INTERIM FINANCIAL STATEMENTS - UNAUDITED****STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012**

	Note	<b>Economic Entity</b>			
		<b>3rd Quarter Ended</b>	<b>3rd Quarter Ended</b>	<b>Nine Months Ended</b>	<b>Nine Months Ended</b>
		<b>30.09.2012</b>	<b>30.09.2011</b>	<b>30.09.2012</b>	<b>30.09.2011</b>
		<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Income derived from investment of depositors' funds	12	<b>21,410,694</b>	19,872,842	<b>63,428,044</b>	53,684,768
Income derived from investment of shareholders' funds	13	<b>5,875,446</b>	7,856,636	<b>21,249,588</b>	18,927,945
Allowances for impairment on financing and advances	14	<b>(1,259,285)</b>	(1,115,002)	<b>(5,664,129)</b>	(832,472)
<b>Total distributable income</b>		<b>26,026,855</b>	26,614,476	<b>79,013,503</b>	71,780,241
Income attributable to depositors	16	<b>(14,819,944)</b>	(11,322,019)	<b>(44,788,344)</b>	(33,107,137)
		<b>11,206,910</b>	15,292,457	<b>34,225,159</b>	38,673,104
Personnel expenses	17	<b>(6,384,115)</b>	(6,920,363)	<b>(20,040,765)</b>	(21,159,614)
Other overheads and expenditures	18	<b>(3,960,409)</b>	(5,024,878)	<b>(12,361,728)</b>	(14,662,584)
Share of (loss) / profit after tax of jointly controlled entity		<b>(3,736,814)</b>	533,062	<b>(7,597,326)</b>	1,227,210
<b>(Loss) / profit before taxation</b>		<b>(2,874,428)</b>	3,880,278	<b>(5,774,660)</b>	4,078,116
Taxation		-	-	-	-
<b>Net (loss) / profit for the period</b>		<b>(2,874,428)</b>	3,880,278	<b>(5,774,660)</b>	4,078,116
(Loss) / profit attributable to :					
Owners of the parent		<b>(2,874,428)</b>	3,880,278	<b>(5,774,660)</b>	4,078,116
Minority interest		-	-	-	-
		<b>(2,874,428)</b>	3,880,278	<b>(5,774,660)</b>	4,078,116
Earnings per shares (sen) :					
Basic and diluted		<b>(0.54)</b>	0.73	<b>(1.08)</b>	0.77
<b>Net (loss) / profit for the period</b>		<b>(2,874,428)</b>	3,880,278	<b>(5,774,660)</b>	4,078,116
<b>Other comprehensive income :</b>					
Financial investment available-for-sale	19				
- Unrealised net (loss) / gain on revaluation		<b>(128,730)</b>	181,010	<b>892,868</b>	3,078,263
Income tax relating to components of other comprehensive income		-	-	-	-
<b>Other comprehensive income for the period</b>		<b>(128,730)</b>	181,010	<b>892,868</b>	3,078,263
<b>Total Comprehensive Income For The Period</b>		<b>(3,003,158)</b>	4,061,288	<b>(4,881,792)</b>	7,156,379
Total comprehensive income attributable to:					
Owners of the parent		<b>(3,003,158)</b>	4,061,288	<b>(4,881,792)</b>	7,156,379
Minority interest		-	-	-	-
		<b>(3,003,158)</b>	4,061,288	<b>(4,881,792)</b>	7,156,379

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**INTERIM FINANCIAL STATEMENTS - UNAUDITED****STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012**

		<u>3rd</u> <u>Quarter</u> <u>Ended</u>	<u>3rd</u> <u>Quarter</u> <u>Ended</u>	<u>Bank</u> <u>Nine</u> <u>Months</u> <u>Ended</u>	<u>Nine</u> <u>Months</u> <u>Ended</u>
	Note	<u>30.09.2012</u>	30.09.2011	<u>30.09.2012</u>	30.09.2011
		<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
Income derived from investment of depositors' funds	12	21,410,694	19,872,842	63,428,044	53,684,768
Income derived from investment of shareholders' funds	13	5,914,730	7,718,032	21,267,552	20,087,828
Allowances for impairment on financing and advances	14	(1,259,285)	(1,115,002)	(5,664,129)	(832,472)
Impairment loss on investment	15	(4,055,565)	-	(8,111,128)	-
<b>Total distributable income</b>		<u>22,010,574</u>	<u>26,475,872</u>	<u>70,920,339</u>	<u>72,940,124</u>
Income attributable to depositors	16	(14,819,944)	(11,322,019)	(44,788,344)	(33,107,137)
		<u>7,190,630</u>	<u>15,153,853</u>	<u>26,131,995</u>	<u>39,832,987</u>
Personnel expenses	17	(6,384,115)	(6,920,363)	(20,040,765)	(21,159,614)
Other overheads and expenditures	18	(3,960,409)	(5,024,878)	(12,361,728)	(14,662,584)
<b>(Loss) / profit before taxation</b>		<u>(3,153,895)</u>	<u>3,208,612</u>	<u>(6,270,498)</u>	<u>4,010,789</u>
Taxation		-	-	-	-
<b>Net (loss) / profit for the period</b>		<u>(3,153,895)</u>	<u>3,208,612</u>	<u>(6,270,498)</u>	<u>4,010,789</u>
(Loss) / profit attributable to :					
Owners of the parent		(3,153,895)	3,208,612	(6,270,498)	4,010,789
Minority interest		-	-	-	-
		<u>(3,153,895)</u>	<u>3,208,612</u>	<u>(6,270,498)</u>	<u>4,010,789</u>
Earnings per shares (sen) :					
Basic and diluted		<u>(0.59)</u>	<u>0.60</u>	<u>(1.18)</u>	<u>0.75</u>
<b>Net (loss) / profit for the period</b>		<u>(3,153,895)</u>	<u>3,208,612</u>	<u>(6,270,498)</u>	<u>4,010,789</u>
<b>Other comprehensive income :</b>					
Financial investment available-for-sale	19				
- Unrealised net (loss)/gain on revaluation		(128,730)	181,010	892,868	3,078,263
Income tax relating to components of other comprehensive income		-	-	-	-
<b>Other comprehensive income for the period</b>		<u>(128,730)</u>	<u>181,010</u>	<u>892,868</u>	<u>3,078,263</u>
<b>Total Comprehensive Income For The Period</b>		<u>(3,282,625)</u>	<u>3,389,622</u>	<u>(5,377,630)</u>	<u>7,089,052</u>
Total comprehensive income attributable to:					
Owners of the parent		(3,282,625)	3,389,622	(5,377,630)	7,089,052
Minority interest		-	-	-	-
		<u>(3,282,625)</u>	<u>3,389,622</u>	<u>(5,377,630)</u>	<u>7,089,052</u>

**ASIAN FINANCE BANK BERHAD**

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**INTERIM FINANCIAL STATEMENTS – UNAUDITED****STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012**

<u>Economic Entity</u>	<u>Share Capital RM</u>	<u>Accumulated Losses RM</u>	<u>AFS Reserve RM</u>	<u>Total RM</u>
<b><u>30.09.2012</u></b>				
Balance as at 1 January 2012	532,530,020	(56,085,808)	(377,300)	476,066,912
Net loss for the period	-	(5,774,660)	-	(5,774,660)
Other comprehensive income/(loss):				
Financial investment available-for-sale				
- Unrealised net gain on revaluation	-	-	892,868	892,868
Income tax relating to components of other comprehensive income	-	-	-	-
Total comprehensive income	-	-	892,868	892,868
<b>Balance as at 30 September 2012</b>	<b>532,530,020</b>	<b>(61,860,468)</b>	<b>515,568</b>	<b>471,185,120</b>
<b><u>31.12.2011</u></b>				
Balance as at 1 January 2011	443,775,020	(56,904,026)	(3,536,739)	383,334,255
Net profit for the year	-	818,218	-	818,218
Other comprehensive income/(loss):				
Financial investment available-for-sale				
- Unrealised net gain on revaluation	-	-	3,159,439	3,159,439
Income tax relating to components of other comprehensive income	-	-	-	-
Total comprehensive income	-	-	3,159,439	3,159,439
Issues of share capital *	88,755,000	-	-	88,755,000
<b>Balance as at 31 December 2011</b>	<b>532,530,020</b>	<b>(56,085,808)</b>	<b>(377,300)</b>	<b>476,066,912</b>

\* On 20 April 2011, the Bank increased its issued and paid up capital from RM443,775,020 to RM532,530,020 via Right Issue of one for every five ordinary shares of RM1 each totaling 88,755,000 shares.

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**INTERIM FINANCIAL STATEMENTS - UNAUDITED****STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012 (CONTINUED)**

<b>Bank</b>	<b>Share Capital <u>RM</u></b>	<b>Accumulated Losses <u>RM</u></b>	<b>AFS Reserve <u>RM</u></b>	<b>Total <u>RM</u></b>
<b><u>30.09.2012</u></b>				
<b>Balance as at 1 January 2012</b>	<b>532,530,020</b>	<b>(55,589,970)</b>	<b>(377,300)</b>	<b>476,562,750</b>
Net loss for the period	-	<b>(6,270,498)</b>	-	<b>(6,270,498)</b>
Other comprehensive income/(loss):				
Financial investment available-for-sale				
- Unrealised net gain on revaluation	-	-	<b>892,868</b>	<b>892,868</b>
Income tax relating to components of other comprehensive income	-	-	-	-
Total comprehensive income	-	-	<b>892,868</b>	<b>892,868</b>
<b>Balance as at 30 September 2012</b>	<b><u>532,530,020</u></b>	<b><u>(61,860,468)</u></b>	<b><u>515,568</u></b>	<b><u>471,185,120</u></b>
<b><u>31.12.2011</u></b>				
Balance as at 1 January 2011	443,775,020	(55,771,729)	(3,536,739)	384,466,552
Net profit for the year	-	181,759	-	181,759
Other comprehensive income/(loss):				
Financial investment available-for-sale				
- Unrealised net gain on revaluation	-	-	3,159,439	3,159,439
Income tax relating to components of other comprehensive income	-	-	-	-
Total comprehensive income	-	-	3,159,439	3,159,439
Issues of share capital *	88,755,000	-	-	88,755,000
<b>Balance as at 31 December 2011</b>	<b><u>532,530,020</u></b>	<b><u>(55,589,970)</u></b>	<b><u>(377,300)</u></b>	<b><u>476,562,750</u></b>

\* On 20 April 2011, the Bank increased its issued and paid up capital from RM443,775,020 to RM532,530,020 via Right Issue of one for every five ordinary shares of RM1 each totaling 88,755,000 shares.

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**INTERIM FINANCIAL STATEMENTS – UNAUDITED  
STATEMENT OF CASH FLOW FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012**

	Note	<u>Economic Entity</u>		<u>Bank</u>	
		<u>30.09.2012</u>	<u>31.12.2011</u>	<u>30.09.2012</u>	<u>31.12.2011</u>
		<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
(Loss) / profit before taxation		(5,774,660)	818,218	(6,270,498)	181,759
<b>Adjustments for:</b>					
Depreciation of property, plant and equipment		987,071	2,083,090	987,071	2,083,090
Amortisation of intangible assets		1,953,295	3,659,084	1,953,295	3,659,084
Write off of property, plant and equipment		(117,067)	(139,479)	(117,067)	(139,479)
Profit income from:					
- Investment on financial assets held-for-trading		(325,864)	(201,765)	(325,864)	(201,765)
- Investment on financial investments available-for-sale		(7,795,628)	(5,547,597)	(7,795,628)	(5,547,597)
- Investment on financial investments held-to-maturity		(3,797,134)	(5,138,334)	(3,797,134)	(5,138,334)
Net gain on sale of financial assets held-for-trading		(230,738)	(54,886)	(230,738)	(54,886)
Net gain on sale of financial investments available-for-sale		(1,087,305)	(1,139,509)	(1,087,305)	(1,139,509)
Unrealised gain from financial assets held-for-trading		(523,438)	(1,864,907)	(523,438)	(1,864,907)
Accretion of discount less amortisation of premium		739,999	2,729	739,999	2,729
Impairment losses recognized on jointly controlled entity		-	-	8,111,128	8,111,127
Share of loss in jointly controlled entity		7,615,290	5,547,324	-	-
Allowances for losses/(write back) on financing and advances		5,664,129	(23,026,968)	5,664,129	(23,026,968)
Charge for profit equalisation reserve		-	(113,000)	-	(113,000)
Operating loss before working capital changes		(2,692,050)	(25,116,000)	(2,692,050)	(23,188,656)
<b>(Increase) / decrease in operating assets:</b>					
Financing and advances		(336,103,531)	(192,444,796)	(336,103,531)	(192,444,796)
Other assets		(3,894,553)	14,181,050	(3,894,553)	14,181,050
Statutory deposit with Bank Negara Malaysia		(5,300,000)	(7,332,260)	(5,300,000)	(7,332,260)
<b>Increase/(decrease) in operating liabilities:</b>					
Deposits from customers		274,828,623	(32,301,923)	274,828,623	(32,301,923)
Deposits and placements of banks and other financial institutions		(402,235,974)	145,243,883	(402,235,974)	145,243,883
Other liabilities		(1,684,162)	(8,943,641)	(1,684,162)	(8,943,641)
Net cash (used in) / generated from operating activities		(477,081,647)	(106,713,687)	(477,081,647)	(104,786,343)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase of property, plant and equipment and intangible assets		(541,895)	(3,964,600)	(541,895)	(3,964,600)
Net proceeds from:					
- Sale of financial assets held-for-trading held-for-trading		22,791,710	84,809,982	22,791,710	84,809,982
- Purchase of financial investments available-for-sale		(128,761,741)	(86,032,862)	(128,761,741)	(86,032,862)
- Sale / (Purchase) of financial investments held-to-maturity		73,100,080	(82,719,522)	73,100,080	(82,719,522)
- Sale of motor vehicle		149,447	161,000	149,447	161,000
Dividends received from jointly controlled entity		-	1,927,344	-	-
Net cash used in investing activities		(33,262,399)	(85,818,658)	(33,262,399)	(87,746,002)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Proceeds from issuance of share capital		-	88,755,000	-	88,755,000
<b>ANALYSIS OF CASH AND CASH EQUIVALENT</b>					
Net (decrease) / increase in cash and cash equivalents		(510,344,046)	(103,777,345)	(510,344,046)	(103,777,345)
Cash and cash equivalents at beginning of financial year/period		1,044,235,480	1,148,012,825	1,044,235,480	1,148,012,825
Cash and cash equivalents at end of financial year/period	2	533,891,434	1,044,235,480	533,891,434	1,044,235,480

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**NOTES TO THE FINANCIAL STATEMENTS**

FOR NINE MONTHS ENDED 30 SEPTEMBER 2012

-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 loss before zakat and tax of RM5.77m and RM6.27m respectively for the nine months ended 30 September 2012.

The Economic Entity and the Bank's gross financing and advances stood at RM1.30b whilst total Deposit at RM1.82b.

**b) Business Plan and outlook for 2012**

Advanced economies are risking recession as policies in the major advanced economies have not rebuilt confidence in the medium-term prospects. Tail risk, such as those relating to the viability of the Euro Zone or major US fiscal policy mistakes, continues to preoccupy investors. The International Monetary Fund (IMF) forecasts that the world economic growth will be gloomy at 3.3% this year and anticipates a still sluggish growth of 3.6% in 2013. The global manufacturing cycle has turned down again, industrial production has slowed sharply in advanced and emerging markets and developing economies, and so has world trade.

In contrast with the broad trends, growth in the Middle East and North Africa will be stronger in 2012-2013 relative to last year, as key oil exporters continue to boost oil production and domestic demand.

In emerging Asia, inflationary pressure has been low or declining but credit has expanded rapidly in China, India and Indonesia and to a lesser extent, Malaysia. The currencies in China, Malaysia and Thailand are undervalued relative to medium-term fundamentals.

The Economic Transformation Programme initiatives which are expected to be implemented throughout the year will spearhead growth in the domestic economy. Malaysian government officials have maintained GDP growth projections of between 4.5% to 5% this year. The IMF however maintained its forecast for Malaysia at 4.4% for 2012 and 4.7% growth for 2013.

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, especially for funding GLCs, in the sectors of oil & gas, shipping, aviation, infrastructure as well as real estate.

The Bank is also constantly reviewing its strategies and approaches to suit business needs, developing new products to address customers' expectations and varied business requirements, all within the Bank's risk appetite to ensure sustainability of growth going forward.

The Bank is confident in facing the challenges ahead to the year end to chart further growth in its funded assets and improving profitability.



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FOR NINE MONTHS ENDED 30 SEPTEMBER 2012

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

**2. Cash and short-term funds**

	<u>Economic Entity and Bank</u>	
	<u>30.09.2012</u>	<u>31.12.2011</u>
	<u>RM</u>	<u>RM</u>
Cash and balances with banks and other financial institutions	6,868,988	11,943,569
Money at call and deposit placements maturing within one month	527,022,446	1,032,291,911
	<u>533,891,434</u>	<u>1,044,235,480</u>

**3. Financial assets held-for-trading**

	<u>30.09.2012</u>	<u>31.12.2011</u>
	<u>RM</u>	<u>RM</u>
<b>At fair value</b>		
<b>Quoted securities:</b>		
<u>In Malaysia</u>		
Islamic Medium Term Notes	7,067,767	-
Islamic commercial paper	-	34,952,550
<u>Outside Malaysia</u>		
Corporate Sukuk	6,173,112	-
	<u>13,240,879</u>	<u>34,952,550</u>

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

	<u>30.09.2012</u>	<u>31.12.2011</u>
	<u>RM</u>	<u>RM</u>
<b>At fair value</b>		
<b>Money market instruments:</b>		
Bank Negara Malaysia Sukuk Ijarah	-	40,191,194
<b>Quoted securities:</b>		
<u>In Malaysia</u>		
Islamic Medium Term Notes	163,481,975	107,475,829
Malaysian Government Sukuk	160,610,835	-
Islamic private debt securities	-	10,475,392
<u>Outside Malaysia</u>		
Corporate Sukuk	-	29,552,693
	<u>324,092,810</u>	<u>187,695,108</u>

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

	<u>Economic Entity and Bank</u>	
	<u>30.09.2012</u>	<u>31.12.2011</u>
	<u>RM</u>	<u>RM</u>
<b>At amortised cost</b>		
<b>Money market instruments:</b>		
Cagamas bonds	45,177,941	45,580,534
Bank Negara Malaysia Sukuk Ijarah	-	96,420,417
<b>Quoted securities:</b>		
<u>In Malaysia</u>		
Corporate debt securities held	27,596,762	28,861,537
Islamic Medium Term Notes	60,692,320	-
<u>Outside Malaysia</u>		
Foreign corporate debt securities held	-	30,507,639
	<u>133,467,023</u>	<u>201,370,127</u>

**6. Financing and advances**

	<u>30.09.2012</u>	<u>31.12.2011</u>
	<u>RM</u>	<u>RM</u>
<b>At amortised cost</b>		
Term financing		
- house financing	47,341,466	49,107,503
- syndicated term financing	72,244,370	81,577,717
- hire purchase receivables	31,250	36,707
- other term financing	1,077,339,565	697,505,659
Trusts receipts	20,757,265	39,720,636
Staff financing	1,129,588	1,224,010
Others	78,104,098	91,671,840
Gross financing and advances	<u>1,296,947,602</u>	<u>960,844,072</u>
Less : Allowance for impaired financing and advances:		
- individual impairment allowance	(10,713,901)	(10,081,200)
- collective impairment allowance	(19,293,506)	(14,262,079)
Net financing and advances	<u>1,266,940,195</u>	<u>936,500,793</u>

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

	<b><u>Economic Entity and Bank</u></b>	
	<b><u>30.09.2012</u></b>	<b><u>31.12.2011</u></b>
	<b><u>RM</u></b>	<b><u>RM</u></b>
<b>(i) By type of customer</b>		
Domestic non-bank financial institution		
- Others	121,892	37,928,369
Domestic business enterprises		
- Small medium enterprise	37,058,023	36,739,689
- Government	157,594,380	-
- Others	982,627,841	755,258,275
Individuals	17,271,939	17,839,490
Foreign entities	102,273,527	113,078,249
	<b><u>1,296,947,602</u></b>	<b><u>960,844,072</u></b>
<b>(ii) By contract</b>		
Ijarah	38,391,537	40,824,466
Istisna	69,181,762	75,344,137
Murabahah	21,009,553	82,208,450
Qardhul Hassan	765,396	702,600
Tawarruq	1,167,599,354	761,764,419
	<b><u>1,296,947,602</u></b>	<b><u>960,844,072</u></b>
<b>(iii) By profit rate sensitivity</b>		
Fixed rate		
- Housing financing	2,648,802	2,551,545
- Hire purchase receivables	96,360	109,149
- Other fixed rate financing	20,443,852	44,015,986
Variable		
- Base Financing Rate	485,131,065	499,002,057
- Cost-plus	787,862,127	414,462,735
Non-profit sensitive	765,396	702,600
	<b><u>1,296,947,602</u></b>	<b><u>960,844,072</u></b>

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

	<b>Economic Entity and Bank</b>	
	<b>30.09.2012</b>	<b>31.12.2011</b>
	<b>RM</b>	<b>RM</b>
<b>(iv) By contractual maturity</b>		
Maturity within one year	991,955,429	551,032,544
More than one year to three years	54,076,919	112,125,368
More than three years to five years	59,500,762	143,574,014
More than five years	191,414,492	154,112,146
	<b>1,296,947,602</b>	<b>960,844,072</b>
<b>(v) By geographical distribution</b>		
Malaysia	1,232,555,048	846,322,010
Qatar	43,667,253	47,636,658
Indonesia	20,182,216	23,479,072
United Kingdom	543,085	557,402
Singapore	-	42,848,930
	<b>1,296,947,602</b>	<b>960,844,072</b>
<b>(vi) By economic purpose</b>		
Purchase of landed property:		
- Residential	33,388,226	32,051,116
- Non-Residential	149,122,946	179,480,484
Working Capital	1,060,372,949	689,643,755
Personal Use	955,580	939,264
Purchase of transport vehicles	6,954,109	9,097,874
Others	46,153,792	49,631,579
	<b>1,296,947,602</b>	<b>960,844,072</b>
<b>(vii) By sector</b>		
Agriculture	154,931,100	128,802,931
Mining and quarrying	199,032,514	35,782,655
Manufacturing	205,625,872	207,672,165
Electricity, gas and water	50,093,151	-
Construction	114,118,762	56,551,409
Purchase of landed property	47,714,856	49,653,575
Wholesale & retail trade and restaurants & hotels	211,948,240	216,600,184
Transport, storage and communication	106,990,107	90,102,002
Finance, insurance and business services	109,128,836	93,366,918
Education, health and others	25,533,555	1,048,068
Purchase of transport vehicles	130,339	148,341
Consumption credit	1,027,031	1,052,147
Others	70,673,239	80,063,677
	<b>1,296,947,602</b>	<b>960,844,072</b>

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

	<b>Economic Entity and Bank</b>	
	<u>30.09.2012</u>	<u>31.12.2011</u>
	<u>RM</u>	<u>RM</u>
<b>(viii) Movement in allowance for impaired advances and financing</b>		
<b>Individual Assessment Allowance</b>		
Balance beginning of financial period / year	10,081,200	34,657,214
Allowance made during the financial period / year	1,208,136	3,155,884
Amount written back	(575,435)	(1,893,314)
Amount written off	-	(25,838,584)
Balance as at end of financial period / year	<u>10,713,901</u>	<u>10,081,200</u>
<b>Collective Assessment Allowance</b>		
Balance beginning of financial period / year	14,262,079	12,713,033
Allowance made during the financial period / year	5,819,244	1,549,046
Amount written back in respect of recoveries	(787,817)	-
Balance as at end of financial period / year	<u>19,293,506</u>	<u>14,262,079</u>
<b>(ix) Movement in impaired financing and advances</b>		
Balance beginning of financial period / year	49,631,579	53,107,215
Classified as impaired/non-performing during the financial period / year	11,245,909	87,220,260
Reclassified as non-impaired	(7,686,548)	(39,807,938)
Amount recovered	(7,037,148)	(25,049,374)
Amount written off	-	(25,838,584)
Balance as at end of financial period / year	<u>46,153,792</u>	<u>49,631,579</u>
Gross impaired financing and advances ratio	<u>3.56%</u>	<u>5.17%</u>
<b>(xi) Impaired financing by sector</b>		
Agriculture	2,563,779	2,563,945
Manufacturing	12,981,698	8,284,826
Construction	9,663,995	14,483,595
Wholesale & retail trade and restaurants & hotels	1,260,580	263,816
Finance, insurance and business services	-	450,420
Purchase of landed property	19,612,288	23,472,092
Consumption credit	71,452	112,885
	<u>46,153,792</u>	<u>49,631,579</u>

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**7. Other assets**

	<u>Economic Entity and Bank</u>	
	<u>30.09.2012</u>	<u>31.12.2011</u>
	<u>RM</u>	<u>RM</u>
Other debtors, deposits and prepayments	<u>6,394,531</u>	<u>2,499,978</u>
	<u><b>6,394,531</b></u>	<u><b>2,499,978</b></u>

**8. Investment in jointly controlled entity**

	<u>Economic Entity</u>		<u>Bank</u>	
	<u>30.09.2012</u>	<u>31.12.2011</u>	<u>30.09.2012</u>	<u>31.12.2011</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
Unquoted share capital at cost	<b>7,615,290</b>	16,222,255	<b>8,111,128</b>	16,222,255
Less:				
Share of loss	<b>(7,615,290)</b>	(6,679,621)	-	-
Impairment made during the financial period / year	-	-	<b>(8,111,128)</b>	(8,111,127)
Dividends Received	-	(1,927,344)	-	-
	<u>-</u>	<u>7,615,290</u>	<u>-</u>	<u>8,111,128</u>

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**9. Deposits from customers**

	<b><u>Economic Entity and Bank</u></b>	
	<b><u>30.09.2012</u></b>	<b><u>31.12.2011</u></b>
	<b><u>RM</u></b>	<b><u>RM</u></b>
<b>(i) By type of deposits:</b>		
<u>Non-Mudharabah Funds:</u>		
Demand deposits	41,827,293	46,724,952
Savings deposits	699,726	1,219,270
Commodity Murabahah	138,580,449	-
	<u>181,107,468</u>	<u>47,944,222</u>
<u>Mudharabah Funds:</u>		
Savings deposits	1,750,589	3,790,519
General investment deposits	74,338,498	74,088,767
Special investment deposits	1,108,292,063	964,836,487
	<u>1,184,381,150</u>	<u>1,042,715,773</u>
	<u>1,365,488,618</u>	<u>1,090,659,995</u>
<b>(ii) The deposits are sourced from the following classes of customers:</b>		
Business enterprises	1,345,731,753	1,067,849,158
Individuals	19,756,865	22,810,837
	<u>1,365,488,618</u>	<u>1,090,659,995</u>
<b>(iii) The maturity structure of deposits are as follows:</b>		
Due within six months	1,355,457,920	1,067,849,158
More than six months to one year	10,030,698	22,810,837
	<u>1,365,488,618</u>	<u>1,090,659,995</u>

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

	<u>Economic Entity and Bank</u>	
	<u>30.09.2012</u>	<u>31.12.2011</u>
	<u>RM</u>	<u>RM</u>
<u>Non-Mudharabah Funds:</u>		
Licensed Islamic banks	96,027,790	424,250,139
Other financial institutions	294,083,111	352,878,761
	<u>390,110,901</u>	<u>777,128,900</u>
<u>Mudharabah Fund:</u>		
Licensed Islamic banks	61,303,839	81,984,988
Other financial institutions	5,966,714	503,540
	<u>67,270,553</u>	<u>82,488,528</u>
	<u>457,381,454</u>	<u>859,617,428</u>

**11. Other liabilities**

	<u>Economic Entity and Bank</u>	
	<u>30.09.2012</u>	<u>31.12.2011</u>
	<u>RM</u>	<u>RM</u>
Sundry creditors	4,189,570	5,082,222
Other provisions and accruals	5,561,508	6,353,018
	<u>9,751,078</u>	<u>11,435,240</u>



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

	<b>Economic Entity and Bank</b>			
	<b>3rd Quarter Ended 30.09.2012</b>	<b>3rd Quarter Ended 30.09.2011</b>	<b>Nine Months Ended 30.09.2012</b>	<b>Nine Months Ended 30.09.2011</b>
			<b>RM</b>	<b>RM</b>
Income derived from investment of:				
(i) General investment deposit	<b>840,797</b>	888,537	<b>2,300,441</b>	3,040,480
(ii) Other deposits	<b>20,569,897</b>	18,984,305	<b>61,127,603</b>	50,644,288
	<b>21,410,694</b>	19,872,842	<b>63,428,044</b>	53,684,768
 (i) Income derived from investment of general investment deposits				
<u>Finance income and hibah:</u>				
Financing and advances	<b>469,444</b>	483,692	<b>1,243,467</b>	1,617,769
Financial assets held-for-trading	<b>9,329</b>	90,246	<b>28,535</b>	115,955
Financial investment available-for-sale	<b>89,924</b>	60,762	<b>199,639</b>	142,180
Financial investment held-to-maturity	<b>46,290</b>	30,469	<b>153,015</b>	188,801
Money at call and deposits with financial institutions	<b>225,810</b>	223,368	<b>675,785</b>	975,775
	<b>840,797</b>	888,537	<b>2,300,441</b>	3,040,480
 (ii) Income derived from investment of other deposits				
<u>Finance income and hibah:</u>				
Financing and advances	<b>11,502,140</b>	10,271,185	<b>33,017,488</b>	26,947,619
Financial assets held-for-trading	<b>232,497</b>	1,652,376	<b>763,555</b>	2,014,190
Financial investment available-for-sale	<b>2,240,716</b>	1,230,186	<b>5,291,059</b>	2,436,264
Financial investment held-to-maturity	<b>1,109,596</b>	774,185	<b>4,073,941</b>	3,112,041
Money at call and deposits with financial institutions	<b>5,484,948</b>	5,056,373	<b>17,981,560</b>	16,134,174
	<b>20,569,897</b>	18,984,305	<b>61,127,603</b>	50,644,288

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

	<b>Economic Entity</b>			
	<b>3rd Quarter Ended 30.09.2012</b>	<b>3rd Quarter Ended 30.09.2011</b>	<b>Nine Months Ended 30.09.2012</b>	<b>Nine Months Ended 30.09.2011</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<u>Finance income and hibah</u>				
Financing and advances	2,737,501	3,216,028	7,834,263	7,679,952
Financial assets held-for-trading	55,017	512,006	182,978	597,046
Financial investment available-for-sale	530,272	383,963	1,252,394	713,230
Financial investment held-to-maturity	266,066	244,995	970,019	877,772
Money at call and deposits with financial institutions	1,309,262	1,589,582	4,278,167	4,564,887
Total finance income and hibah	4,898,118	5,946,574	14,517,821	14,432,887
Other operating income (note a - c)	977,328	1,910,062	6,731,767	4,495,058
	<b>5,875,446</b>	<b>7,856,636</b>	<b>21,249,588</b>	<b>18,927,945</b>
Other operating income comprise of:				
a) Fee and other income:				
Commission	70,332	129,272	297,918	534,844
Fees and other income	893,803	1,779,319	6,328,877	3,960,145
	<b>964,135</b>	<b>1,908,591</b>	<b>6,626,795</b>	<b>4,494,989</b>
b) Unrealised gain / (loss) on revaluation of:				
Financial assets held-for-trading	13,193	1,471	104,972	(10,496)
	<b>13,193</b>	<b>1,471</b>	<b>104,972</b>	<b>(10,496)</b>
c) Gross dividend income from:				
Financial assets held-for-trading	-	-	-	10,565
	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,565</b>
Total other operating income	<b>977,328</b>	<b>1,910,062</b>	<b>6,731,767</b>	<b>4,495,058</b>

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**13. Income derived from investment of shareholders' funds (continued)**

	<u>Bank</u>			
	<u>3rd</u> <u>Quarter</u> <u>Ended</u> <u>30.09.2012</u> <u>RM</u>	<u>3rd</u> <u>Quarter</u> <u>Ended</u> <u>30.09.2011</u> <u>RM</u>	<u>Nine</u> <u>Months</u> <u>Ended</u> <u>30.09.2012</u> <u>RM</u>	<u>Nine</u> <u>Months</u> <u>Ended</u> <u>30.09.2011</u> <u>RM</u>
<u>Finance income and hibah</u>				
Financing and advances	2,737,501	3,216,028	7,834,263	7,679,952
Financial assets held-for-trading	55,017	512,006	182,978	597,046
Financial investment available-for-sale	530,272	383,963	1,252,394	713,230
Financial investment held-to-maturity	266,066	244,995	970,019	877,772
Money at call and deposits with financial institutions	1,309,262	1,589,582	4,278,167	4,564,887
Total finance income and hibah	<u>4,898,118</u>	<u>5,946,574</u>	<u>14,517,821</u>	<u>14,432,887</u>
Other operating income (note a - c)	<u>1,016,612</u>	<u>1,771,458</u>	<u>6,749,731</u>	<u>5,654,941</u>
	<u>5,914,730</u>	<u>7,718,032</u>	<u>21,267,552</u>	<u>20,087,828</u>
Other operating income comprise of:				
a) Fee and other income:				
Commission	70,332	129,272	297,918	534,844
Fees and other income	933,087	1,640,715	6,346,841	5,120,028
	<u>1,003,419</u>	<u>1,769,987</u>	<u>6,644,759</u>	<u>5,654,872</u>
b) Unrealised gain / (loss) on revaluation of:				
Financial assets held-for-trading	13,193	1,471	104,972	(10,496)
	<u>13,193</u>	<u>1,471</u>	<u>104,972</u>	<u>(10,496)</u>
c) Gross dividend income from:				
Financial assets held-for-trading	-	-	-	10,565
	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,565</u>
Total other operating income	<u>1,016,612</u>	<u>1,771,458</u>	<u>6,749,731</u>	<u>5,654,941</u>

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

	<b><u>Economic Entity and Bank</u></b>			
	<b><u>3rd Quarter Ended</u></b> <b><u>30.09.2012</u></b> <b><u>RM</u></b>	<b><u>3rd Quarter Ended</u></b> <b><u>30.09.2011</u></b> <b><u>RM</u></b>	<b><u>Nine Months Ended</u></b> <b><u>30.09.2012</u></b> <b><u>RM</u></b>	<b><u>Nine Months Ended</u></b> <b><u>30.09.2011</u></b> <b><u>RM</u></b>
Allowance for impaired financing and advances:				
(a) Individual impairment allowance				
- made during the period	<b>8,899</b>	57,540	<b>1,208,137</b>	3,025,383
- written back during the period	<b>(114,351)</b>	(297,505)	<b>(575,435)</b>	(1,768,888)
(b) Collective impairment allowance				
- made during the period	<b>2,152,554</b>	1,354,967	<b>5,819,244</b>	1,354,967
- written back / transfer to individual allowance during the period	<b>(787,817)</b>	-	<b>(787,817)</b>	(1,778,990)
	<b><u>1,259,285</u></b>	<u>1,115,002</u>	<b><u>5,664,129</u></b>	<u>832,472</u>

**15. Impairment loss**

	<b><u>Bank</u></b>			
	<b><u>3rd Quarter Ended</u></b> <b><u>30.09.2012</u></b> <b><u>RM</u></b>	<b><u>3rd Quarter Ended</u></b> <b><u>30.09.2011</u></b> <b><u>RM</u></b>	<b><u>Nine Months Ended</u></b> <b><u>30.09.2012</u></b> <b><u>RM</u></b>	<b><u>Nine Months Ended</u></b> <b><u>30.09.2011</u></b> <b><u>RM</u></b>
Impairment loss				
- made during the period	<b>4,055,565</b>	-	<b>8,111,128</b>	-
	<b><u>4,055,565</u></b>	<u>-</u>	<b><u>8,111,128</u></b>	<u>-</u>

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**16. Income attributable to depositors**

	<b><u>Economic Entity and Bank</u></b>			
	<b><u>3rd Quarter Ended</u></b>	<b><u>3rd Quarter Ended</u></b>	<b><u>Nine Months Ended</u></b>	<b><u>Nine Months Ended</u></b>
	<b><u>30.09.2012</u></b>	<b><u>30.09.2011</u></b>	<b><u>30.09.2012</u></b>	<b><u>30.09.2011</u></b>
	<b><u>RM</u></b>	<b><u>RM</u></b>	<b><u>RM</u></b>	<b><u>RM</u></b>
Deposits from customers:				
- Mudharabah funds	10,032,716	6,227,252	26,861,350	18,699,053
- Non-mudharabah funds	1,370,905	-	1,370,905	-
	<u>11,403,621</u>	<u>6,227,252</u>	<u>28,232,255</u>	<u>18,699,053</u>
Deposits and placements of banks and other financial institutions:				
- Mudharabah funds	256,445	243,551	337,444	1,839,519
- Non-mudharabah funds	3,159,879	4,851,216	16,218,645	12,568,565
	<u>3,416,324</u>	<u>5,094,767</u>	<u>16,556,089</u>	<u>14,408,084</u>
	<u>14,819,945</u>	<u>11,322,019</u>	<u>44,788,344</u>	<u>33,107,137</u>

**17. Personnel expenses**

	<b><u>Economic Entity and Bank</u></b>			
	<b><u>3rd Quarter Ended</u></b>	<b><u>3rd Quarter Ended</u></b>	<b><u>Nine Months Ended</u></b>	<b><u>Nine Months Ended</u></b>
	<b><u>30.09.2012</u></b>	<b><u>30.09.2011</u></b>	<b><u>30.09.2012</u></b>	<b><u>30.09.2011</u></b>
	<b><u>RM</u></b>	<b><u>RM</u></b>	<b><u>RM</u></b>	<b><u>RM</u></b>
Salaries, allowances and bonuses	5,262,281	5,540,609	16,787,900	17,140,829
Contributions to Employee Provident Fund and SOCSO	576,568	626,409	1,845,669	1,943,579
Medical related expenses	191,381	323,501	676,747	952,021
Travelling and parking	27,069	20,819	50,586	73,583
Other staff related cost	326,816	409,025	679,863	1,049,602
	<u>6,384,115</u>	<u>6,920,363</u>	<u>20,040,765</u>	<u>21,159,614</u>

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**18. Other overheads and expenditures**

	<b><u>Economic Entity and Bank</u></b>			
	<b><u>3rd</u></b> <b><u>Quarter</u></b> <b><u>Ended</u></b> <b><u>30.09.2012</u></b> <b><u>RM</u></b>	<b><u>3rd</u></b> <b><u>Quarter</u></b> <b><u>Ended</u></b> <b><u>30.09.2011</u></b> <b><u>RM</u></b>	<b><u>Nine</u></b> <b><u>Months</u></b> <b><u>Ended</u></b> <b><u>30.09.2012</u></b> <b><u>RM</u></b>	<b><u>Nine</u></b> <b><u>Months</u></b> <b><u>Ended</u></b> <b><u>30.09.2011</u></b> <b><u>RM</u></b>
<b><u>Establishment expenses</u></b>				
Depreciation of property, plant and equipment	315,074	605,846	987,071	1,743,617
Amortisation of intangible assets	517,908	914,380	1,953,294	2,741,295
Rental of premises	438,517	472,217	1,361,250	1,472,126
Software and hardware maintenance	1,057,129	955,437	3,143,341	2,839,899
Rental of equipment and network line	8,480	269,607	304,037	806,215
Security expenses	112,116	48,304	258,549	190,510
Others	580,799	423,156	1,497,827	1,442,126
	<b>3,030,023</b>	<b>3,688,947</b>	<b>9,505,369</b>	<b>11,235,788</b>
<b><u>Marketing expenses</u></b>				
Advertising and promotional activities	12,376	38,030	140,487	143,641
Entertainment expenses	40,250	7,344	81,917	27,438
Travelling expenses	37,310	94,128	150,900	309,551
Others	-	1,191	-	1,700
	<b>89,936</b>	<b>140,693</b>	<b>373,304</b>	<b>482,330</b>
<b><u>Administration and general expenses</u></b>				
License and association fees and levies	70,953	121,774	295,939	327,083
Travelling, transport and accommodation expenses	21,542	42,337	138,711	182,666
Printing, stationery, postage and clearing charges	48,165	7,928	197,971	125,037
Telecommunication charges	257,026	166,056	657,082	459,808
Shariah Committee remunerations	-	12,579	176,036	98,175
Electricity and water	101,746	79,233	236,445	219,101
Directors related fees	63,894	198,209	218,587	397,177
Other professional fees	204,103	26,198	373,315	140,227
Auditors remuneration	37,500	37,500	121,772	112,500
Donations	22,880	-	22,880	12,000
Others	12,641	503,424	44,317	870,692
	<b>840,450</b>	<b>1,195,238</b>	<b>2,483,055</b>	<b>2,944,466</b>
	<b>3,960,409</b>	<b>5,024,878</b>	<b>12,361,728</b>	<b>14,662,584</b>

**19. Other comprehensive income**

	<b><u>Economic Entity and Bank</u></b>			
	<b><u>3rd</u></b> <b><u>Quarter</u></b> <b><u>Ended</u></b> <b><u>30.09.2012</u></b> <b><u>RM</u></b>	<b><u>3rd</u></b> <b><u>Quarter</u></b> <b><u>Ended</u></b> <b><u>30.09.2011</u></b> <b><u>RM</u></b>	<b><u>Nine</u></b> <b><u>Months</u></b> <b><u>Ended</u></b> <b><u>30.09.2012</u></b> <b><u>RM</u></b>	<b><u>Nine</u></b> <b><u>Months</u></b> <b><u>Ended</u></b> <b><u>30.09.2011</u></b> <b><u>RM</u></b>
Financial investment available-for-sale				
- Unrealised net gain on revaluation	(128,730)	181,010	892,868	3,078,263
Income tax relating to components of other comprehensive income	-	-	-	-
	<b>(128,730)</b>	<b>181,010</b>	<b>892,868</b>	<b>3,078,263</b>

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**20. Commitments and contingencies**

In the normal course of business, the Bank makes various commitments and incurs certain contingent liabilities with legal recourse to customers. No material losses are anticipated as a result of this transaction, which needs to be adjusted.

**Economic Entity and Bank**

	Principal amount RM	Gross Positive Fair Value - Derivative Contract RM	Credit equivalent amount* RM	Risk weighted amount RM
<b>30.09.2012</b>				
Transaction-related contingent items	55,251,325	-	27,625,662	27,625,662
Irrevocable commitments to extend credit:				
- one year or less	253,665,881	-	126,832,940	126,832,940
- over one year to five years	15,000,000	-	7,500,000	7,500,000
- over five years	38,053,826	-	19,026,913	18,857,685
Foreign exchange related contracts				
- one year or less	243,821,440	3,953,157	7,585,556	1,732,548
Total	<u>605,792,472</u>	<u>3,953,157</u>	<u>188,571,071</u>	<u>182,548,835</u>

	Principal amount RM	Gross Positive Fair Value - Derivative Contract RM	Credit equivalent amount* RM	Risk weighted amount RM
<b>31.12.2011</b>				
Transaction-related contingent items	66,984,684	-	33,492,342	33,492,342
Irrevocable commitments to extend credit:				
- one year or less	71,482,655	-	35,741,328	35,741,328
- over one year to five years	3,080,000	-	1,540,000	1,530,000
- over five years	4,871,813	-	2,435,906	2,269,839
Foreign exchange related contracts				
- one year or less	269,037,944	1,757,954	5,196,509	2,260,962
Total	<u>415,457,096</u>	<u>1,757,954</u>	<u>78,406,085</u>	<u>75,294,471</u>

\* The credit equivalent and Risk Weighted Assets ('RWA) for the Bank are computed in accordance with BNM's Capital Adequacy Framework for Islamic Bank (CAFIB): Standardised Approach for Credit and Market Risk, and Basic Indicator Approach for Operational Risk (Basel II) respectively

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**21. Financial risk management****21.1 Credit risk management**

## (i) Financing and advances

Financing and advances are summarised as follows:

	<b>Economic Entity and Bank</b>	
	<b>30.09.2012</b>	<b>31.12.2011</b>
	RM	RM
Neither past due nor impaired	1,224,398,821	848,929,638
Past due but not impaired	26,394,989	62,282,855
Impaired	46,153,792	49,631,579
Gross financing and advances	1,296,947,602	960,844,072
Less: Individual allowance	(10,713,901)	(10,081,200)
Collective allowance	(19,293,506)	(14,262,079)
Net financing and advances	1,266,940,195	936,500,793

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>30.09.2012</b>	<b>31.12.2011</b>
	RM	RM
<u>Internal Credit Rating (CRR)</u>		
CRR1 - CRR3	332,264,714	134,151,977
CRR4 - CRR6	846,408,926	678,961,542
CRR7 - CRR10	33,717,181	31,037,501
Non rated CRR	12,008,000	4,778,618
	1,224,398,821	848,929,638

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>30.09.2012</b>	<b>31.12.2011</b>
	RM	RM
Past due up to 30 days	6,814,231	53,357,656
Past due 30 to 60 days	6,989,797	894,036
Past due 60 to 90 days	12,590,961	8,031,163
	26,394,989	62,282,855

Financing and advances impaired

	<b>Economic Entity and Bank</b>	
	<b>30.09.2012</b>	<b>31.12.2011</b>
	RM	RM
Individually impaired financing	46,153,792	49,631,579
	46,153,792	49,631,579

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



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**21. Financial risk management (continued)****21.1 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>Short term funds</u>	<u>Financial assets/ investments portfolios</u>	<u>Other assets</u>
<b>30.09.2012</b>			
Neither past due nor impaired	<u>533,891,434</u>	<u>470,800,712</u>	<u>6,394,531</u>
<b>31.12.2011</b>			
Neither past due nor impaired	<u>1,044,235,480</u>	<u>424,017,785</u>	<u>2,499,978</u>

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

<u>Economic Entity</u>	<u>Short term funds</u>	<u>Financial assets/ investments portfolios</u>	<u>Other Asset</u>
<b>30.09.2012</b>			
AAA	507,609,585	380,228,218	-
AA and below	24,148,940	90,572,494	-
P1	-	-	-
Unrated	<u>31,628</u>	-	<u>6,394,531</u>
	<u>531,790,153</u>	<u>470,800,712</u>	<u>6,394,531</u>
Individually impaired	-	-	-
	<u>531,790,153</u>	<u>470,800,712</u>	<u>6,394,531</u>
<b>31.12.2011</b>			
AAA	972,500,845	274,450,470	-
AA and below	67,197,285	114,615,265	-
P1	-	34,952,050	-
Unrated	<u>32,685</u>	-	<u>2,499,978</u>
	<u>1,039,730,815</u>	<u>424,017,785</u>	<u>2,499,978</u>
Individually impaired	-	-	7,615,290
	<u>1,039,730,815</u>	<u>424,017,785</u>	<u>10,115,268</u>

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**21. Financial risk management (continued)****21.1 Credit risk management (continued)**

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

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

<u>Bank</u>	<u>Short term funds</u>	<u>Financial assets/ investments portfolios</u>	<u>Other Asset</u>
<b>30.09.2012</b>			
AAA	507,609,585	380,228,218	-
AA and below	24,148,940	90,572,494	-
P1	-	-	-
Unrated	31,628	-	6,394,531
	<u>531,790,153</u>	<u>470,800,712</u>	<u>6,394,531</u>
Individually impaired	-	-	-
	<u>531,790,153</u>	<u>470,800,712</u>	<u>6,394,531</u>
 <u>31.12.2011</u>			
AAA	972,500,845	274,450,470	-
AA and below	67,197,285	114,615,265	-
P1	-	34,952,050	-
Unrated	32,685	-	2,499,978
	<u>1,039,730,815</u>	<u>424,017,785</u>	<u>2,499,978</u>
Individually impaired	-	-	8,111,128
	<u>1,039,730,815</u>	<u>424,017,785</u>	<u>10,611,106</u>

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**21. Financial risk management (continued)****21.2 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
<b>30.09.2012</b>	RM	RM	RM	RM	RM	RM	RM	RM	%
<b>Assets</b>									
Cash and short term funds	527,022,446	-	-	-	-	6,868,988	-	533,891,434	2.96
Financial assets held-for-trading	-	-	-	-	-	-	13,240,879	13,240,879	4.99
Financial investments available-for-sale	-	-	5,012,350	276,016,005	40,559,800	2,504,655	-	324,092,810	3.14
Financial investments held-to-maturity	-	-	45,004,903	32,421,607	55,175,142	865,371	-	133,467,023	5.02
Financing and advances									
- performing	562,945,891	202,100,867	180,754,879	113,577,681	191,414,492	(30,007,407)	-	1,220,786,403	5.14
- non performing	-	-	-	-	-	46,153,792	-	46,153,792	-
Other assets	-	-	-	-	-	6,394,531	-	6,394,531	-
Statutory deposits	-	-	-	-	-	17,583,975	-	17,583,975	-
Property and equipment	-	-	-	-	-	4,030,203	-	4,030,203	-
Intangible assets	-	-	-	-	-	4,165,220	-	4,165,220	-
<b>Total assets</b>	<b>1,089,968,337</b>	<b>202,100,867</b>	<b>230,772,132</b>	<b>422,015,293</b>	<b>287,149,434</b>	<b>58,559,328</b>	<b>13,240,879</b>	<b>2,303,806,270</b>	

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**21. Financial risk management (continued)****21.2 Market risk management (continued)**

## (i) Profit Rate Risk

&lt;-----Non-trading book-----&gt;

<b>Economic entity</b>	<b>Up to 1 months</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>Over 5 years</b>	<b>Non-profit sensitive</b>	<b>Trading book</b>	<b>Total</b>	<b>Effective profit rate</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>%</b>
<b>30.09.2012</b>									
<b>Liabilities</b>									
Deposits from customers	798,170,515	314,857,490	243,702,207	4,050,000	-	4,708,406	-	1,365,488,618	2.89
Deposits and placements of banks and other financial institutions	92,686,164	221,159,307	138,926,701	-	-	4,609,282	-	457,381,454	2.62
Other liabilities	-	-	-	-	-	9,751,078	-	9,751,078	-
Total liabilities	890,856,679	536,016,797	382,628,908	4,050,000	-	19,068,766	-	1,832,621,150	
Total shareholders equity	-	-	-	-	471,185,120	-	-	471,185,120	-
	890,856,679	536,016,797	382,628,908	4,050,000	471,185,120	19,068,766	-	2,303,806,270	
<b>Total profit-sensitivity gap</b>	<b>199,111,658</b>	<b>(333,915,930)</b>	<b>(151,856,776)</b>	<b>417,965,293</b>	<b>(184,035,686)</b>	<b>39,490,562</b>	<b>13,240,879</b>	<b>-</b>	

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**21. Financial risk management (continued)****21.2 Market risk management (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
31.12.2011	RM	RM	RM	RM	RM	RM	RM	RM	%
<b><u>Assets</u></b>									
Cash and short term funds	1,032,219,770	-	-	-	-	12,015,710	-	1,044,235,480	2.83
Financial assets held-for-trading	-	-	-	-	-	-	34,952,550	34,952,550	3.14
Financial investments available-for-sale	-	39,725,630	-	125,566,168	20,539,600	1,863,710	-	187,695,108	3.69
Financial investments held-to-maturity	-	95,330,000	30,312,472	73,402,557	-	2,325,098	-	201,370,127	3.27
Financing and advances									
- performing	32,066,389	282,955,935	201,753,249	255,699,382	138,737,538	(24,343,279)	-	886,869,214	6.19
- non performing	-	-	-	-	-	49,631,579	-	49,631,579	-
Other assets	-	-	-	-	-	2,499,978	-	2,499,978	-
Statutory deposits	-	-	-	-	-	12,283,975	-	12,283,975	-
Investment in jointly controlled entity	-	-	-	-	7,615,290	-	-	7,615,290	-
Property and equipment	-	-	-	-	-	4,847,325	-	4,847,325	-
Intangible assets	-	-	-	-	-	5,778,949	-	5,778,949	-
<b>Total assets</b>	1,064,286,159	418,011,565	232,065,721	454,668,107	166,892,428	66,903,045	34,952,550	2,437,779,575	

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**21. Financial risk management (continued)****21.2 Market risk management (continued)**

## (i) Profit Rate Risk

&lt;-----Non-trading book-----&gt;

<b>Economic entity</b>	<b>Up to 1 months</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>Over 5 years</b>	<b>Non-profit sensitive</b>	<b>Trading book</b>	<b>Total</b>	<b>Effective profit rate</b>
31.12.2011		<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>%</b>
<b>Liabilities</b>									
Deposits from customers	974,319,963	103,398,889	9,913,781	211,242	-	2,816,120	-	1,090,659,995	2.70
Deposits and placements of banks and other financial institutions	306,864,864	309,123,529	240,873,225	-	-	2,755,810	-	859,617,428	2.80
Other liabilities	-	-	-	-	-	11,435,240	-	11,435,240	-
Total liabilities	1,281,184,827	412,522,418	250,787,006	211,242	-	17,007,170	-	1,961,712,663	
Total shareholders equity	-	-	-	-	476,066,912	-	-	476,066,912	
	1,281,184,827	412,522,418	250,787,006	211,242	476,066,912	17,007,170	-	2,437,779,575	
<b>Total profit-sensitivity gap</b>	<b>(216,898,668)</b>	<b>5,489,147</b>	<b>(18,721,285)</b>	<b>454,456,865</b>	<b>(309,174,484)</b>	<b>49,895,875</b>	<b>34,952,550</b>	<b>-</b>	

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**21. Financial risk management (continued)****21.2 Market risk**

## (i) Profit Rate Risk

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

<b>Bank</b>	<b>Up to 1</b>	<b>1-3</b>	<b>3-12</b>	<b>1-5</b>	<b>Over 5</b>	<b>Non-profit</b>	<b>Trading</b>	<b>Total</b>	<b>Effective</b>
<b>30.09.2012</b>	<b>months</b>	<b>months</b>	<b>months</b>	<b>years</b>	<b>years</b>	<b>sensitive</b>	<b>book</b>	<b>RM</b>	<b>profit</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>rate</b>
									<b>%</b>
<b>Assets</b>									
Cash and short term funds	527,022,446	-	-	-	-	6,868,988	-	533,891,434	2.96
Financial assets held-for-trading	-	-	-	-	-	-	13,240,879	13,240,879	4.99
Financial investments available-for-sale	-	-	5,012,350	276,016,005	40,559,800	2,504,655	-	324,092,810	3.14
Financial investments held-to-maturity	-	-	45,004,903	32,421,607	55,175,142	865,371	-	133,467,023	5.02
Financing and advances									
- performing	562,945,891	202,100,867	180,754,879	113,577,681	191,414,492	(30,007,407)	-	1,220,786,403	5.14
- non performing	-	-	-	-	-	46,153,792	-	46,153,792	-
Other assets	-	-	-	-	-	6,394,531	-	6,394,531	-
Statutory deposits	-	-	-	-	-	17,583,975	-	17,583,975	-
Property and equipment	-	-	-	-	-	4,030,203	-	4,030,203	-
Intangible assets	-	-	-	-	-	4,165,220	-	4,165,220	-
<b>Total assets</b>	<b>1,089,968,337</b>	<b>202,100,867</b>	<b>230,772,132</b>	<b>422,015,293</b>	<b>287,149,434</b>	<b>58,559,328</b>	<b>13,240,879</b>	<b>2,303,806,270</b>	

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**21. Financial risk management (continued)****21.2 Market risk management (continued)**

## (i) Profit Rate Risk

&lt;-----Non-trading book-----&gt;

<b>Bank</b>	<b>Up to 1 months</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>Over 5 years</b>	<b>Non-profit sensitive</b>	<b>Trading book</b>	<b>Total</b>	<b>Effective profit rate</b>
<b>30.09.2012</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>%</b>
<b>Liabilities</b>									
Deposits from customers	798,170,515	314,857,490	243,702,207	4,050,000	-	4,708,406	-	1,365,488,618	2.89
Deposits and placements of banks and other financial institutions	92,686,164	221,159,307	138,926,701	-	-	4,609,282	-	457,381,454	2.62
Other liabilities	-	-	-	-	-	9,751,078	-	9,751,078	-
Total liabilities	890,856,679	536,016,797	382,628,908	4,050,000	-	19,068,766	-	1,832,621,150	
Total shareholders equity	-	-	-	-	471,185,120	-	-	471,185,120	-
	890,856,679	536,016,797	382,628,908	4,050,000	471,185,120	19,068,766	-	2,303,806,270	
<b>Total profit-sensitivity gap</b>	<b>199,111,658</b>	<b>(333,915,930)</b>	<b>(151,856,776)</b>	<b>417,965,293</b>	<b>(184,035,686)</b>	<b>39,490,562</b>	<b>13,240,879</b>	<b>-</b>	



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**21. Financial risk management (continued)****21.2 Market risk management (continued)**

## (i) Profit Rate Risk

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

<b>Bank</b>	<b>Up to 1</b>	<b>1-3</b>	<b>3-12</b>	<b>1-5</b>	<b>Over 5</b>	<b>Non-profit</b>	<b>Trading</b>	<b>Total</b>	<b>Effective</b>
31.12.2011	<b>months</b>	<b>months</b>	<b>months</b>	<b>years</b>	<b>years</b>	<b>sensitive</b>	<b>book</b>	<b>RM</b>	<b>profit</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>rate</b>
									<b>%</b>
<b>Assets</b>									
Cash and short term funds	1,032,219,770	-	-	-	-	12,015,710	-	1,044,235,480	2.83
Financial assets held-for-trading	-	-	-	-	-	-	34,952,550	34,952,550	3.14
Financial investments available-for-sale	-	39,725,630	-	125,566,168	20,539,600	1,863,710	-	187,695,108	3.69
Financial investments held-to-maturity	-	95,330,000	30,312,472	73,402,557	-	2,325,098	-	201,370,127	3.27
Financing and advances									
- performing	32,066,389	282,955,935	201,753,249	255,699,382	138,737,538	(24,343,279)	-	886,869,214	6.19
- non performing	-	-	-	-	-	49,631,579	-	49,631,579	-
Other assets	-	-	-	-	-	2,499,978	-	2,499,978	-
Statutory deposits	-	-	-	-	-	12,283,975	-	12,283,975	-
Investment in jointly controlled entity	-	-	-	-	8,111,128	-	-	8,111,128	-
Property and equipment	-	-	-	-	-	4,847,325	-	4,847,325	-
Intangible assets	-	-	-	-	-	5,778,949	-	5,778,949	-
<b>Total assets</b>	<b>1,064,286,159</b>	<b>418,011,565</b>	<b>232,065,721</b>	<b>454,668,107</b>	<b>167,388,266</b>	<b>66,903,045</b>	<b>34,952,550</b>	<b>2,438,275,413</b>	

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**21. Financial risk management (continued)****21.2 Market risk management (continued)**

## (i) Profit Rate Risk

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

<u>Bank</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
31.12.2011	RM	RM	RM	RM	RM	RM	RM	RM	%
<b>Liabilities</b>									
Deposits from customers	974,319,963	103,398,889	9,913,781	211,242	-	2,816,120	-	1,090,659,995	2.70
Deposits and placements of banks and other financial institutions	306,864,864	309,123,529	240,873,225	-	-	2,755,810	-	859,617,428	2.80
Other liabilities	-	-	-	-	-	11,435,240	-	11,435,240	-
Total liabilities	1,281,184,827	412,522,418	250,787,006	211,242	-	17,007,170	-	1,961,712,663	
Total shareholders equity					476,562,750			476,562,750	
	1,281,184,827	412,522,418	250,787,006	211,242	476,562,750	17,007,170	-	2,438,275,413	
<b>Total profit-sensitivity gap</b>	(216,898,668)	5,489,147	(18,721,285)	454,456,865	(309,174,484)	49,895,875	34,952,550	-	

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**22. Capital adequacy**

	<b><u>Economic Entity</u></b>	
	<b><u>30.09.2012</u></b>	<b><u>31.12.2011</u></b>
	<b><u>RM</u></b>	<b><u>RM</u></b>
<b><u>Tier I Capital</u></b>		
Paid-up ordinary share capital	<b>532,530,020</b>	532,530,020
Accumulated losses	<b>(61,860,468)</b>	(56,085,808)
	<b>470,669,552</b>	476,444,212
Less :		
Deferred tax assets	-	-
Total Tier I capital	<b>470,669,552</b>	476,444,212
<b><u>Tier II Capital</u></b>		
Collective impairment/allowance for bad and doubtful financing ^	<b>18,761,907</b>	13,899,442
Total Tier II capital	<b>18,761,907</b>	13,899,442
Total capital base	<b>489,431,459</b>	490,343,654
<b><u>Capital ratios</u></b>		
Inclusive of market risk :		
Core capital ratio (inclusive of market risk)	<b>28.55%</b>	39.14%
Risk-weighted capital ratio (inclusive of market risk)	<b>29.69%</b>	40.29%

^ 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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**22. Capital adequacy (continued)**

	<u>Bank</u>	
	<u>30.09.2012</u>	<u>31.12.2011</u>
	<u>RM</u>	<u>RM</u>
<u>Tier I Capital</u>		
Paid-up ordinary share capital	532,530,020	532,530,020
Accumulated losses	<u>(61,860,468)</u>	<u>(55,589,970)</u>
	470,669,552	476,940,050
Less :		
Deferred tax assets	-	-
Total Tier I capital	<u>470,669,552</u>	<u>476,940,050</u>
<u>Tier II Capital</u>		
Collective impairment/allowance for bad and doubtful financing ^	<u>18,761,907</u>	<u>13,899,442</u>
Total Tier II capital	<u>18,761,907</u>	<u>13,899,442</u>
Total capital base	<u>489,431,459</u>	<u>490,839,492</u>
<u>Capital ratios</u>		
Inclusive of market risk :		
Core capital ratio (inclusive of market risk)	28.54%	39.14%
Risk-weighted capital ratio (inclusive of market risk)	<u>29.68%</u>	<u>40.28%</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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**22. Capital adequacy (continued)**

<u>Economic entity</u>			<u>Risk Weighted</u>	<u>Risk</u>	<u>Total Risk</u>	
<u>30.09.2012</u>	<u>Gross Exposures</u>	<u>Net Exposures</u>	<u>Assets</u>	<u>Weighted</u>	<u>Weighted</u>	<u>Capital</u>
<u>Exposure Class</u>	<u>RM'000</u>	<u>RM'000</u>	<u>Assets</u>	<u>Absorbed</u>	<u>Assets after</u>	<u>Requirements</u>
			<u>RM'000</u>	<u>by PSIA</u>	<u>effects of</u>	<u>RM'000</u>
				<u>RM'000</u>	<u>PSIA</u>	
<b><u>Credit Risk</u></b>						
<i>On-Balance Sheet Exposures</i>						
Sovereigns & Central Banks	159,752	159,752	-	-	-	-
Banks, MDBs and FDIs	20,066	20,066	38	-	38	3
Corporates	1,525,071	1,525,071	1,329,049	-	1,329,049	106,324
Regulatory Retail	48,677	48,677	51,125	-	51,125	4,090
Other Assets	-	-	-	-	-	-
<b>Total for On-Balance Sheet Exposures</b>	<b>1,753,566</b>	<b>1,753,566</b>	<b>1,380,212</b>	<b>-</b>	<b>1,380,212</b>	<b>110,417</b>
<i>Off-Balance Sheet Exposures</i>						
Off balance sheet exposures other than OTC derivatives or credit derivatives	605,792	188,571	182,548	-	182,548	14,604
<b>Total for Off-Balance Sheet Exposures</b>	<b>605,792</b>	<b>188,571</b>	<b>182,548</b>	<b>-</b>	<b>182,548</b>	<b>14,604</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>2,359,358</b>	<b>1,942,137</b>	<b>1,562,760</b>	<b>-</b>	<b>1,562,760</b>	<b>125,021</b>
<b><u>Market Risk</u></b>						
	<b>Long Position</b>	<b>Short Position</b>				
Benchmark Rate Risk	-	-	6,007	6,007	-	481
Equity Position Risk	-	-	-	-	-	-
Foreign Currency Risk	5,961	-	5,961	5,961	-	477
Operational Risk	-	-	73,811	-	73,811	5,905
<b>Total RWA and Capital Requirements</b>	<b>2,365,319</b>	<b>-</b>	<b>1,954,105</b>	<b>1,648,539</b>	<b>-</b>	<b>131,884</b>

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**22. Capital adequacy (continued)****Economic entity - 30.09.2012**

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%	159,752	-	19,916	-	-	-	40,023	-
20%	-	-	7,438	1,488	-	-	206,069	41,214
50%	-	-	28	14	-	-	54,443	27,222
75%	-	-	-	-	-	-	-	-
100%	-	-	125	125	-	-	1,331,248	1,331,248
150%	-	-	-	-	-	-	57,790	86,685
<b>Total</b>	<b>159,752</b>	<b>-</b>	<b>27,507</b>	<b>1,627</b>	<b>-</b>	<b>-</b>	<b>1,689,573</b>	<b>1,486,369</b>
<b>Defaulted Exposures</b>								
50%	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	1,590	1,590
150%	-	-	-	-	-	-	14,361	21,542
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,951</b>	<b>23,132</b>
<b>Total Performing and Defaulted</b>	<b>159,752</b>	<b>-</b>	<b>27,507</b>	<b>1,627</b>	<b>-</b>	<b>-</b>	<b>1,705,524</b>	<b>1,509,501</b>

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**22. Capital adequacy (continued)****Economic entity - 30.09.2012**

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	<i>Risk Weighted Asset</i>	Exposures after Netting & CRM	<i>Risk Weighted Asset</i>	Exposures after Netting & CRM	<i>Risk Weighted Asset</i>
0%	-	-	-	-	219,691	-
20%	-	-	-	-	213,507	42,702
50%	-	-	-	-	54,471	27,236
75%	29,865	22,399	-	-	29,865	22,399
100%	-	-	-	-	1,331,373	1,331,373
150%	-	-	-	-	57,790	86,685
<b>Total</b>	<b>29,865</b>	<b>22,399</b>	<b>-</b>	<b>-</b>	<b>1,906,697</b>	<b>1,510,395</b>
<b>Defaulted Exposures</b>						
50%	-	-	-	-	-	-
100%	-	-	-	-	1,590	1,590
150%	19,489	29,233	-	-	33,850	50,775
<b>Total</b>	<b>19,489</b>	<b>29,233</b>	<b>-</b>	<b>-</b>	<b>35,440</b>	<b>52,365</b>
<b>Total Performing and Defaulted</b>	<b>49,354</b>	<b>51,632</b>	<b>-</b>	<b>-</b>	<b>1,942,137</b>	<b>1,562,760</b>

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**22. Capital adequacy (continued)**

<u>Economic entity</u> <u>31.12.2011</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>Risk</u> <u>Weighted</u> <u>Assets</u> <u>Absorbed by</u> <u>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>
<b><u>Credit Risk</u></b>						
<i>On-Balance Sheet Exposures</i>						
Sovereigns & Central Banks	135,056	135,056	-	-	-	-
Banks, MDBs and FDIs	67,224	67,224	22,234	-	22,234	1,779
Corporates	1,117,590	1,117,590	981,437	-	981,437	78,515
Regulatory Retail	50,721	50,721	44,099	-	44,099	3,528
Other Assets	7,615	7,615	11,423	-	11,423	914
<b>Total for On-Balance Sheet</b> Exposures	<b>1,378,206</b>	<b>1,378,206</b>	<b>1,059,193</b>	<b>-</b>	<b>1,059,193</b>	<b>84,736</b>
<i>Off-Balance Sheet Exposures</i>						
Off balance sheet exposures other than OTC derivatives or credit derivatives	415,457	78,406	75,294	-	75,294	6,024
<b>Total for Off-Balance Sheet</b> Exposures	<b>415,457</b>	<b>78,406</b>	<b>75,294</b>	<b>-</b>	<b>75,294</b>	<b>6,024</b>
<b>Total On and Off-Balance Sheet</b> Exposures	<b>1,793,663</b>	<b>1,456,612</b>	<b>1,134,487</b>	<b>-</b>	<b>1,134,487</b>	<b>90,760</b>
<b><u>Market Risk</u></b>						
	Long Position	Short Position				
Benchmark Rate Risk	-	-	8,147	8,147	-	652
Equity Position Risk	-	-	-	-	-	-
Foreign Currency Risk	4,077	-	4,077	4,077	-	326
Operational Risk	-	-	-	70,416	-	5,633
<b>Total RWA and Capital</b> <b>Requirements</b>	<b>1,797,740</b>	<b>-</b>	<b>1,468,836</b>	<b>1,217,127</b>	<b>-</b>	<b>97,371</b>



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**22. Capital adequacy (continued)**Economic entity - 31.12.2011

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

<b>Risk Weights</b>	<b>Sovereigns &amp; Central Banks</b>		<b>Banks, MDBs and FDIs</b>		<b>Insurance Companies, Securities Firms &amp; Fund Managers</b>		<b>Corporates</b>	
	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>								
<b>0%</b>	135,056	-	-	-	-	-	-	-
<b>20%</b>	-	-	41,598	8,320	-	-	194,106	38,821
<b>50%</b>	-	-	29,296	14,648	-	-	58,450	29,225
<b>75%</b>	-	-	-	-	-	-	-	-
<b>100%</b>	-	-	125	125	-	-	842,166	842,166
<b>150%</b>	-	-	-	-	-	-	80,614	120,921
<b>Total</b>	135,056	-	71,019	23,093	-	-	1,175,336	1,031,133
<b>Defaulted Exposures</b>								
<b>50%</b>	-	-	-	-	-	-	-	-
<b>100%</b>	-	-	-	-	-	-	-	-
<b>150%</b>	-	-	-	-	-	-	16,099	24,149
<b>Total</b>	-	-	-	-	-	-	16,099	24,149
<b>Total Performing and Defaulted</b>	135,056	-	71,019	23,093	-	-	1,191,435	1,055,282

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**22. Capital adequacy (continued)**

Economic entity - 31.12.2011

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

Risk Weights	Regulatory Retail		Other Assets		Total Exposure Exposures after Netting & CRM	Total Risk Weighted Assets <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%	-	-	-	-	135,056	-
20%	-	-	-	-	235,704	47,141
50%	-	-	-	-	87,746	43,873
75%	43,389	32,542	-	-	43,389	32,542
100%	-	-	-	-	842,291	842,291
150%	-	-	7,615	11,423	88,229	132,344
<b>Total</b>	43,389	32,542	7,615	11,423	1,432,415	1,098,191
<b>Defaulted Exposures</b>						
50%	-	-	-	-	-	-
100%	-	-	-	-	-	-
150%	8,098	12,147	-	-	24,197	36,296
<b>Total</b>	8,098	12,147	-	-	24,197	36,296
<b>Total Performing and Defaulted</b>	51,487	44,689	7,615	11,423	1,456,612	1,134,487

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**22. Capital adequacy (continued)**

<u>Bank</u>			<u>Risk</u>	<u>Risk</u>	<u>Total Risk</u>	<u>Capital</u>
<u>30.09.2012</u>		<u>Net</u>	<u>Weighted</u>	<u>Weighted</u>	<u>Weighted</u>	<u>Requirements</u>
<u>Exposure Class</u>	<u>Gross Exposures</u>	<u>Exposures</u>	<u>Assets</u>	<u>Absorbed by</u>	<u>Assets after</u>	<u>Requirements</u>
	RM'000	RM'000	RM'000	PSIA	effects of PSIA	RM'000
				RM'000	RM'000	
<b><u>Credit Risk</u></b>						
<i>On-Balance Sheet Exposures</i>						
Sovereigns & Central Banks	159,752	159,752	-	-	-	-
Banks, MDBs and FDIs	20,066	20,066	38	-	38	3
Corporates	1,525,071	1,525,071	1,329,049	-	1,329,049	106,324
Regulatory Retail	48,677	48,677	51,125	-	51,125	4,090
Other Assets	-	-	-	-	-	-
<b>Total for On-Balance Sheet</b>						
Exposures	1,753,566	1,753,566	1,380,212	-	1,380,212	110,417
<i>Off-Balance Sheet Exposures</i>						
Off balance sheet exposures other than OTC derivatives or credit derivatives	605,792	188,571	182,548	-	182,548	14,604
<b>Total for Off-Balance Sheet</b>						
Exposures	605,792	188,571	182,548	-	182,548	14,604
<b>Total On and Off-Balance Sheet</b>						
Exposures	2,359,358	1,942,137	1,562,760	-	1,562,760	125,021
<b><u>Market Risk</u></b>						
	<u>Long Position</u>	<u>Short Position</u>				
Benchmark Rate Risk	-	-	6,007	6,007	6,007	481
Equity Position Risk	-	-	-	-	-	-
Foreign Currency Risk	5,961	-	5,961	5,961	5,961	477
Operational Risk	-	-	74,574	-	74,574	5,966
<b>Total RWA and Capital</b>						
Requirements	2,365,319	-	1,954,105	1,649,302	1,649,302	131,945

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**22. Capital adequacy (continued)****Bank - 30.09.2012**

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

Risk Weights	Sovereigns & Central Banks		Banks, MDBs and FDI's		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%	159,752	-	19,916	-	-	-	40,023	-
20%	-	-	7,438	1,488	-	-	206,069	41,214
50%	-	-	28	14	-	-	54,443	27,222
75%	-	-	-	-	-	-	-	-
100%	-	-	125	125	-	-	1,331,248	1,331,248
150%	-	-	-	-	-	-	57,790	86,685
<b>Total</b>	<b>159,752</b>	<b>-</b>	<b>27,507</b>	<b>1,627</b>	<b>-</b>	<b>-</b>	<b>1,689,573</b>	<b>1,486,369</b>
<b>Defaulted Exposures</b>								
50%	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	1,590	1,590
150%	-	-	-	-	-	-	14,361	21,542
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,951</b>	<b>23,132</b>
<b>Total Performing and Defaulted</b>	<b>159,752</b>	<b>-</b>	<b>27,507</b>	<b>1,627</b>	<b>-</b>	<b>-</b>	<b>1,705,524</b>	<b>1,509,501</b>

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**22. Capital adequacy (continued)****Bank - 30.09.2012**

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

Risk Weights	Regulatory Retail		Other Assets		Total Exposure Exposures after Netting & CRM	Total Risk Weighted Assets <i>Risk Weighted Asset</i>
	Exposures after Netting & CRM	<i>Risk Weighted Asset</i>	Exposures after Netting & CRM	<i>Risk Weighted Asset</i>		
0%	-	-	-	-	219,691	-
20%	-	-	-	-	213,507	42,702
50%	-	-	-	-	54,471	27,236
75%	29,865	22,399	-	-	29,865	22,399
100%	-	-	-	-	1,331,373	1,331,373
150%	-	-	-	-	57,790	86,685
<b>Total</b>	<b>29,865</b>	<b>22,399</b>	<b>-</b>	<b>-</b>	<b>1,906,697</b>	<b>1,510,395</b>
<b>Defaulted Exposures</b>						
50%	-	-	-	-	-	-
100%	-	-	-	-	1,590	1,590
150%	19,489	29,233	-	-	33,850	50,775
<b>Total</b>	<b>19,489</b>	<b>29,233</b>	<b>-</b>	<b>-</b>	<b>35,440</b>	<b>52,365</b>
<b>Total Performing and Defaulted</b>	<b>49,354</b>	<b>51,632</b>	<b>-</b>	<b>-</b>	<b>1,942,137</b>	<b>1,562,760</b>

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**22. Capital adequacy (continued)**

<u>Bank</u> <u>31.12.2011</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>Risk Weighted</u> <u>Assets</u> <u>Absorbed by</u> <u>PSIA</u> <u>RM'000</u>	<u>Total Risk</u> <u>Weighted</u> <u>Assets after</u> <u>effects of</u> <u>PSIA</u> <u>RM'000</u>	<u>Capital</u> <u>Requirements</u> <u>RM'000</u>
<b><u>Credit Risk</u></b>						
<b><i>On-Balance Sheet Exposures</i></b>						
Sovereigns & Central Banks	135,056	135,056	-	-	-	-
Banks, MDBs and FDIs	67,224	67,224	22,234	-	22,234	1,779
Corporates	1,117,590	1,117,590	981,437	-	981,437	78,515
Regulatory Retail	50,721	50,721	44,099	-	44,099	3,528
Other Assets	8,111	8,111	12,167	-	12,167	973
<b>Total for On-Balance Sheet</b> Exposures	<b>1,378,702</b>	<b>1,378,702</b>	<b>1,059,937</b>	<b>-</b>	<b>1,059,937</b>	<b>84,795</b>
<b><i>Off-Balance Sheet Exposures</i></b>						
Off balance sheet exposures other than OTC derivatives or credit derivatives	415,457	78,406	75,294	-	75,294	6,024
<b>Total for Off-Balance Sheet</b> Exposures	<b>415,457</b>	<b>78,406</b>	<b>75,294</b>	<b>-</b>	<b>75,294</b>	<b>6,024</b>
<b>Total On and Off-Balance Sheet</b> Exposures	<b>1,794,159</b>	<b>1,457,108</b>	<b>1,135,231</b>	<b>-</b>	<b>1,135,231</b>	<b>90,819</b>
<b><u>Market Risk</u></b>						
	<b>Long Position</b>	<b>Short Position</b>				
Benchmark Rate Risk	-	-	8,147	8,147	8,147	652
Equity Position Risk	-	-	-	-	-	-
Foreign Currency Risk	4,077	-	4,077	4,077	4,077	326
Operational Risk	-	-	-	71,169	71,169	5,694
<b>Total RWA and Capital</b> <b>Requirements</b>	<b>1,798,236</b>	<b>-</b>	<b>1,469,332</b>	<b>-</b>	<b>1,218,624</b>	<b>97,491</b>

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**22. Capital adequacy (continued)****Bank - 31.12.2011**

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

<b>Risk Weights</b>	<b>Sovereigns &amp; Central Banks</b>		<b>Banks, MDBs and FDIs</b>		<b>Insurance Companies, Securities Firms &amp; Fund Managers</b>		<b>Corporates</b>	
	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>								
<b>0%</b>	135,056	-	-	-	-	-	-	-
<b>20%</b>	-	-	41,598	8,320	-	-	194,106	38,821
<b>50%</b>	-	-	29,296	14,648	-	-	58,450	29,225
<b>75%</b>	-	-	-	-	-	-	-	-
<b>100%</b>	-	-	125	125	-	-	842,166	842,166
<b>150%</b>	-	-	-	-	-	-	80,614	120,921
<b>Total</b>	135,056	-	71,019	23,093	-	-	1,175,336	1,031,133
<b>Defaulted Exposures</b>								
<b>50%</b>	-	-	-	-	-	-	-	-
<b>100%</b>	-	-	-	-	-	-	-	-
<b>150%</b>	-	-	-	-	-	-	16,099	24,149
<b>Total</b>	-	-	-	-	-	-	16,099	24,149
<b>Total Performing and Defaulted</b>	135,056	-	71,019	23,093	-	-	1,191,435	1,055,282

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**22. Capital adequacy (continued)****Bank - 31.12.2011**

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

<b>Risk Weights</b>	<b>Regulatory Retail</b>		<b>Other Assets</b>		<b>Total Exposure</b>	<b>Total Risk Weighted Assets</b>
	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%	-	-	-	-	135,056	-
20%	-	-	-	-	235,704	47,141
50%	-	-	-	-	87,746	43,873
75%	43,389	32,542	-	-	43,389	32,542
100%	-	-	-	-	842,291	842,291
150%	-	-	8,111	12,167	88,725	133,088
<b>Total</b>	43,389	32,542	8,111	12,167	1,432,911	1,098,935
<b>Defaulted Exposures</b>						
50%	-	-	-	-	-	-
100%	-	-	-	-	-	-
150%	8,098	12,147	-	-	24,197	36,296
<b>Total</b>	8,098	12,147	-	-	24,197	36,296
<b>Total Performing and Defaulted</b>	51,487	44,689	8,111	12,167	1,457,108	1,135,231



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**23. Segment information****Economic Entity****3rd Quarter Ended****30.09.2012**

	<b>Domestic Banking RM</b>	<b>International Banking RM</b>	<b>Asset Management and Investment Banking RM</b>	<b>Total RM</b>
External revenue	4,834,430	22,295,035	156,675	27,286,140
Inter-segment revenue	(423,125)	422,623	502	-
Total revenue	4,411,305	22,717,658	157,177	27,286,140
Depositors' payout	(321,774)	(14,498,171)	-	(14,819,945)
Net income	4,089,531	8,219,487	157,177	12,466,195
Operating overheads	(5,324,265)	(5,793,972)	(485,571)	(11,603,808)
Share of results of jointly controlled entity	-	-	(3,736,814)	(3,736,814)
Segmental results before taxation	<u>(1,234,734)</u>	<u>2,425,515</u>	<u>(4,065,208)</u>	<u>(2,874,427)</u>
Taxation				-
Loss for the period				<u>(2,874,427)</u>

**3rd Quarter Ended****30.09.2011**

	<b>Domestic Banking RM</b>	<b>International Banking RM</b>	<b>Asset Management and Investment Banking RM</b>	<b>Total RM</b>
External revenue	12,040,721	15,025,701	663,056	27,729,478
Inter-segment revenue	(4,952,971)	5,156,931	(203,960)	-
Total revenue	7,087,750	20,182,632	459,096	27,729,478
Depositors' payout	(355,666)	(10,966,353)	-	(11,322,019)
Net income	6,732,084	9,216,279	459,096	16,407,459
Operating overheads	(5,447,113)	(7,284,056)	(329,074)	(13,060,243)
Share of results of jointly controlled entity	-	-	533,062	533,062
Segmental results before taxation	<u>1,284,971</u>	<u>1,932,223</u>	<u>663,084</u>	<u>3,880,278</u>
Taxation				-
Profit for the period				<u>3,880,278</u>

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**23. Segment information****Economic Entity****Nine Months Ended****30.09.2012**

	<b>Domestic Banking RM</b>	<b>International Banking RM</b>	<b>Asset Management and Investment Banking RM</b>	<b>Total RM</b>
External revenue	42,773,224	41,454,003	450,405	84,677,632
Inter-segment revenue	(3,709,469)	3,707,190	2,279	-
Total revenue	39,063,755	45,161,193	452,684	84,677,632
Depositors' payout	(852,815)	(43,935,529)	-	(44,788,344)
Net income	38,210,940	1,225,664	452,684	39,889,288
Operating overheads	(34,730,622)	(1,630,006)	(1,705,994)	(38,066,622)
Share of results of jointly controlled entity	-	-	(7,597,326)	(7,597,326)
Segmental results before taxation	3,480,318	(404,342)	(8,850,636)	(5,774,660)
Taxation				-
Loss for the period				(5,774,660)

**Nine Months Ended****30.09.2011**

	<b>Domestic Banking RM</b>	<b>International Banking RM</b>	<b>Asset Management and Investment Banking RM</b>	<b>Total RM</b>
External revenue	33,520,799	37,293,356	1,798,558	72,612,713
Inter-segment revenue	(14,538,356)	15,166,771	(628,415)	-
Total revenue	18,982,443	52,460,127	1,170,143	72,612,713
Depositors' payout	(1,091,314)	(32,015,823)	-	(33,107,137)
Net income	17,891,129	20,444,304	1,170,143	39,505,576
Operating overheads	(16,255,134)	(18,079,738)	(2,319,798)	(36,654,670)
Share of results of jointly controlled entity	-	-	1,227,210	1,227,210
Segmental results before taxation	1,635,995	2,364,566	77,555	4,078,116
Taxation				-
Profit for the period				4,078,116

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**23. Segment information (continued)****Bank****3rd Quarter Ended****30.09.2012**

	<b>Domestic Banking RM</b>	<b>International Banking RM</b>	<b>Asset Management and Investment Banking RM</b>	<b>Total RM</b>
External revenue	4,834,430	22,295,035	195,959	27,325,424
Inter-segment revenue	(423,125)	422,623	502	-
Total revenue	4,411,305	22,717,658	196,461	27,325,424
Depositors' payout	(321,774)	(14,498,171)	-	(14,819,945)
Net income	4,089,531	8,219,487	196,461	12,505,479
Operating overheads	(5,324,265)	(5,793,972)	(4,541,136)	(15,659,373)
Segmental results before taxation	(1,234,734)	2,425,515	(4,344,675)	(3,153,894)
Taxation				-
Loss for the period				(3,153,894)

**3rd Quarter Ended****30.09.2011**

	<b>Domestic Banking RM</b>	<b>International Banking RM</b>	<b>Asset Management and Investment Banking RM</b>	<b>Total RM</b>
External revenue	12,040,721	15,025,701	524,452	27,590,874
Inter-segment revenue	(4,952,971)	5,156,931	(203,960)	-
Total revenue	7,087,750	20,182,632	320,492	27,590,874
Depositors' payout	(355,666)	(10,966,353)	-	(11,322,019)
Net income	6,732,084	9,216,279	320,492	16,268,855
Operating overheads	(5,447,113)	(7,284,056)	(329,074)	(13,060,243)
Segmental results before taxation	1,284,971	1,932,223	(8,582)	3,208,612
Taxation				-
Profit for the period				3,208,612

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS**

FOR NINE MONTHS ENDED 30 SEPTEMBER 2012

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

**23. Segment information (continued)****Bank****Nine Months Ended****30.09.2012**

	<b>Domestic Banking RM</b>	<b>International Banking RM</b>	<b>Asset Management and Investment Banking RM</b>	<b>Total RM</b>
External revenue	42,773,224	41,454,003	468,369	84,695,596
Inter-segment revenue	<u>(3,709,469)</u>	<u>3,707,190</u>	<u>2,279</u>	<u>-</u>
Total revenue	39,063,755	45,161,193	470,648	84,695,596
Depositors' payout	<u>(852,815)</u>	<u>(43,935,529)</u>	<u>-</u>	<u>(44,788,344)</u>
Net income	38,210,940	1,225,664	470,648	39,907,252
Operating overheads	<u>(34,730,622)</u>	<u>(1,630,006)</u>	<u>(9,817,122)</u>	<u>(46,177,750)</u>
Segmental results before taxation	<u>3,480,318</u>	<u>(404,342)</u>	<u>(9,346,474)</u>	<u>(6,270,498)</u>
Taxation				<u>-</u>
Loss for the period				<u>(6,270,498)</u>

**Nine Months Ended****30.09.2011**

	<b>Domestic Banking RM</b>	<b>International Banking RM</b>	<b>Asset Management and Investment Banking RM</b>	<b>Total RM</b>
External revenue	33,520,799	37,293,356	2,958,441	73,772,596
Inter-segment revenue	<u>(14,538,356)</u>	<u>15,166,771</u>	<u>(628,415)</u>	<u>-</u>
Total revenue	18,982,443	52,460,127	2,330,026	73,772,596
Depositors' payout	<u>(1,091,314)</u>	<u>(32,015,823)</u>	<u>-</u>	<u>(33,107,137)</u>
Net income	17,891,129	20,444,304	2,330,026	40,665,459
Operating overheads	<u>(16,255,134)</u>	<u>(18,079,738)</u>	<u>(2,319,798)</u>	<u>(36,654,670)</u>
Segmental results before taxation	<u>1,635,995</u>	<u>2,364,566</u>	<u>10,228</u>	<u>4,010,789</u>
Taxation				<u>-</u>
Profit for the period				<u>4,010,789</u>

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS**

FOR NINE MONTHS ENDED 30 SEPTEMBER 2012

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

**23. Segment information (continued)****Economic Entity****30.09.2012**

	<b>Domestic Banking RM</b>	<b>International Banking RM</b>	<b>Asset Management and Investment Banking RM</b>	<b>Total RM</b>
Segment assets	295,438,220	2,008,368,050	-	2,303,806,270
Total assets	<u>295,438,220</u>	<u>2,008,368,050</u>	<u>-</u>	<u>2,303,806,270</u>
Segment liabilities	92,717,833	1,739,903,317	-	1,832,621,150
Total liabilities	<u>92,717,833</u>	<u>1,739,903,317</u>	<u>-</u>	<u>1,832,621,150</u>

31.12.2011

	<b>Domestic Banking RM</b>	<b>International Banking RM</b>	<b>Asset Management and Investment Banking RM</b>	<b>Total RM</b>
Segment assets	665,513,212	1,740,219,011	32,047,352	2,437,779,575
Total assets	<u>665,513,212</u>	<u>1,740,219,011</u>	<u>32,047,352</u>	<u>2,437,779,575</u>
Segment liabilities	121,300,803	1,840,312,884	98,976	1,961,712,663
Total liabilities	<u>121,300,803</u>	<u>1,840,312,884</u>	<u>98,976</u>	<u>1,961,712,663</u>

**Bank****30.09.2012**

	<b>Domestic Banking RM</b>	<b>International Banking RM</b>	<b>Asset Management and Investment Banking RM</b>	<b>Total RM</b>
Segment assets	295,438,220	2,008,368,050	-	2,303,806,270
Total assets	<u>295,438,220</u>	<u>2,008,368,050</u>	<u>-</u>	<u>2,303,806,270</u>
Segment liabilities	92,717,833	1,739,903,317	-	1,832,621,150
Total liabilities	<u>92,717,833</u>	<u>1,739,903,317</u>	<u>-</u>	<u>1,832,621,150</u>

31.12.2011

	<b>Domestic Banking RM</b>	<b>International Banking RM</b>	<b>Asset Management and Investment Banking RM</b>	<b>Total RM</b>
Segment assets	665,513,212	1,740,219,011	32,543,190	2,438,275,413
Total assets	<u>665,513,212</u>	<u>1,740,219,011</u>	<u>32,543,190</u>	<u>2,438,275,413</u>
Segment liabilities	121,300,803	1,840,312,884	98,976	1,961,712,663
Total liabilities	<u>121,300,803</u>	<u>1,840,312,884</u>	<u>98,976</u>	<u>1,961,712,663</u>