

Company No.

716122	P
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ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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 SEPTEMBER 2016

		Economic Entity and Bank	
		30-Sep-16	31-Dec-15
		RM	RM
	Note		
Assets			
Cash and short-term funds	2	277,565,368	263,435,871
Financial investments available-for-sale	3	324,743,250	367,383,219
Financial investments held-to-maturity	4	474,451,895	393,864,137
Financing and advances	5	1,419,875,152	1,459,069,758
Derivative assets	6	123,475	778,580
Other assets	7	11,362,629	8,354,253
Statutory deposits with Bank Negara Malaysia		29,973,822	34,683,822
Investment in jointly controlled entity		-	-
Deferred tax assets		-	-
Property, plant and equipment		668,111	1,007,951
Intangible assets		1,515,549	1,842,640
Total assets		<u>2,540,279,251</u>	<u>2,530,420,231</u>
Liabilities			
Deposits from customers	8	847,204,977	1,031,686,604
Deposits and placements of banks and other financial institutions	9	1,178,905,938	992,892,617
Derivative liabilities	6	980,774	940,284
Other liabilities	10	13,100,597	12,086,801
Total liabilities		<u>2,040,192,286</u>	<u>2,037,606,306</u>
Equity			
Ordinary share capital		532,530,020	532,530,020
Reserves		(32,443,055)	(39,716,095)
Total equity		<u>500,086,965</u>	<u>492,813,925</u>
Total Liabilities and Equity		<u>2,540,279,251</u>	<u>2,530,420,231</u>
Commitments and contingencies	18	<u>403,621,101</u>	<u>553,069,511</u>
Capital Adequacy	20	Economic Entity and Bank	
CET1 capital		24.865%	24.035%
Tier 1 capital		24.865%	24.035%
Total capital ratio		26.052%	25.419%

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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016

		Economic Entity and Bank				
		3rd Quarter	3rd Quarter	Nine Months	Nine Months	
		Ended	Ended	Ended	Ended	
Note		30-Sep-16	30-Sep-15	30-Sep-16	30-Sep-15	
		RM	RM	RM	RM	
	Income derived from investment of depositors' funds	11	21,830,963	24,727,244	68,758,379	81,662,124
	Income derived from investment of shareholders' funds	12	7,242,008	7,427,082	22,268,584	22,819,842
	Allowances for impairment on financing and advances	13	75,947	(1,227,888)	(3,549,833)	(4,321,272)
	Total distributable income		29,148,918	30,926,438	87,477,130	100,160,694
	Income attributable to depositors	14	(18,737,715)	(20,310,794)	(57,729,246)	(65,924,204)
	Personnel expenses	15	10,411,203	10,615,644	29,747,884	34,236,490
	Other overheads and expenditures	16	(4,153,117)	(4,865,864)	(12,789,204)	(14,750,440)
	Profit before taxation		(3,756,833)	(3,367,800)	(10,989,931)	(10,716,152)
	Taxation		2,501,253	2,381,980	5,968,749	8,769,898
	Net profit for the financial period		(264,815)	(255,580)	(1,432,500)	(3,186,625)
	Profit attributable to:		2,236,438	2,126,400	4,536,249	5,583,273
	Owners of the Bank		2,236,438	2,126,400	4,536,249	5,583,273
	Non-controlling interest		-	-	-	-
	Earnings per shares (sen)		2,236,438	2,126,400	4,536,249	5,583,273
	Basic and diluted		1.67	1.58	1.14	1.40

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UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016 (CONTINUED)

		Economic Entity and Bank			
	Note	3rd Quarter Ended 30-Sep-16 RM	3rd Quarter Ended 30-Sep-15 RM	Nine Months Ended 30-Sep-16 RM	Nine Months Ended 30-Sep-15 RM
Profit for the financial period		2,236,438	2,126,400	4,536,249	5,583,273
Other comprehensive Income / (loss):					
Financial investments available-for-sale	17				
- Unrealised net gain / (loss) on revaluation		1,228,117	(1,758,730)	2,736,791	(1,568,896)
Income tax relating to components of other comprehensive income		-	-	-	-
Other comprehensive income / (loss) for the financial period		1,228,117	(1,758,730)	2,736,791	(1,568,896)
Total comprehensive income for the financial period		3,464,555	367,670	7,273,040	4,014,377
Total comprehensive income attributable to:					
Owners of the Bank		3,464,555	367,670	7,273,040	4,014,377
Non-controlling interest		-	-	-	-
		3,464,555	367,670	7,273,040	4,014,377

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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016

	Share Capital RM	Accumulated Losses RM	Statutory Reserve RM	AFS Reserve RM	Total RM
<u>Economic Entity and Bank</u>					
<u>30-Sep-16</u>					
Balance as at					
1 January 2016	532,530,020	(49,685,510)	11,538,745	(1,569,330)	492,813,925
Net profit for the financial period	-	4,536,249	-	-	4,536,249
Other comprehensive income / (loss):					
Financial investments available- for-sale					
- Unrealised net gain on revaluation	-	-	-	2,736,791	2,736,791
Income tax relating to components of other comprehensive income	-	-	-	-	-
Other comprehensive income	-	-	-	2,736,791	2,736,791
Balance as at					
30 September 2016	532,530,020	(45,149,261)	11,538,745	1,167,461	500,086,965

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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016 (CONTINUED)

	Share Capital RM	Accumulated Losses RM	Statutory Reserve RM	AFS Reserve RM	Total RM
<u>Economic Entity and Bank</u>					
31-Dec-15					
Balance as at					
1 January 2015	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)
Balance as at					
31 December 2015	<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
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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CASH FLOW
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016

	Economic Entity and Bank	
	30-Sep-16	31-Dec-15
	RM	RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	5,968,749	775,696
Adjustments for:		
Depreciation of property, plant and equipment (Note 16)	427,310	758,643
Amortisation of intangible assets (Note 16)	552,091	740,817
Profit income from:		
- Investment on financial investments available-for-sale	(10,913,314)	(18,929,638)
- Investment on financial investments held-to-maturity	(13,278,101)	(14,328,470)
Net loss / (gain) on sale of financial investments available-for-sale	213,841	(1,391,358)
Net accretion of discount less amortisation of premium	187,264	65,966
Allowances for losses on financing and advances (Note 13 (a) & (b))	3,401,263	16,810,542
Operating (loss) before working capital changes	(13,440,897)	(15,497,802)
Adjustments for change in operating assets and liabilities:		
Financing and advances	35,793,344	261,600,867
Derivative assets	655,105	(33,830)
Other assets	(3,008,376)	(3,294,857)
Statutory deposit with Bank Negara Malaysia	4,710,000	9,330,000
Deposits from customers	(184,481,627)	(135,168,376)
Deposits and placements of banks and other financial institutions	186,013,321	(186,455,666)
Derivative liabilities	40,490	(12,015,266)
Other liabilities	1,013,794	3,279,572
Cash generated from / (used in) operating activities	27,295,154	(78,255,358)
Taxation paid	(1,432,500)	(248,623)
Net cash generated from / (used in) operating activities	25,862,654	(78,503,981)

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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CASH FLOW
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016 (CONTINUED)

	Economic Entity and Bank	
	30-Sep-16	31-Dec-15
	RM	RM
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(87,469)	(299,835)
Purchase of intangible assets	(225,000)	(776,021)
Net proceeds from:		
- Sale of financial investments available-for-sale	56,076,233	207,876,353
- Purchase of financial investments held-to-maturity	(67,496,921)	(116,523,615)
Net cash (used in) / generated from investing activities	(11,733,157)	90,276,882
ANALYSIS OF CASH AND CASH EQUIVALENT		
Net increase in cash and cash equivalents	14,129,497	11,772,901
Cash and cash equivalents at beginning of financial period/year	263,435,871	251,662,970
Cash and cash equivalents at end of financial period/year (Note 2)	277,565,368	263,435,871

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ASIAN FINANCE BANK BERHAD
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NOTES TO THE FINANCIAL STATEMENTS
FOR NINE MONTHS ENDED 30 SEPTEMBER 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 RM5.97m for the nine months period ended 30 September 2016.

The Economic Entity and the Bank's gross financing and advances stood at RM1.46b whilst total Deposit at RM2.03b.

b) Business Plan and Outlook for 2016

Global growth is projected to slow to 3.1 percent in 2016 before recovering to 3.4 percent in 2017. The forecast reflects a more subdued outlook for advanced economies following the June U.K. Brexit and weaker-than-expected growth in the United States.

Growth in emerging market and developing economies is expected to strengthen slightly in 2016 to 4.2 percent after five consecutive years of decline, accounting for over three-quarters of projected world growth this year.

The World Bank expects Malaysia's gross domestic production (GDP) to slow to 4.2% in 2016, compared to 5% in 2015, on the back of weak global demand for oil and manufactured exports.

The bank said growth will be driven by private consumption growth, but added that consumption is expected to slow amid a softer labour market and ongoing adjustments to the rising cost of living. Going forward, the Malaysian economy faces risks emanating mainly from external developments. They include uncertainty over the trajectory of economic growth in the global economy, and potential volatility in financial markets. (*World Bank*)

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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2. Cash and short-term funds

	Economic Entity and Bank	
	30-Sep-16	31-Dec-15
	RM	RM
Cash and balances with banks and other financial institutions	41,565,475	72,705,228
Money at call and deposit placements maturing within one month	235,999,893	190,730,643
	277,565,368	263,435,871

3. Financial investments available-for-sale

	Economic Entity and Bank	
	30-Sep-16	31-Dec-15
	RM	RM
At fair value		
Quoted securities:		
<u>In Malaysia</u>		
Islamic Medium Term Notes	309,635,363	316,831,787
Corporate Sukuk	15,107,887	50,551,432
	324,743,250	367,383,219

4. Financial investments held-to-maturity

	Economic Entity and Bank	
	30-Sep-16	31-Dec-15
	RM	RM
At amortised cost		
Quoted securities:		
<u>In Malaysia</u>		
Islamic Medium Term Notes	474,451,895	393,864,137
	474,451,895	393,864,137

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5. Financing and advances

	Economic Entity and Bank	
	30-Sep-16	31-Dec-15
	RM	RM
At amortised cost		
Term financing		
- house financing	25,144,162	26,116,968
- syndicated term financing	-	-
- hire purchase receivables	-	-
- other term financing	224,118,798	265,146,640
Trusts receipts	2,869,467	2,870,199
Staff financing	532,101	356,852
Revolving Credit	1,149,383,187	1,147,644,484
Others	59,744,291	55,450,206
Gross financing and advances	<u>1,461,792,006</u>	<u>1,497,585,349</u>
Less: Allowance for impaired financing and advances:		
- individual impairment allowance	(10,406,205)	(10,062,217)
- collective impairment allowance	(31,510,649)	(28,453,374)
Net financing and advances	<u><u>1,419,875,152</u></u>	<u><u>1,459,069,758</u></u>
 (i) By type of customer		
Domestic non-bank financial institution		
- Others	100,090,710	100,085,562
Domestic business enterprises		
- Small medium enterprise	10,378,237	12,306,877
- Government	140,157,787	120,143,200
- Others	1,184,713,569	1,237,721,816
Individuals	14,183,283	14,450,280
Foreign entities	12,268,420	12,877,614
	<u><u>1,461,792,006</u></u>	<u><u>1,497,585,349</u></u>
 (ii) By contract		
Ijarah	6,624,781	7,556,125
Qard	528,897	346,475
Bai'	1,454,638,328	1,489,682,749
	<u><u>1,461,792,006</u></u>	<u><u>1,497,585,349</u></u>

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5. Financing and advances (continued)

	Economic Entity and Bank	
	30-Sep-16	31-Dec-15
	RM	RM
(iii) By profit rate sensitivity		
Fixed rate		
- Housing financing	-	-
- Hire purchase receivables	-	-
- Other fixed rate financing	67,280,088	82,512,341
Variable		
- Base Financing Rate	276,029,119	284,731,211
- Cost-plus	1,117,953,902	1,129,995,322
Non-profit sensitive	528,897	346,475
	<u>1,461,792,006</u>	<u>1,497,585,349</u>
(iv) By contractual maturity		
Maturity within one year	1,094,805,376	1,242,802,532
More than one year to three years	166,463,947	62,163,020
More than three years to five years	33,914,870	129,148,967
More than five years	166,607,813	63,470,830
	<u>1,461,792,006</u>	<u>1,497,585,349</u>
(v) By geographical distribution		
Malaysia	1,461,366,841	1,497,130,071
United Kingdom	425,165	455,278
	<u>1,461,792,006</u>	<u>1,497,585,349</u>

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5. Financing and advances (continued)

	Economic Entity and Bank	
	30-Sep-16	31-Dec-15
	RM	RM
(vi) By economic purpose		
Purchase of landed property:		
- Residential	23,442,031	26,363,868
- Non-Residential	118,364,343	126,568,215
Working Capital	1,286,524,276	1,307,288,469
Personal Use	542,680	377,081
Purchase of transport vehicles	3,866	11,038
Purchase of Fixed Asset (excluding landed properties)	19,771,001	23,879,690
Others	13,143,809	13,096,988
	<u>1,461,792,006</u>	<u>1,497,585,349</u>
(vii) By sector		
Agriculture	243,348,468	204,348,325
Mining and quarrying	143,564,620	157,184,731
Manufacturing	191,343,822	198,811,244
Electricity, gas and water	110,079,372	110,153,973
Construction	122,467,446	153,732,128
Purchase of landed property	25,897,994	26,940,512
Wholesale & retail trade and restaurants & hotels	181,258,644	201,831,827
Transport, storage and communication	30,017,017	46,931,845
Finance, insurance and business services	413,260,915	397,262,645
Education, health and others	-	-
Purchase of transport vehicles	3,866	11,038
Consumption credit	549,842	377,081
Others	-	-
	<u>1,461,792,006</u>	<u>1,497,585,349</u>

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5. Financing and advances (continued)

	Economic Entity and Bank	
	30-Sep-16	31-Dec-15
	RM	RM
(viii) Movement in the allowance for impaired advances and financing		
Individual Assessment Allowance		
Balance beginning of financial year	10,062,217	10,085,406
Allowance made during the financial period/year (Note 13 (a))	449,959	329,952
Amount written back in respect of recoveries (Note 13 (a))	(105,971)	(353,141)
Amount written off during the financial period as uncollectible	-	-
Balance as at end of financial period/year	<u>10,406,205</u>	<u>10,062,217</u>
Collective Assessment Allowance		
Balance beginning of financial year,	28,453,374	11,619,643
Allowance made during the financial period/year (Note 13 (b))	3,057,275	16,833,731
Amount written back in respect of recoveries (Note 13 (b))	-	-
Balance as at end of financial period/year	<u>31,510,649</u>	<u>28,453,374</u>
As % of gross financing and advances less individual assessment allowances	<u>2.17%</u>	<u>1.91%</u>
(ix) Movement in impaired financing and advances		
Balance beginning of financial year	13,096,988	12,981,424
Classified as impaired during the financial period	759,599	515,547
Reclassified as non-impaired	(529,626)	-
Amount recovered	(183,152)	(399,983)
Amount written off during the financial period as uncollectible	-	-
Balance as at end of financial period/year	<u>13,143,809</u>	<u>13,096,988</u>
Gross impaired financing and advances ratio	<u>0.90%</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 September 2016

Type	Bai'	Ijarah	Qard	Total financing, advances and other receivables
	RM	RM	RM	RM
Term Financing	242,637,277	6,624,781	902	249,262,960
House Financing	22,884,771	2,259,391	-	25,144,162
Syndicated Financing	-	-	-	-
Hire purchase receivables	-	-	-	-
Other term financing	219,752,506	4,365,390	902	224,118,798
Trust receipts	2,869,467	-	-	2,869,467
Staff financing	4,106	-	527,995	532,101
Revolving credit	1,149,383,187	-	-	1,149,383,187
Others	59,744,291	-	-	59,744,291
Total financing, advances and other receivables	1,454,638,328	6,624,781	528,897	1,461,792,006

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
Total financing, advances and other receivables	1,489,682,749	7,556,125	346,475	1,497,585,349

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5. Financing and advances (continued)

	Economic Entity and Bank	
	30-Sep-16 RM	31-Dec-15 RM
(xi) Impaired financing by sector		
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	6,068,187	6,029,094
Consumption credit	7,163	-
	13,143,809	13,096,988
(xii) Impaired financing by geographical distribution		
Malaysia	13,143,809	13,096,988

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.

	Economic Entity and Bank					
	30-Sep-16			31-Dec-15		
	Contract/ Notional amount RM	Fair value		Contract/ Notional amount RM	Fair value	
	Assets RM	Liabilities RM		Assets RM	Liabilities RM	
Trading derivatives						
<u>Foreign exchange contracts:</u>						
Currency forward						
- Less than one year	151,866,552	123,475	(980,774)	278,184,190	778,580	(940,284)

7. Other assets

	Economic Entity and Bank	
	30-Sep-16 RM	31-Dec-15 RM
Prepayment and deposits	1,246,151	1,494,315
Other debtors	6,929,853	3,673,313
Tax recoverable	3,186,625	3,186,625
	11,362,629	8,354,253

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8. Deposits from customers

	Economic Entity and Bank	
	30-Sep-16	31-Dec-15
	RM	RM
(i) By type of deposit:		
<u>Non-Mudharabah Funds:</u>		
Demand deposits	43,026,941	178,768,163
Savings deposits	1,941,288	1,953,412
Commodity Murabahah	777,185,580	824,901,661
General investment deposits	10,542,254	9,612,603
	832,696,063	1,015,235,839
<u>Mudharabah Funds:</u>		
Savings deposits	42,941	54,566
General investment deposits	14,465,973	16,396,199
	14,508,914	16,450,765
	847,204,977	1,031,686,604
(ii) The deposits are sourced from the following classes of customers:		
Business enterprises	833,139,177	1,016,209,219
Individuals	14,065,800	15,477,385
	847,204,977	1,031,686,604
(iii) The maturity structure of saving deposits, amount payable on demand and term deposits are as follows:		
Due within six months	695,876,433	884,965,446
More than six months to one year	4,450,791	4,295,630
More than one year to three years	4,462,742	-
More than three years	142,415,011	142,425,528
	847,204,977	1,031,686,604
(iv) By type of contract:		
Mudharabah	14,508,914	16,450,765
Tawarruq	787,727,834	834,514,264
Wadiah	44,968,229	180,721,575
	847,204,977	1,031,686,604

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9. Deposits and placements of banks and other financial institutions

	Economic Entity and Bank	
	30-Sep-16	31-Dec-15
	RM	RM
(i) By type of deposit:		
<u>Non-Mudharabah Funds:</u>		
Licensed Islamic banks	172,066,481	70,067,833
Other financial institutions	<u>1,006,839,457</u>	<u>922,824,784</u>
	<u>1,178,905,938</u>	<u>992,892,617</u>
<u>Mudharabah Fund:</u>		
Other financial institutions	-	-
	-	-
	<u>1,178,905,938</u>	<u>992,892,617</u>
(ii) By type of contract:		
Mudharabah	-	-
Tawarruq	1,178,607,670	992,480,668
Wadiah	298,268	411,949
	<u>1,178,905,938</u>	<u>992,892,617</u>

10. Other liabilities

	Economic Entity and Bank	
	30-Sep-16	31-Dec-15
	RM	RM
Sundry creditors	7,569,955	5,952,622
Other provisions and accruals	<u>5,530,642</u>	<u>6,134,179</u>
	<u>13,100,597</u>	<u>12,086,801</u>

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11. Income derived from investment of depositors' funds

	Economic Entity and Bank	
	3rd Quarter Ended 30-Sep-16 RM	3rd Quarter Ended 30-Sep-15 RM
Income derived from investment of:		
(i) General investment deposit	282,940	355,569
(ii) Other deposits	21,548,023	24,371,675
	21,830,963	24,727,244
(i) Income derived from investment of general investment deposits		
<u>Finance income and hibah:</u>		
Financing and advances	172,346	244,282
Financial investment available-for-sale	37,569	50,715
Financial investment held-to-maturity	48,922	46,829
Money at call and deposits with financial institutions	24,103	33,743
	282,940	375,569
(ii) Income derived from investment of other deposits		
<u>Finance income and hibah:</u>		
Financing and advances	13,119,737	15,372,975
Financial investment available-for-sale	2,867,960	3,476,153
Financial investment held-to-maturity	3,742,278	3,209,750
Money at call and deposits with financial institutions	1,818,048	2,312,797
	21,548,023	24,371,675

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

	Economic Entity and Bank	
	Nine Months Ended 30-Sep-16 RM	Nine Months Ended 30-Sep-15 RM
Income derived from investment of:		
(i) General investment deposit	877,096	1,380,889
(ii) Other deposits	67,881,283	80,281,235
	68,758,379	81,662,124
(i) Income derived from investment of general investment deposits		
<u>Finance income and hibah:</u>		
Financing and advances	550,396	833,057
Financial investment available-for-sale	109,746	232,941
Financial investment held-to-maturity	134,232	138,307
Money at call and deposits with financial institutions	82,722	176,584
	877,096	1,380,889
(ii) Income derived from investment of other deposits		
<u>Finance income and hibah:</u>		
Financing and advances	42,582,334	48,471,949
Financial investment available-for-sale	8,495,233	13,390,149
Financial investment held-to-maturity	10,394,089	8,231,588
Money at call and deposits with financial institutions	6,409,627	10,187,549
	67,881,283	80,281,235

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12. Income derived from investment of shareholders' funds

	Economic Entity and Bank			
	3rd Quarter Ended 30-Sep-16 RM	3rd Quarter Ended 30-Sep-15 RM	Nine Months Ended 30-Sep-16 RM	Nine Months Ended 30-Sep-15 RM
<u>Finance income and hibah</u>				
Financing and advances	3,310,117	3,507,838	10,500,351	10,073,392
Financial investments available-for-sale	721,693	793,196	2,094,494	2,759,628
Financial investments held-to-maturity	939,905	732,408	2,562,516	1,727,637
Money at call and deposits with financial institutions	462,714	527,739	1,578,086	2,087,738
Total finance income and hibah	5,434,429	5,561,181	16,735,447	16,648,395
Other operating income (note a)	1,807,579	1,865,901	5,533,137	6,171,447
	7,242,008	7,427,082	22,268,584	22,819,842
Other operating income comprise of:				
(a) Fee and other income:				
Commission	349,924	(52,197)	793,726	199,187
Fees and other income	3,146,443	8,397,856	5,596,710	16,936,196
Net (loss) on derivatives foreign exchange contracts	(1,688,788)	(6,479,758)	(857,299)	(10,963,936)
Total other operating income	1,807,579	1,865,901	5,533,137	6,171,447

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13. Allowance for impairment on financing and advances

	Economic Entity and Bank	
	3rd Quarter Ended	3rd Quarter Ended
	30-Sep-16	30-Sep-15
	RM	RM
Allowance for impaired financing and advances:		
(a) Individual impairment allowance		
- made during the financial period	21,462	31,069
- written back during the financial period	(21,876)	(162,391)
(b) Collective impairment allowance		
- made during the financial period	(72,532)	1,359,210
- written back during the financial period	-	-
(c) Sundry debtors impairment allowance		
- made during the financial period	-	-
- written back during the financial period	(3,001)	-
	(75,947)	1,227,888
	Nine Months Ended	Nine Months Ended
	30-Sep-16	30-Sep-15
	RM	RM
Allowance for impaired financing and advances:		
(a) Individual impairment allowance		
- made during the financial period (Note 5 (viii))	449,959	31,069
- written back during the financial period (Note 5 (viii))	(105,971)	(269,007)
(b) Collective impairment allowance		
- made during the financial period (Note 5 (viii))	3,057,275	4,559,210
- written back during the financial period (Note 5 (viii))	-	-
(c) Sundry debtors impairment allowance		
- made during the financial period	280,832	-
- written back during the financial period	(132,262)	-
	3,549,833	4,321,272

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14. Income attributable to depositors

	Economic Entity and Bank	
	3rd Quarter Ended 30-Sep-16 RM	3rd Quarter Ended 30-Sep-15 RM
Deposits from customers:		
- Mudharabah funds	77,693	324,275
- Non-mudharabah funds	7,103,086	8,003,486
	7,180,779	8,327,761
Deposits and placements of banks and other financial institutions:		
- Mudharabah funds	-	-
- Non-mudharabah funds	11,556,936	11,983,033
	11,556,936	11,983,033
	18,737,715	20,310,794
	Nine Months Ended 30-Sep-16 RM	Nine Months Ended 30-Sep-15 RM
Deposits from customers:		
- Mudharabah funds	239,348	2,539,149
- Non-mudharabah funds	21,989,256	24,186,654
	22,228,604	26,725,803
Deposits and placements of banks and other financial institutions:		
- Mudharabah funds	-	845,709
- Non-mudharabah funds	35,500,642	38,352,691
	35,500,642	39,198,400
	57,729,246	65,924,204

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15. Personnel expenses

	Economic Entity and Bank	
	3rd Quarter Ended 30-Sep-16 RM	3rd Quarter Ended 30-Sep-15 RM
Salaries, allowances and bonuses	3,606,095	4,181,440
Contributions to Employee Provident Fund and SOCSO	402,824	436,321
Medical related expenses	59,046	148,382
Travelling and parking	9,331	9,681
Other staff related cost	75,821	90,040
	4,153,117	4,865,864
	Nine Months Ended 30-Sep-16 RM	Nine Months Ended 30-Sep-15 RM
Salaries, allowances and bonuses	10,996,676	12,737,060
Contributions to Employee Provident Fund and SOCSO	1,190,138	1,284,783
Medical related expenses	388,406	350,748
Travelling and parking	28,608	55,194
Other staff related cost	185,376	322,655
	12,789,204	14,750,440

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16. Other overheads and expenditures

	Economic Entity and Bank	
	3rd Quarter Ended 30-Sep-16 RM	3rd Quarter Ended 30-Sep-15 RM
<u>Establishment expenses</u>		
Depreciation of property, plant and equipment	140,467	193,572
Amortisation of intangible assets	183,415	189,609
Rental of premises	480,897	481,001
Software and hardware maintenance	1,375,137	761,588
Rental of equipment and network line	87,712	157,466
Security expenses	102,532	102,807
Others	625,134	610,048
	2,995,294	2,496,091
<u>Marketing expenses</u>		
Advertising and promotional activities	38,965	84,741
Entertainment expenses	2,212	4,247
Travelling expenses	41,761	1,994
Others	-	-
	82,938	90,982
<u>Administration and general expenses</u>		
License and association fees and levies	108,468	102,906
Travelling, transport and accommodation expenses	20,149	24,506
Printing, stationery, postage and clearing charges	73,061	71,232
Telecommunication charges	81,368	105,953
Shariah Committee remunerations	64,000	64,000
Electricity and water	75,623	77,146
Directors related fees	121,500	167,693
Other professional fees	17,623	46,203
Auditors remuneration	67,500	67,896
Donations	-	-
Others	49,309	53,191
	678,601	780,727
	3,756,833	3,367,800

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16. Other overheads and expenditures (continued)

	Economic Entity and Bank	
	Nine Months Ended 30-Sep-16 RM	Nine Months Ended 30-Sep-15 RM
<u>Establishment expenses</u>		
Depreciation of property, plant and equipment	427,310	590,168
Amortisation of intangible assets	552,091	568,947
Rental of premises	1,434,850	1,437,255
Software and hardware maintenance	4,007,619	2,653,040
Rental of equipment and network line	282,914	489,772
Security expenses	295,276	298,434
Others	1,509,289	1,791,274
	8,509,349	7,828,890
<u>Marketing expenses</u>		
Advertising and promotional activities	108,591	174,987
Entertainment expenses	12,873	13,052
Travelling expenses	93,982	87,030
Others	-	599
	215,446	275,668
<u>Administration and general expenses</u>		
License and association fees and levies	313,182	300,404
Travelling, transport and accommodation expenses	108,838	117,529
Printing, stationery, postage and clearing charges	253,276	231,054
Telecommunication charges	361,551	345,531
Shariah Committee remunerations	128,000	128,000
Electricity and water	233,600	241,768
Directors related fees	356,043	543,696
Other professional fees	76,938	414,822
Auditors remuneration	202,500	195,896
Donations	-	-
Others	231,208	92,894
	2,265,136	2,611,594
	10,989,931	10,716,152

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17. Other comprehensive income

	Economic Entity and Bank	
	3rd Quarter Ended	3rd Quarter Ended
	30-Sep-16	30-Sep-15
	RM	RM
Financial investment available-for-sale		
- Unrealised net gain/(loss) on revaluation	1,228,117	(1,758,730)
Income tax relating to components of other comprehensive income	-	-
	1,228,117	(1,758,730)
	Nine Months Ended	Nine Months Ended
	30-Sep-16	30-Sep-15
	RM	RM
Financial investment available-for-sale		
- Unrealised net gain/(loss) on revaluation	2,736,791	(1,568,896)
Income tax relating to components of other comprehensive income	-	-
	2,736,791	(1,568,896)

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18. Commitments and contingencies

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

<u>Economic Entity and Bank</u>	Principal amount RM	Gross Positive Fair Value - Derivative Contract RM	Credit equivalent* amount* RM	Risk weighted amount RM
30-Sep-16				
Direct credit substitutes	25,909,750	-	25,909,750	25,784,313
Trade-related contingencies	6,181,009	-	1,236,202	1,236,202
Irrevocable commitments to extend credit:				
- one year or less	207,707,779	-	103,853,889	103,853,889
- over one year to five years	10,768,041	-	5,384,021	5,384,021
- over five years	1,187,970	-	593,985	446,114
Foreign exchange related contracts				
- one year or less	151,866,552	123,475	2,278,749	654,459
Total	403,621,101	123,475	139,256,596	137,358,998
	Principal amount RM	Gross Positive Fair Value - Derivative Contract RM	Credit equivalent* amount* RM	Risk weighted amount RM
31-Dec-15				
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
Total	553,069,511	778,580	143,799,874	140,379,358

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19. Financial risk management

19.1 Credit risk management

(i) Financing and advances

Financing and advances are summarised as follows:

	Economic Entity and Bank	
	30-Sep-16	31-Dec-15
	RM	RM
Neither past due nor impaired	1,363,764,392	1,446,930,998
Past due but not impaired	84,883,805	37,557,363
Impaired	13,143,809	13,096,988
Gross financing and advances	1,461,792,006	1,497,585,349
Less: Individual allowance	(10,406,205)	(10,062,217)
Collective allowance	(31,510,649)	(28,453,374)
Net financing and advances	1,419,875,152	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:

	Economic Entity and Bank	
	30-Sep-16	31-Dec-15
	RM	RM
<u>Internal Credit Rating (CRR)</u>		
CRR1 - CRR3	92,675,123	287,523,633
CRR4 - CRR6	1,101,436,251	1,132,875,107
CRR7 - CRR10	152,640,719	17,651,147
Non rated CRR	17,012,299	8,881,111
	1,363,764,392	1,446,930,998

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19. Financial risk management (continued)

19.1 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:

	Economic Entity and Bank	
	30-Sep-16	31-Dec-15
	RM	RM
Past due up to 30 days	2,919,235	35,702,442
Past due 30 to 60 days	376,975	1,415,990
Past due 60 to 90 days	81,587,595	438,931
	84,883,805	37,557,363

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19. Financial risk management (continued)

19.1 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:

	<u>Economic Entity and Bank</u>	
	<u>30-Sep-16</u>	31-Dec-15
	RM	RM
Gross impaired financing and advances	13,143,809	13,096,988
Less: Impairment allowance	<u>(10,406,205)</u>	<u>(10,062,217)</u>
Net impaired financing and advances	<u>2,737,604</u>	<u>3,034,771</u>

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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19. Financial risk management (continued)

19.1 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:

Economic Entity and Bank	Short term funds	Financial investments portfolios	Derivative assets	Other assets
	RM	RM	RM	RM
30-Sep-16				
Neither past due nor impaired				
AAA	237,333,687	520,363,543	-	-
AA and below	36,416,359	278,831,602	-	-
Unrated	42,668	-	123,475	11,362,629
	<u>273,792,714</u>	<u>799,195,145</u>	<u>123,475</u>	<u>11,362,629</u>
Individually impaired	-	-	-	-
	<u>273,792,714</u>	<u>799,195,145</u>	<u>123,475</u>	<u>11,362,629</u>
31-Dec-15				
Neither past due nor impaired				
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>
Individually impaired	-	-	-	-
	<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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19. Financial risk management (continued)

19.2 Market risk

(i) Profit Rate Risk

Economic Entity and Bank	Non-trading book						Non-profit sensitive	Trading book	Total	Effective profit rate
	Up to 1 months	1-3 months	3-12 months	1-5 years	Over 5 years	RM				
	RM	RM	RM	RM	RM	RM	RM	RM		
30-Sep-16										
Assets										
Cash and short term funds	235,999,893	-	-	-	-	41,565,475	-	277,565,368	3.04	
Financial investments available-for-sale	10,167,566	65,930,904	20,057,827	228,584,590	-	2,363	-	324,743,250	4.16	
Financial investments held-to-maturity	-	15,282,319	55,480,455	251,720,220	151,968,901	-	-	474,451,895	4.29	
Financing and advances - performing	733,955,567	309,746,163	51,103,647	200,378,817	153,458,554	(41,911,405)	-	1,406,731,343	5.04	
- non performing	-	-	-	-	-	13,143,809	-	13,143,809	-	
Derivative assets	91,475	32,000	-	-	-	-	-	123,475		
Other assets	-	-	-	-	-	11,362,629	-	11,362,629		
Statutory deposits	-	-	-	-	-	29,973,822	-	29,973,822		
Property and equipment	-	-	-	-	-	668,111	-	668,111		
Intangible assets	-	-	-	-	-	1,515,549	-	1,515,549		
Total assets	980,214,501	390,991,386	126,641,929	680,683,627	305,427,455	56,320,353	-	2,540,279,251		

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19. Financial risk management (continued)

19.2 Market risk (continued)

(i) Profit Rate Risk

Economic Entity and Bank	Non-trading book						Non-profit sensitive	Trading book	Total	Effective profit rate
	Up to 1 months	1-3 months	3-12 months	1-5 years	Over 5 years					
	RM	RM	RM	RM	RM	RM	RM	RM	%	
30-Sep-16										
Liabilities										
Deposits from customers	126,323,210	429,551,690	140,779,432	146,436,725	-	4,113,920	-	847,204,977	3.66	
Deposits and placements of banks and other financial institutions	244,148,748	680,310,783	246,981,482	-	-	7,464,925	-	1,178,905,938	3.91	
Derivative liabilities	918,985	61,789	-	-	-	-	-	980,774		
Other liabilities	-	-	-	-	-	13,100,597	-	13,100,597		
Total liabilities	371,390,943	1,109,924,262	387,760,914	146,436,725	-	24,679,442	-	2,040,192,286		
Total shareholders equity	-	-	-	-	500,086,965	-	-	500,086,965		
	371,390,943	1,109,924,262	387,760,914	146,436,725	500,086,965	24,679,442	-	2,540,279,251		
Total profit-sensitivity gap	608,823,558	(718,932,876)	(261,118,985)	534,246,902	(194,659,510)	31,640,911	-	-		

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19. Financial risk management (continued)

19.2 Market risk (continued)

(i) Profit Rate Risk

Economic Entity and Bank	----- Non-trading book ----->						Non-profit sensitive	Trading book	Total	Effective profit rate
	Up to 1 months	1-3 months	3-12 months	1-5 years	Over 5 years					
	RM	RM	RM	RM	RM	RM	RM	RM	%	
31-Dec-15										
Assets										
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		
Total assets	967,755,493	381,449,635	251,640,044	624,959,530	211,417,161	93,198,368	-	2,530,420,231		

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ASIAN FINANCE BANK BERHAD
(Incorporated in Malaysia)

19. Financial risk management (continued)

19.2 Market risk (continued)

(i) Profit Rate Risk

Economic Entity and Bank	<----- Non-trading book ----->					Non-profit sensitive	Trading book	Total	Effective profit rate
	Up to 1 months	1-3 months	3-12 months	1-5 years	Over 5 years				
	RM	RM	RM	RM	RM	RM	RM	RM	
31-Dec-15									
Liabilities									
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	
Total profit-sensitivity gap	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
(Incorporated in Malaysia)

20. Capital adequacy

	Economic Entity and Bank	
	30-Sep-16	31-Dec-15
	RM	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	1,167,461	(1,569,330)
Statutory reserve	11,538,745	11,538,744
	495,550,716	492,813,924
Less : CET1 regulatory adjustments		
Deferred tax assets	-	-
Cumulative (gains)/losses of AFS financial instruments	(967,621)	537,614
Total CET1 capital	494,583,095	493,351,538
<u>Tier 1 Capital</u>		
Additional Tier 1 capital instruments	-	-
Less: Tier 1 regulatory adjustments	-	-
Total Tier 1 capital	494,583,095	493,351,538
<u>Tier II Capital</u>		
Collective impairment/allowance for bad and doubtful financing ^	23,612,498	28,407,853
Total Tier II capital	23,612,498	28,407,853
Total capital base	518,195,593	521,759,391
<u>Capital ratios</u>		
Inclusive of market risk:		
CET1 capital (inclusive of market risk)	24.865%	24.035%
Tier 1 capital (inclusive of market risk)	24.865%	24.035%
Total capital ratio (inclusive of market risk)	26.052%	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)

20. Capital adequacy (continued)

Economic Entity and Bank

30-Sep-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

				Risk Weighted Assets Absorbed by PSIA	Total Risk Weighted Assets after effects of PSIA	Capital Requirements
	Gross Exposures	Net Exposures	Risk Weighted Assets	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	-	-	-	-	-	-
	120,047	120,047	20,018	-	20,018	1,601
	2,100,972	2,100,972	1,713,596	-	1,713,596	137,088
	22,707	22,707	18,027	-	18,027	1,442
	-	-	-	-	-	-
	2,243,726	2,243,726	1,751,641	-	1,751,641	140,131
	403,621	139,257	137,359	-	137,359	10,989
	403,621	139,257	137,359	-	137,359	10,989
	2,647,347	2,382,983	1,889,000	-	1,889,000	151,120
	-	-	-	-	-	-
	-	-	-	-	-	-
	1,646	3,485	3,485	-	3,485	279
	-	-	-	96,582	96,582	7,727
	2,648,993	2,650,832	2,386,468	-	1,989,067	159,126

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ASIAN FINANCE BANK BERHAD
(Incorporated in Malaysia)

20. Capital adequacy (continued)

Economic Entity and Bank
30-Sep-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>
Performing Exposures								
0%	-	-	19,956	-	-	-	250,016	-
20%	-	-	102,121	20,424	-	-	306,418	61,284
50%	-	-	251	125	-	-	-	-
75%	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	1,464,562	1,464,562
150%	-	-	-	-	-	-	215,951	323,927
Total	-	-	122,328	20,549	-	-	2,236,947	1,849,773
Defaulted Exposures								
0%	-	-	-	-	-	-	-	-
50%	-	-	-	-	-	-	407	204
100%	-	-	-	-	-	-	-	-
150%	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	407	204
Total Performing and Defaulted Exposures	-	-	122,328	20,549	-	-	2,237,354	1,849,977

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ASIAN FINANCE BANK BERHAD
(Incorporated in Malaysia)

20. Capital adequacy (continued)

Economic Entity and Bank
30-Sep-16

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

Risk Weights	Regulatory Retail		Total Exposure	Total Risk Weighted Assets
	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset
Performing Exposures				
0%	-	-	269,972	-
20%	-	-	408,539	81,708
50%	-	-	251	125
75%	20,968	15,726	20,968	15,726
100%	-	-	1,464,562	1,464,562
150%	-	-	215,951	323,927
Total	20,968	15,726	2,380,243	1,886,048
Defaulted Exposures				
0%	-	-	-	-
50%	-	-	407	204
100%	1,504	1,504	1,504	1,504
150%	829	1,244	829	1,244
Total	2,333	2,748	2,740	2,952
Total Performing and Defaulted Exposures	23,301	18,474	2,382,983	1,889,000

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ASIAN FINANCE BANK BERHAD
(Incorporated in Malaysia)

20. 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
<u>Credit Risk</u>						
<i>On-Balance Sheet Exposures</i>						
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	-	-	-	-	-	-
Total for On-Balance Sheet Exposures	2,242,323	2,242,323	1,811,238	-	1,811,238	144,899
<i>Off-Balance Sheet Exposures</i>						
Off balance sheet exposures other than OTC derivatives or credit derivatives	553,070	143,800	140,381	-	140,381	11,230
Total for Off-Balance Sheet Exposures	553,070	143,800	140,381	-	140,381	11,230
Total On and Off-Balance Sheet Exposures	2,795,393	2,386,123	1,951,619	-	1,951,619	156,129
<u>Market Risk</u>						
	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
Total RWA and Capital Requirements	2,796,936	2,798,537	2,389,267	2,052,666	2,052,666	164,213

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ASIAN FINANCE BANK BERHAD
(Incorporated in Malaysia)

20. Capital adequacy (continued)

Economic Entity and Bank

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

31-Dec-15

Risk Weights

	Sovereigns & Central Banks		Banks, MDBs and FDIs		Corporates	
	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset
Performing Exposures						
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
Total	-	-	123,890	20,930	2,237,305	1,911,215
Defaulted Exposures						
0%	-	-	-	-	-	-
50%	-	-	-	-	763	382
100%	-	-	-	-	-	-
150%	-	-	-	-	-	-
Total	-	-	-	-	763	382
Total Performing and Defaulted Exposures	-	-	123,890	20,930	2,238,068	1,911,597

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ASIAN FINANCE BANK BERHAD
(Incorporated in Malaysia)

20. Capital adequacy (continued)

Economic Entity and Bank

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

31-Dec-15

Risk Weights

Performing Exposures

	Regulatory Retail		Total Exposure	Total Risk Weighted Assets
	Exposures after Netting & CRM	<i>Risk Weighted Asset</i>	Exposures after Netting & CRM	<i>Risk Weighted Asset</i>
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
Total	21,893	16,420	2,383,088	1,948,565

Defaulted Exposures

0%	-	-	-	-
50%	-	-	763	382
100%	1,473	1,473	1,473	1,473
150%	799	1,199	799	1,199
Total	2,272	2,672	3,035	3,054

Total Performing and Defaulted Exposures

	24,165	19,092	2,386,123	1,951,619
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ASIAN FINANCE BANK BERHAD
(Incorporated in Malaysia)

21. Segmental information

	Domestic Banking RM	International Banking RM	Total RM
<u>Economic Entity and Bank</u>			
3rd Quarter Ended			
<u>30-Sep-16</u>			
External revenue	17,296,532	11,776,439	29,072,971
Inter-segment revenue	(10,342,490)	10,342,490	-
Total revenue	<u>6,954,042</u>	<u>22,118,929</u>	<u>29,072,971</u>
Depositors' payout	(157,670)	(18,580,045)	(18,737,715)
Net income	<u>6,796,372</u>	<u>3,538,884</u>	<u>10,335,256</u>
Operating overheads			
of which:			
Depreciation of property, plant and equipment	(4,357,035)	(3,229,033)	(7,586,068)
Amortisation of intangible assets	(140,467)	-	(140,467)
Allowance for impairment of financing advances	(183,415)	-	(183,415)
	<u>75,947</u>	-	<u>75,947</u>
Segmental results before taxation	<u><u>2,191,402</u></u>	<u><u>309,851</u></u>	<u><u>2,501,253</u></u>
Segmental results before taxation			2,501,253
Profit equalisation reserve			-
Profit before taxation			<u>2,501,253</u>
Taxation			(264,815)
Profit for the financial period			<u><u>2,236,438</u></u>

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ASIAN FINANCE BANK BERHAD
(Incorporated in Malaysia)

21. Segmental information (continued)

<u>Economic Entity and Bank</u>	Domestic Banking RM	International Banking RM	Total RM
3rd Quarter Ended <u>30-Sep-15</u>			
External revenue	19,410,207	12,744,119	32,154,326
Inter-segment revenue	(11,234,241)	11,234,241	-
Total revenue	<u>8,175,966</u>	<u>23,978,360</u>	<u>32,154,326</u>
Depositors' payout	(188,793)	(20,122,001)	(20,310,794)
Net income	<u>7,987,173</u>	<u>3,856,359</u>	<u>11,843,532</u>
Operating overheads			
of which:			
Depreciation of property, plant and equipment	(5,972,413)	(1,878,072)	(7,850,485)
Amortisation of intangible assets	(193,571)	-	(193,571)
Allowance for impairment of financing advances	(189,608)	-	(189,608)
	<u>(1,227,889)</u>	<u>-</u>	<u>(1,227,889)</u>
Segmental results before taxation	<u>403,692</u>	<u>1,978,287</u>	<u>2,381,979</u>
Segmental results before taxation			2,381,979
Profit equalisation reserve			-
Profit before taxation			<u>2,381,979</u>
Taxation			(255,580)
Profit for the financial period			<u>2,126,399</u>

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ASIAN FINANCE BANK BERHAD
(Incorporated in Malaysia)

21. Segmental information (continued)

	Domestic Banking RM	International Banking RM	Total RM
<u>Economic Entity and Bank</u>			
Nine Months Ended			
<u>30-Sep-16</u>			
External revenue	55,543,613	35,483,350	91,026,963
Inter-segment revenue	(31,785,065)	31,785,065	-
Total revenue	<u>23,758,548</u>	<u>67,268,415</u>	<u>91,026,963</u>
Depositors' payout	(491,302)	(57,237,944)	(57,729,246)
Net income	<u>23,267,246</u>	<u>10,030,471</u>	<u>33,297,717</u>
Operating overheads			
of which:	(12,954,492)	(9,845,242)	(22,799,734)
Depreciation of property, plant and equipment	(427,310)	-	(427,310)
Amortisation of intangible assets	(552,091)	-	(552,091)
Allowance for impairment of financing advances	(3,549,833)	-	(3,549,833)
Segmental results before taxation	<u>5,783,520</u>	<u>185,229</u>	<u>5,968,749</u>
Segmental results before taxation			5,968,749
Profit equalisation reserve			-
Profit before taxation			<u>5,968,749</u>
Taxation			(1,432,500)
Profit for the financial period			<u>4,536,249</u>

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ASIAN FINANCE BANK BERHAD
(Incorporated in Malaysia)

21. Segmental information (continued)

<u>Economic Entity and Bank</u>	Domestic Banking RM	International Banking RM	Total RM
Nine Months Ended <u>30-Sep-15</u>			
External revenue	60,672,113	43,809,853	104,481,966
Inter-segment revenue	(34,707,715)	34,707,715	-
Total revenue	<u>25,964,398</u>	<u>78,517,568</u>	<u>104,481,966</u>
Depositors' payout	(728,170)	(65,196,034)	(65,924,204)
Net income	<u>25,236,228</u>	<u>13,321,534</u>	<u>38,557,762</u>
Operating overheads			
of which:	(14,367,946)	(9,939,532)	(24,307,478)
Depreciation of property, plant and equipment	(590,167)	-	(590,167)
Amortisation of intangible assets	(568,946)	-	(568,946)
Allowance for impairment of financing advances	(4,321,273)	-	(4,321,273)
Segmental results before taxation	<u>5,387,896</u>	<u>3,382,002</u>	<u>8,769,898</u>
Segmental results before taxation			8,769,898
Profit equalisation reserve			-
Profit before taxation			<u>8,769,898</u>
Taxation			(3,186,625)
Profit for the financial period			<u>5,583,273</u>

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ASIAN FINANCE BANK BERHAD
(Incorporated in Malaysia)

21. Segmental information (continued)

	Domestic Banking RM	International Banking RM	Total RM
<u>Economic Entity and Bank</u>			
<u>30-Sep-16</u>			
Segment assets	<u>1,438,527,822</u>	<u>1,101,751,429</u>	<u>2,540,279,251</u>
Total assets	<u>1,438,527,822</u>	<u>1,101,751,429</u>	<u>2,540,279,251</u>
Segment liabilities	<u>83,418,263</u>	<u>1,956,774,023</u>	<u>2,040,192,286</u>
Total liabilities	<u>83,418,263</u>	<u>1,956,774,023</u>	<u>2,040,192,286</u>
	Domestic Banking RM	International Banking RM	Total RM
<u>31-Dec-2015</u>			
Segment assets	<u>1,474,222,109</u>	<u>1,056,198,122</u>	<u>2,530,420,231</u>
Total assets	<u>1,474,222,109</u>	<u>1,056,198,122</u>	<u>2,530,420,231</u>
Segment liabilities	<u>219,286,729</u>	<u>1,818,319,577</u>	<u>2,037,606,306</u>
Total liabilities	<u>219,286,729</u>	<u>1,818,319,577</u>	<u>2,037,606,306</u>