



ASIAN FINANCE BANK

بنك التمويل الآسيوي

**Interim Financial Statements
For The Nine Months Ended 30 September 2010**



ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2010

| | Note | <u>Economic Entity</u> | | <u>Bank</u> | |
|---|------|-----------------------------|-------------------------|-----------------------------|-------------------------|
| | | <u>30.09.2010</u> RM | <u>31.12.2009</u> RM | <u>30.09.2010</u> RM | <u>31.12.2009</u> RM |
| ASSETS | | | | | |
| Cash and short-term funds | 2 | 1,031,923,265 | 1,228,697,029 | 1,031,923,265 | 1,228,697,029 |
| Deposits & placements with bank and other financial institutions | 3 | - | - | - | - |
| Securities held-for-trading | 4 | 139,903,061 | 17,547,511 | 139,903,061 | 17,547,511 |
| Securities available-for-sale | 5 | 35,051,475 | 36,974,449 | 35,051,475 | 36,974,449 |
| Securities held-to-maturity | 6 | 99,126,000 | 67,917,233 | 99,126,000 | 67,917,233 |
| Financing and advances | 7 | 700,806,008 | 673,649,925 | 700,806,008 | 673,649,925 |
| Other assets | 8 | 11,973,433 | 6,182,821 | 11,973,433 | 6,182,821 |
| Statutory deposits with Bank Negara Malaysia | | 4,263,715 | 4,413,715 | 4,263,715 | 4,413,715 |
| Investment in jointly controlled entity | 9 | 14,818,173 | 15,203,800 | 14,623,837 | 16,222,255 |
| Advances to jointly controlled entity | | - | 1,000,646 | - | 1,000,646 |
| Deferred tax assets | | 10,443,193 | 6,434,011 | 10,443,193 | 6,434,011 |
| Property and equipment | | 4,805,593 | 5,421,635 | 4,805,593 | 5,421,635 |
| Intangible assets | | 8,956,126 | 10,692,031 | 8,956,126 | 10,692,031 |
| TOTAL ASSETS | | <u>2,062,070,042</u> | <u>2,074,134,806</u> | <u>2,061,875,706</u> | <u>2,075,153,261</u> |
| LIABILITIES | | | | | |
| Deposits from customers | 10 | 1,012,786,129 | 1,079,259,658 | 1,012,786,129 | 1,079,259,658 |
| Deposits and placements of banks and other financial institutions | 11 | 714,132,719 | 651,329,542 | 714,132,719 | 651,329,542 |
| Other liabilities | 12 | 19,409,498 | 16,180,066 | 19,409,498 | 16,180,066 |
| | | <u>1,746,328,346</u> | <u>1,746,769,266</u> | <u>1,746,328,346</u> | <u>1,746,769,266</u> |
| EQUITY | | | | | |
| Ordinary share capital | | 355,020,010 | 355,020,010 | 355,020,010 | 355,020,010 |
| Reserves | | (39,278,314) | (27,654,470) | (39,472,650) | (26,636,015) |
| Total Equity | | <u>315,741,696</u> | <u>327,365,540</u> | <u>315,547,360</u> | <u>328,383,995</u> |
| TOTAL LIABILITIES AND EQUITY | | <u>2,062,070,042</u> | <u>2,074,134,806</u> | <u>2,061,875,706</u> | <u>2,075,153,261</u> |
| COMMITMENTS AND CONTINGENCIES | 20 | <u>503,178,570</u> | <u>523,340,358</u> | <u>503,178,570</u> | <u>523,340,358</u> |
| Capital Ratios | | | | | |
| Core capital ratio | 22 | 31.29% | 36.55% | 31.28% | 36.60% |
| Risk-weighted capital ratio | 22 | 32.36% | 37.71% | 32.35% | 37.76% |

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010

| | | <u>Economic Entity</u> | | | |
|---|-------------|--|--|--|--|
| | <u>Note</u> | 3rd Quarter Ended 30.09.2010 RM | 3rd Quarter Ended 30.09.2009 RM | Nine Months Ended 30.09.2010 RM | Nine Months Ended 30.09.2009 RM |
| Income derived from investment of depositors' funds | 13 | 15,099,021 | 9,949,675 | 41,500,167 | 27,874,546 |
| Income derived from investment of shareholders' funds | 14 | 6,448,610 | 10,126,798 | 20,952,581 | 23,738,810 |
| Allowances for losses on financing and advances | 15 | (8,922,035) | (1,407,872) | (24,264,008) | (2,170,872) |
| Profit Equalization Reserve | | - | - | (113,000) | - |
| Total distributable income | | 12,625,596 | 18,668,601 | 38,075,740 | 49,442,484 |
| Income attributable to depositors | 16 | (8,937,803) | (5,098,709) | (23,684,124) | (17,360,978) |
| Total net income | | 3,687,793 | 13,569,892 | 14,391,616 | 32,081,506 |
| Personnel expenses | 17 | (7,221,176) | (5,308,834) | (19,867,119) | (14,733,688) |
| Other overheads and expenditures | 18 | (4,570,322) | (3,850,461) | (13,288,392) | (12,933,621) |
| Share of profit / (loss) after tax of jointly controlled entity | | 310,421 | - | 1,212,791 | (3,467) |
| Profit / (loss) before taxation | | (7,793,284) | 4,410,597 | (17,551,104) | 4,410,730 |
| Taxation | | 1,912,377 | (1,265,929) | 4,488,702 | (1,232,849) |
| Profit / (loss) for the period | | (5,880,907) | 3,144,668 | (13,062,402) | 3,177,881 |
| Profit / (loss) attributable to : | | | | | |
| Owners of the parent | | (5,880,907) | 3,144,668 | (13,062,402) | 3,177,881 |
| Minority interest | | - | - | - | - |
| | | (5,880,907) | 3,144,668 | (13,062,402) | 3,177,881 |
| Earnings per shares (sen) | | | | | |
| Basic and diluted | | (7) | 4 | (5) | 1 |
| Profit/(Loss) for the period | | (5,880,907) | 3,144,668 | (13,062,402) | 3,177,881 |
| Other comprehensive income : | | | | | |
| Exchange difference on translating foreign operations | | | | | |
| Available-for-sale financial assets | | 415,654 | 258,757 | 1,438,558 | 1,789,032 |
| Other comprehensive income for the period, net of tax | 19 | 415,654 | 258,757 | 1,438,558 | 1,789,032 |
| Total Comprehensive Income For The Period | | (5,465,253) | 3,403,425 | (11,623,844) | 4,966,913 |
| Total comprehensive income attributable to: | | | | | |
| Owners of the parent | | (5,465,253) | 3,403,425 | (11,623,844) | 4,966,913 |
| Minority interest | | - | - | - | - |
| | | (5,465,253) | 3,403,425 | (11,623,844) | 4,966,913 |

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010

| | | <u>Bank</u> | | | |
|---|-------------|--|--|--|--|
| | <u>Note</u> | 3rd Quarter Ended 30.09.2010 RM | 3rd Quarter Ended 30.09.2009 RM | Nine Months Ended 30.09.2010 RM | Nine Months Ended 30.09.2009 RM |
| Income derived from investment of depositors' funds | 13 | 15,099,021 | 9,949,675 | 41,500,167 | 27,874,546 |
| Income derived from investment of shareholders' funds | 14 | 6,448,610 | 10,126,798 | 20,952,581 | 23,738,810 |
| Allowances for losses on financing and advances | 15 | (8,922,035) | (1,407,872) | (24,264,008) | (2,170,872) |
| Profit Equalisation Reserve | | - | - | (113,000) | - |
| Total distributable income | | 12,625,596 | 18,668,601 | 38,075,740 | 49,442,484 |
| Income attributable to depositors | 16 | (8,937,803) | (5,098,709) | (23,684,124) | (17,360,978) |
| Total net income | | 3,687,793 | 13,569,892 | 14,391,616 | 32,081,506 |
| Personnel expenses | 17 | (7,221,176) | (5,308,834) | (19,867,119) | (14,733,688) |
| Other overheads and expenditures | 18 | (4,570,322) | (3,850,461) | (13,288,392) | (12,933,621) |
| Share of profit / (loss) after tax of jointly controlled entity | | - | - | - | - |
| Profit / (loss) before taxation | | (8,103,705) | 4,410,597 | (18,763,895) | 4,414,197 |
| Taxation | | 1,912,377 | (1,265,929) | 4,488,702 | (1,232,849) |
| Profit / (loss) for the period | | (6,191,328) | 3,144,668 | (14,275,193) | 3,181,348 |
| Profit / (loss) attributable to : | | | | | |
| Owners of the parent | | (6,191,328) | 3,144,668 | (14,275,193) | 3,181,348 |
| Minority interest | | - | - | - | - |
| | | (6,191,328) | 3,144,668 | (14,275,193) | 3,181,348 |
| Earnings per shares (sen) | | | | | |
| Basic and diluted | | (7) | 4 | (5) | 1 |
| Profit/(Loss) for the period | | (6,191,328) | 3,144,668 | (14,275,193) | 3,181,348 |
| Other comprehensive income : | | | | | |
| Exchange difference on translating foreign operations | | | | | |
| Available-for-sale financial assets | | 415,654 | 258,757 | 1,438,558 | 1,789,032 |
| Other comprehensive income for the period, net of tax | 19 | 415,654 | 258,757 | 1,438,558 | 1,789,032 |
| Total Comprehensive Income For The Period | | (5,775,674) | 3,403,425 | (12,836,635) | 4,970,380 |
| Total comprehensive income attributable to: | | | | | |
| Owners of the parent | | (5,775,674) | 3,403,425 | (12,836,635) | 4,970,380 |
| Minority interest | | - | - | - | - |
| | | (5,775,674) | 3,403,425 | (12,836,635) | 4,970,380 |

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010

Economic entity

| | Share Capital RM | Accumulated Losses RM | AFS Reserve RM | Total RM |
|--|---------------------------------|--------------------------------------|-------------------------------|---------------------|
| <u>30.09.2010</u> | | | | |
| Balance as at 1.1.2010 | 355,020,010 | (22,475,199) | (5,179,271) | 327,365,540 |
| Unrealised net gain on revaluation of securities available-for-sale | - | - | 1,918,078 | 1,918,078 |
| Deferred taxation | - | - | (479,520) | (479,520) |
| Net loss for the period | - | (13,062,402) | - | (13,062,402) |
| Balance as at 30.09.2010 | <u>355,020,010</u> | <u>(35,537,601)</u> | <u>(3,740,713)</u> | <u>315,741,696</u> |

31.12.2009

| | | | | |
|--|--------------------|---------------------|--------------------|--------------------|
| Balance as at 1.1.2009 | 355,020,010 | (24,052,873) | (6,929,150) | 324,037,987 |
| Unrealised net gain on revaluation of securities available-for-sale | - | - | 3,454,957 | 3,454,957 |
| Deferred taxation | - | - | (1,705,078) | (1,705,078) |
| Net profit for the financial year | - | 1,577,674 | - | 1,577,674 |
| Balance as at 31.12.2009 | <u>355,020,010</u> | <u>(22,475,199)</u> | <u>(5,179,271)</u> | <u>327,365,540</u> |

Bank

| | Share Capital RM | Accumulated Losses RM | AFS Reserve RM | Total RM |
|--|---------------------------------|--------------------------------------|-------------------------------|---------------------|
| <u>30.09.2010</u> | | | | |
| Balance as at 1.1.2010 | 355,020,010 | (21,456,744) | (5,179,271) | 328,383,995 |
| Unrealised net gain on revaluation of securities available-for-sale | - | - | 1,918,078 | 1,918,078 |
| Deferred taxation | - | - | (479,520) | (479,520) |
| Net loss for the period | - | (14,275,193) | - | (14,275,193) |
| Balance as at 30.09.2010 | <u>355,020,010</u> | <u>(35,731,937)</u> | <u>(3,740,713)</u> | <u>315,547,360</u> |

31.12.2009

| | | | | |
|--|--------------------|---------------------|--------------------|--------------------|
| Balance as at 1.1.2009 | 355,020,010 | (24,049,406) | (6,929,150) | 324,041,454 |
| Unrealised net gain on revaluation of securities available-for-sale | - | - | 3,454,957 | 3,454,957 |
| Deferred taxation | - | - | (1,705,078) | (1,705,078) |
| Net profit for the financial year | - | 2,592,662 | - | 2,592,662 |
| Balance as at 31.12.2009 | <u>355,020,010</u> | <u>(21,456,744)</u> | <u>(5,179,271)</u> | <u>328,383,995</u> |

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010

| | <u>Economic Entity</u> | | <u>Bank</u> | |
|--|------------------------|----------------------|----------------------|----------------------|
| <u>Note</u> | <u>30.09.2010</u> | <u>31.12.2009</u> | <u>30.09.2010</u> | <u>31.12.2009</u> |
| | <u>RM</u> | <u>RM</u> | <u>RM</u> | <u>RM</u> |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Profit / (Loss) before taxation for the period / financial year | (17,551,104) | 3,194,842 | (18,763,895) | 4,209,830 |
| Adjustments for: | | | | |
| Depreciation of property and equipment | 1,489,188 | 1,645,857 | 1,489,188 | 1,645,857 |
| Amortisation of intangible assets | 2,609,293 | 2,986,866 | 2,609,293 | 2,986,866 |
| Property and equipment written off | 39,950 | - | 39,950 | - |
| Unrealised loss/(gain) from revaluation of securities held-for-trading | 996,000 | (355,563) | 996,000 | (355,563) |
| Accretion of discount less amortisation of premium | (2,209,291) | (482,326) | (2,209,291) | (482,326) |
| Share of (profit) / loss in jointly controlled entity | (446,472) | 1,014,988 | - | - |
| Allowance for losses on financing and advances | 24,264,009 | 2,870,951 | 24,264,009 | 2,870,951 |
| Profit equalisation reserve | 113,000 | - | 113,000 | - |
| Operating profit / (loss) before working capital changes | <u>9,304,573</u> | <u>10,875,615</u> | <u>8,538,254</u> | <u>10,875,615</u> |
| Decrease/(increase) in operating assets: | | | | |
| Deposits and placements with financial institutions | - | - | - | - |
| Financing and advances | (51,420,092) | (426,191,808) | (51,420,092) | (426,191,808) |
| Other assets | (5,790,612) | 35,895,036 | (5,790,612) | 35,895,036 |
| Statutory deposit with Bank Negara Malaysia | 150,000 | (4,413,715) | 150,000 | (4,413,715) |
| Increase/(decrease) in operating liabilities: | | | | |
| Deposits from customers | (66,473,529) | 111,152,622 | (66,473,529) | 111,152,622 |
| Deposits and placements of banks and other financial institutions | 62,803,177 | 126,689,387 | 62,803,177 | 126,689,387 |
| Other liabilities | 3,116,432 | 8,342,597 | 3,116,432 | 8,342,597 |
| Net cash (used in) / generated from operating activities | <u>(57,614,624)</u> | <u>(148,525,881)</u> | <u>(57,614,624)</u> | <u>(148,525,881)</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase of property and equipment and intangible assets | (1,786,484) | (3,835,298) | (1,786,484) | (3,835,298) |
| Sale / (Purchase) of securities held-for-trading | (123,351,550) | (17,547,511) | (123,351,550) | (17,547,511) |
| Sale / (Purchase) of securities available-for-sale | 4,253,976 | - | 4,253,976 | - |
| Sale / (Purchase) of securities held-to-maturity | (29,412,400) | (26,555,265) | (29,412,400) | (26,555,265) |
| Investment in Jointly controlled entity | 832,099 | (16,218,831) | 1,598,418 | (16,218,831) |
| Advance to jointly controlled entity | 1,000,646 | (192,927) | 1,000,646 | (192,927) |
| Net cash used in investing activities | <u>(148,463,713)</u> | <u>(64,349,832)</u> | <u>(147,697,394)</u> | <u>(64,349,832)</u> |
| ANALYSIS OF CASH AND CASH EQUIVALENT | | | | |
| Net (decrease) / increase in cash and cash equivalents | (196,773,764) | (202,000,098) | (196,773,764) | (202,000,098) |
| Cash and cash equivalent at beginning of period /financial year | 1,228,697,029 | 1,430,697,127 | 1,228,697,029 | 1,430,697,127 |
| Cash and cash equivalent at end of period / financial year | <u>2 1,031,923,265</u> | <u>1,228,697,029</u> | <u>1,031,923,265</u> | <u>1,228,697,029</u> |

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

1. GENERAL INFORMATIONa) Performance Review

The Economic Entity and the Bank registered a loss before zakat and tax of RM17.55m and RM18.76m respectively for the nine months period ended 30 September 2010.

The Economic Entity and the Bank's gross financing and advances stood at RM737.87m whilst total Deposit at RM1,726.92m.

b) Prospect for 2010

The economic outlook for Malaysia is positive with GDP growth strengthened to 10.1% y-o-y in 1Q10 and forecasted to record 6.5% y-o-y for 2010. OPR is expected to be maintained at 2.75% by end of 2010. The Government Transformation Program and the New Economic Model is expected to sharpen Malaysia's competitive edge in the midst of global uncertainties.

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

Based on the positive outlook, the Bank is set to face challenges ahead to chart further growth in its funded assets and hence improve its profitability performance.

2. CASH AND SHORT-TERM FUNDS**Economic Entity and Bank**

| | <u>30.09.2010</u> | <u>31.12.2009</u> |
|--|-----------------------------|--------------------------|
| | RM | RM |
| Cash and balances with banks and other financial institutions | 10,775,464 | 5,565,964 |
| Money at call and deposit placements maturing within one month | 1,021,147,801 | 1,223,131,065 |
| | <u>1,031,923,265</u> | <u>1,228,697,029</u> |

3. DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

| | <u>30.09.2010</u> | <u>31.12.2009</u> |
|------------------------|--------------------------|--------------------------|
| | RM | RM |
| Licensed Islamic Banks | - | - |

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

| | <u>Economic Entity and Bank</u> | |
|--|---------------------------------|-------------------|
| | <u>30.09.2010</u> | <u>31.12.2009</u> |
| | RM | RM |
| 4. SECURITIES HELD-FOR-TRADING | | |
| <u>At fair value</u> | | |
| Bank Negara Malaysia Sukuk Ijarah | 49,948,500 | - |
| <u>Quoted securities in Malaysia</u> | | |
| Islamic commercial paper | 63,730,083 | 6,785,280 |
| <u>Quoted securities outside Malaysia</u> | | |
| Foreign Islamic Unit Trust Fund | 26,224,478 | 10,762,231 |
| | <u>139,903,061</u> | <u>17,547,511</u> |
| The Islamic private debt securities above are equivalent to USD8.5 million. (2009: USD3.0 million) | | |
| 5. SECURITIES AVAILABLE-FOR-SALE | | |
| <u>At fair value</u> | | |
| <u>Quoted securities in Malaysia</u> | | |
| Islamic private debt securities | 10,231,100 | 20,020,612 |
| Islamic Medium Term Notes | 10,159,500 | - |
| <u>Quoted securities outside Malaysia</u> | | |
| Foreign corporate debt securities held | 14,660,875 | 16,953,837 |
| | <u>35,051,475</u> | <u>36,974,449</u> |
| The foreign corporate debt securities above are equivalent to USD4.75 million. (2009 : USD5.0 million) | | |
| 6. SECURITIES HELD-TO-MATURITY | | |
| Bank Negara Malaysia Sukuk Ijarah | 15,000,000 | 10,003,736 |
| Cagamas Bonds | 30,000,000 | - |
| <u>Quoted securities outside Malaysia</u> | | |
| Foreign corporate debt securities held | 26,538,495 | 27,306,047 |
| <u>Quoted securities in and outside Malaysia</u> | | |
| Foreign corporate debt securities held | 27,587,505 | 30,607,450 |
| | <u>99,126,000</u> | <u>67,917,233</u> |
| The foreign corporate debt securities above are equivalent to USD17.54 million. (2009 : USD19.0 million) | | |

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

-PART A – EXPLANATORY NOTES PURSUANT TO GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKS
(BNM GP8-I) ISSUED BY BANK NEGARA MALAYSIA**7. FINANCING AND ADVANCES****Economic Entity and Bank**

| | <u>30.09.2010</u> | <u>31.12.2009</u> |
|---|----------------------|----------------------|
| | RM | RM |
| (i) By type | | |
| Term financing | | |
| - house financing | 39,016,397 | 30,900,537 |
| - syndicated term financing | 99,919,298 | 105,689,255 |
| - hire purchase receivables | 56,805 | 47,804 |
| - other term financing | 551,373,304 | 549,114,626 |
| Trusts receipts | 98,346,773 | 94,702,042 |
| Staff financing | 1,845,519 | 1,189,564 |
| Others | 61,259,182 | 28,651,401 |
| | 851,817,278 | 810,295,229 |
| Less: Unearned income | (113,950,469) | (123,848,511) |
| Gross financing and advances | 737,866,809 | 686,446,718 |
| Less : Allowance for impaired advances and financing: | | |
| - collective assessment allowance | (10,673,043) | - |
| - individual assessment allowance | (26,387,758) | - |
| - general allowance | - | (10,335,393) |
| - specific allowance | - | (2,461,400) |
| Net financing and advances | 700,806,008 | 673,649,925 |
| (ii) By type of customer | | |
| Domestic non-bank financial institution | | |
| - Others | 46,971,281 | 51,995,829 |
| Domestic business enterprises | | |
| - Small medium enterprise | 37,335,367 | 25,984,063 |
| - Government | 2,219,988 | 4,162,553 |
| - Others | 561,730,177 | 509,468,584 |
| Government and statutory bodies | - | - |
| Individuals | 5,447,680 | 12,372,754 |
| Other domestic entities | - | - |
| Foreign entities | 84,162,316 | 82,462,935 |
| | 737,866,809 | 686,446,718 |
| (iii) Financing and advances analysed by contract are as follows: | | |
| Tawarruq | 422,654,198 | 382,043,181 |
| Murabahah | 148,053,043 | 120,563,276 |
| Ijarah | 45,477,615 | 60,802,480 |
| Istisna | 120,809,331 | 122,787,324 |
| Qardhul Hassan | 872,622 | 250,457 |
| | 737,866,809 | 686,446,718 |

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

-PART A – EXPLANATORY NOTES PURSUANT TO GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKS
(BNM GP8-I) ISSUED BY BANK NEGARA MALAYSIA**7. FINANCING AND ADVANCES (CONTINUED)****Economic Entity and Bank**

| | <u>30.09.2010</u> | <u>31.12.2009</u> |
|---|--------------------|--------------------|
| | RM | RM |
| (iv) By profit rate sensitivity | | |
| Fixed rate | | |
| - Other fixed rate financing | 99,256,143 | 133,384,078 |
| Variable rate | | |
| - Others | 637,738,044 | 552,812,183 |
| Non-profit sensitive | | |
| - Others | 872,622 | 250,457 |
| | <u>737,866,809</u> | <u>686,446,718</u> |
| (v) By residual contractual maturity | | |
| Maturity within one year | 351,435,921 | 407,144,619 |
| More than one year to three years | 42,705,889 | 20,375,099 |
| More than three years to five years | 27,651,772 | 23,602,857 |
| More than five years | 316,073,227 | 235,324,143 |
| | <u>737,866,809</u> | <u>686,446,718</u> |
| (vi) By purpose | | |
| Purchase of landed property: | | |
| - Residential | 44,988,566 | 50,400,949 |
| - Non-Residential | 73,368,336 | 82,537,324 |
| Working Capital | 464,514,937 | 479,219,148 |
| Personal Use | 1,463,253 | 960,366 |
| Purchase of transport vehicles | 115,643,960 | 71,326,610 |
| Others | 37,887,757 | 2,002,321 |
| | <u>737,866,809</u> | <u>686,446,718</u> |
| (vii) Movement in the allowance for impaired advances and financing | | |
| <u>Collective Assessment Allowance</u> | | |
| As at 1 January | | |
| - as previously stated | - | - |
| - effect of adopting FRS 139 | 10,335,393 | - |
| At 1 January, as restated | <u>10,335,393</u> | - |
| Allowance made during the year | 337,650 | - |
| Balance carried forward | <u>10,673,043</u> | - |

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

-PART A – EXPLANATORY NOTES PURSUANT TO GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKS
(BNM GP8-1) ISSUED BY BANK NEGARA MALAYSIA**7. FINANCING AND ADVANCES (CONTINUED)****Economic Entity and Bank**

| | <u>30.09.2010</u> | <u>31.12.2009</u> |
|---|--------------------------|--------------------------|
| | RM | RM |
| (vii) Movement in the allowance for impaired advances and financing (continued) | | |
| <u>Individual Assessment Allowance</u> | | |
| As at 1 January | | |
| - as previously stated | - | - |
| - effect of adopting FRS 139 | 2,461,400 | - |
| At 1 January, as restated | 2,461,400 | - |
| Allowance made during the year | 23,926,358 | - |
| Balance carried forward | 26,387,758 | - |
| <u>General Allowance</u> | | |
| As at 1 January | | |
| - as previously stated | 10,335,393 | 7,965,782 |
| - effect of adopting FRS 139 | (10,335,393) | - |
| At 1 January, as restated | - | 7,965,782 |
| Allowance made during the year | - | 2,369,611 |
| Balance carried forward | - | 10,335,393 |
| As % of gross advances and financing less specific allowances | 0.00% | 1.51% |
| <u>Specific Allowance</u> | | |
| As at 1 January | | |
| - as previously stated | 2,461,400 | 1,960,060 |
| - effect of adopting FRS 139 | (2,461,400) | - |
| At 1 January, as restated | - | 1,960,060 |
| Allowance made during the year | - | 501,340 |
| Balance carried forward | - | 2,461,400 |
| (viii) Movement in impaired advances and financing | | |
| As at 1 January | | |
| - as previously stated | 2,002,321 | 2,002,321 |
| - effect of adopting FRS 139 | - | - |
| At 1 January, as restated | 2,002,321 | 2,002,321 |
| Impaired during the year | 35,885,436 | - |
| Balance carried forward | 37,887,757 | 2,002,321 |
| Ratio of gross impaired advances and financing to gross advances and financing | 5.13% | 0.29% |
| (ix) Non-performing financing by purpose | | |
| Others | 37,887,757 | 2,002,321 |

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

-PART A – EXPLANATORY NOTES PURSUANT TO GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKS
(BNM GP8-I) ISSUED BY BANK NEGARA MALAYSIA**7. FINANCING AND ADVANCES (CONTINUED)****Economic Entity and Bank**

| | <u>30.09.2010</u> | <u>31.12.2009</u> |
|---|-------------------|-------------------|
| | RM | RM |
| (x) Non-performing financing by sector | | |
| Agriculture, hunting, forestry and fishing | 9,963,682 | - |
| Manufacturing | 11,977,736 | - |
| Wholesale & retail trade and restaurants & hotels | 3,985,525 | 2,002,321 |
| Transport, storage and communication | 7,120,847 | - |
| Finance, insurance and business services | 4,839,967 | - |
| | <u>37,887,757</u> | <u>2,002,321</u> |

8. OTHER ASSETS

| | <u>30.09.2010</u> | <u>31.12.2009</u> |
|--|-------------------|-------------------|
| | RM | RM |
| Income receivable from placements and securities | 1,900,117 | 2,334,296 |
| Other debtors, deposits and prepayments | 10,073,316 | 3,848,525 |
| | <u>11,973,433</u> | <u>6,182,821</u> |

9. INVESTMENT IN JOINTLY CONTROLLED ENTITY

| | <u>Economic Entity</u> | | <u>Bank</u> | |
|---------------------------------------|------------------------|-------------------|-------------------|-------------------|
| | <u>30.09.2010</u> | <u>31.12.2009</u> | <u>30.09.2010</u> | <u>31.12.2009</u> |
| | RM | RM | RM | RM |
| Management share (USD 1.00 per share) | 3,087 | 3,424 | 3,087 | 3,424 |
| Participating share (USD 4,737,000) | 14,620,750 | 16,218,831 | 14,620,750 | 16,218,831 |
| Less: Share of profit / (loss) | 194,336 | (1,018,455) | - | - |
| | <u>14,818,173</u> | <u>15,203,800</u> | <u>14,623,837</u> | <u>16,222,255</u> |

In December 2009, the Bank invested RM16, 218,831 in the participating shares of Safeena (L) Ltd, a 50% joint controlled entity with AmanahRaya Investment Bank Ltd. The management share was acquired earlier in August 2008.

10. DEPOSITS FROM CUSTOMERS**Economic Entity and Bank**

| | <u>30.09.2010</u> | <u>31.12.2009</u> |
|------------------------------|-------------------|-------------------|
| | RM | RM |
| (i) By type of deposit: | | |
| <u>Non-Mudharabah Funds:</u> | | |
| Demand deposits | 46,221,357 | 45,575,906 |
| Savings deposits | 786,108 | 433,466 |
| | <u>47,007,465</u> | <u>46,009,372</u> |

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

| | | |
|-----------------------------|--------------------|----------------------|
| Savings deposits | 1,001,069 | 967,425 |
| General investment deposits | 129,635,759 | 120,267,774 |
| Special investment deposits | 835,141,836 | 912,015,087 |
| | 965,778,664 | 1,033,250,286 |

| | | |
|--|----------------------|----------------------|
| | 1,012,786,129 | 1,079,259,658 |
|--|----------------------|----------------------|

(ii) The deposits are sourced from the following classes of customers:

| | | |
|----------------------|----------------------|----------------------|
| Business enterprises | 980,806,737 | 1,045,585,842 |
| Individuals | 31,979,392 | 33,673,816 |
| | 1,012,786,129 | 1,079,259,658 |

Economic Entity and Bank**11. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS**Non-Mudharabah Funds:

| | | |
|------------------------------|--------------------|--------------------|
| Licensed Islamic banks | 199,041,780 | 206,768,020 |
| Other financial institutions | 367,561,719 | 226,825,520 |
| | 566,603,499 | 433,593,540 |

Mudharabah Fund:

| | | |
|------------------------------|--------------------|--------------------|
| Licensed Islamic banks | 125,000,000 | - |
| Other financial institutions | 22,529,220 | 217,736,002 |
| | 147,529,220 | 217,736,002 |
| | 714,132,719 | 651,329,542 |

12. OTHER LIABILITIES

| | | |
|-------------------------------|-------------------|-------------------|
| | 30.09.2010 | 31.12.2009 |
| | RM | RM |
| Income payable | 5,005,042 | 4,729,277 |
| Sundry creditors | 9,950,996 | 8,564,664 |
| Other provisions and accruals | 4,340,460 | 2,886,125 |
| Profit equalisation reserve | 113,000 | - |
| | 19,409,498 | 16,180,066 |

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

| 13. INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS | <u>Economic Entity and Bank</u> | | | |
|---|---|---------------------------------------|---|---------------------------------------|
| | 3rd Quarter Ended 30.09.2010 RM | 3rd Quarter Ended 30.09.2009 RM | Nine Months Ended 30.09.2010 RM | Nine Months Ended 30.09.2009 RM |
| Income derived from investment of: | | | | |
| (i) General investment deposit | 1,432,779 | 1,020,896 | 4,006,043 | 2,554,902 |
| (ii) Other deposits | 13,666,242 | 8,928,779 | 37,494,124 | 25,319,644 |
| | 15,099,021 | 9,949,675 | 41,500,167 | 27,874,546 |
| (i) Income derived from investment of general investment deposits | | | | |
| <u>Finance income and hibah:</u> | | | | |
| Financing and advances | 875,690 | 682,912 | 2,508,053 | 1,367,033 |
| Securities held for trading | 18,508 | - | 18,508 | - |
| Securities available-for-sale | 24,428 | 51,150 | 98,172 | 139,106 |
| Securities held-to-maturity | 55,504 | 27,716 | 148,985 | 47,020 |
| Money at call and deposits with financial institutions | 449,130 | 249,597 | 1,210,458 | 976,070 |
| | 1,423,260 | 1,011,375 | 3,984,176 | 2,529,229 |
| Accretion of discount less amortisation of premium | 9,519 | 9,521 | 21,867 | 25,673 |
| | 1,432,779 | 1,020,896 | 4,006,043 | 2,554,902 |
| (ii) Income derived from investment of other deposits | | | | |
| <u>Finance income and hibah:</u> | | | | |
| Financing and advances | 8,352,572 | 6,237,758 | 23,467,195 | 13,547,634 |
| Securities held for trading | 176,536 | - | 176,536 | - |
| Securities available-for-sale | 232,992 | 438,764 | 915,869 | 1,378,547 |
| Securities held-to-maturity | 529,417 | 259,720 | 1,395,010 | 465,976 |
| Money at call and deposit with financial institutions | 4,283,926 | 1,910,699 | 11,334,473 | 9,673,068 |
| | 13,575,443 | 8,846,941 | 37,289,083 | 25,065,225 |
| Accretion of discount less amortisation of premium | 90,799 | 81,838 | 205,041 | 254,419 |
| | 13,666,242 | 8,928,779 | 37,494,124 | 25,319,644 |

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

-PART A – EXPLANATORY NOTES PURSUANT TO GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKS
(BNM GP8-I) ISSUED BY BANK NEGARA MALAYSIA**14. INCOME DERIVED FROM INVESTMENT OF SHAREHOLDERS' FUNDS****Economic Entity and Bank**

| | 3rd Quarter Ended | 3rd Quarter Ended | Nine Months Ended | Nine Months Ended |
|--|------------------------------|----------------------|------------------------------|----------------------|
| | <u>30.09.2010</u> | <u>30.09.2009</u> | <u>30.09.2010</u> | <u>30.09.2009</u> |
| | RM | RM | RM | RM |
| <u>Finance income and hibah</u> | | | | |
| Financing and advances | 2,171,255 | 2,493,660 | 6,237,395 | 4,852,076 |
| Securities held for trading | 45,891 | - | 45,891 | - |
| Securities available-for-sale | 60,566 | 190,519 | 243,781 | 493,726 |
| Securities held-to-maturity | 137,622 | 100,344 | 370,239 | 166,889 |
| Money at call and deposits with financial institutions | 1,113,608 | 959,996 | 2,997,562 | 3,464,403 |
| | 3,528,942 | 3,744,519 | 9,894,868 | 8,977,094 |
| Accretion of discount less amortisation of premium | 23,604 | 35,439 | 55,306 | 91,120 |
| Total finance income and hibah | 3,552,546 | 3,779,958 | 9,950,174 | 9,068,214 |
| Other operating income (note a - c) | 2,896,064 | 6,346,840 | 11,002,407 | 14,670,596 |
| | 6,448,610 | 10,126,798 | 20,952,581 | 23,738,810 |
| a) Fee and other income: | | | | |
| Commission | 288,605 | 804,972 | 1,381,799 | 1,587,049 |
| Fees and other income | 2,259,553 | 5,541,868 | 9,128,158 | 13,083,547 |
| | 2,548,158 | 6,346,840 | 10,509,957 | 14,670,596 |
| b) Unrealised gain / (loss) on revaluation of: | | | | |
| Securities held-for-trading | 265,020 | - | 287,552 | - |
| | 265,020 | - | 287,552 | - |
| c) Gross dividend income from: | | | | |
| Securities held-for-trading | 82,886 | - | 204,898 | - |
| | 82,886 | - | 204,898 | - |
| Total other operating income | 2,896,064 | 6,346,840 | 11,002,407 | 14,670,596 |

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

-PART A – EXPLANATORY NOTES PURSUANT TO GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKS
(BNM GP8-I) ISSUED BY BANK NEGARA MALAYSIA**15. ALLOWANCES FOR LOSSES ON FINANCING AND ADVANCES**

| | 3rd Quarter Ended 30.09.2010 RM | Economic Entity and Bank | | Nine Months Ended 30.09.2009 RM |
|---|--|--|--|--|
| | | 3rd Quarter Ended 30.09.2009 RM | Nine Months Ended 30.09.2010 RM | |
| Allowance for impaired advances and financing | | | | |
| Collective assessment allowance | (268,651) | - | (228,000) | - |
| Individual assessment allowance | (15,367,534) | - | (66,212) | - |
| General allowance | 565,651 | 1,365,610 | 565,651 | 2,128,610 |
| Specific allowance | 23,992,569 | 42,262 | 23,992,569 | 42,262 |
| Total allowances | 8,922,035 | 1,407,872 | 24,264,008 | 2,170,872 |

16. INCOME ATTRIBUTABLE TO DEPOSITORS

| | 3rd Quarter Ended 30.09.2010 RM | Economic Entity and Bank | | Nine Months Ended 30.09.2009 RM |
|--|--|--|--|--|
| | | 3rd Quarter Ended 30.09.2009 RM | Nine Months Ended 30.09.2010 RM | |
| Deposits from customers: | | | | |
| - Mudharabah funds | 4,950,287 | 4,317,313 | 15,325,766 | 14,264,798 |
| - Non-mudharabah funds | - | - | - | - |
| | 4,950,287 | 4,317,313 | 15,325,766 | 14,264,798 |
| Deposits and placements of banks and other financial institutions: | | | | |
| - Mudharabah funds | 252,963 | 253,353 | 797,144 | 1,123,263 |
| - Non-mudharabah funds | 3,734,553 | 528,043 | 7,561,214 | 1,972,917 |
| | 3,987,516 | 781,396 | 8,358,358 | 3,096,180 |
| | 8,937,803 | 5,098,709 | 23,684,124 | 17,360,978 |

17. PERSONNEL EXPENSES

| | 3rd Quarter Ended 30.09.2010 RM | Economic Entity and Bank | | Nine Months Ended 30.09.2009 RM |
|--|--|--|--|--|
| | | 3rd Quarter Ended 30.09.2009 RM | Nine Months Ended 30.09.2010 RM | |
| Salaries, allowances and bonuses | 5,941,099 | 4,490,223 | 16,569,614 | 12,380,964 |
| Contributions to Employee Provident Fund and SOCSO | 660,220 | 487,270 | 1,966,537 | 1,360,015 |
| Medical related expenses | 32,027 | 141,906 | 117,787 | 454,174 |
| Travelling and parking | 31,290 | 38,709 | 89,009 | 102,142 |
| Other staff related cost | 556,540 | 150,726 | 1,124,172 | 436,393 |
| | 7,221,176 | 5,308,834 | 19,867,119 | 14,733,688 |

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

-PART A – EXPLANATORY NOTES PURSUANT TO GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKS
(BNM GP8-I) ISSUED BY BANK NEGARA MALAYSIA**18. OTHER OVERHEADS AND EXPENDITURES**

| | Economic Entity and Bank | | | |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | 3rd Quarter Ended 30.09.2010 | 3rd Quarter Ended 30.09.2009 | Nine Months Ended 30.09.2010 | Nine Months Ended 30.09.2009 |
| | RM | RM | RM | RM |
| <u>Establishment expenses</u> | | | | |
| - Depreciation | 514,829 | 2,616,142 | 1,518,009 | 3,424,671 |
| - Amortisation of intangible assets | 869,941 | (1,451,008) | 2,609,293 | - |
| - Rental of premises | 228,196 | 478,568 | 1,175,885 | 1,105,596 |
| - Software and hardware maintenance | 1,262,027 | 875,436 | 2,905,764 | 3,481,658 |
| - Rental of equipment and network line | 104,241 | 95,207 | 459,382 | 406,633 |
| - Security expenses | 73,379 | 56,742 | 213,046 | 179,597 |
| - Others | 363,674 | 259,683 | 1,222,830 | 760,924 |
| | 3,416,287 | 2,930,770 | 10,104,209 | 9,359,079 |
| <u>Marketing expenses</u> | | | | |
| - Advertising and promotional activities | 114,123 | 55,420 | 392,187 | 627,438 |
| - Entertainment expenses | 8,663 | 6,568 | 64,322 | 8,771 |
| - Travelling expenses | 91,787 | 41,981 | 274,752 | 286,259 |
| - Others | 88 | 4,066 | 88 | 16,664 |
| | 214,661 | 108,035 | 731,349 | 939,132 |
| <u>Administration and general expenses</u> | | | | |
| - License and association fees and levies | 63,839 | 142,193 | 219,185 | 389,501 |
| - Travelling, transport and accommodation expenses | 68,102 | 85,375 | 166,269 | 241,563 |
| - Printing, stationery, postage and clearing charges | 102,585 | 120,405 | 287,844 | 290,090 |
| - Telecommunication charges | 75,971 | 148,765 | 326,817 | 443,381 |
| - Shariah Committee remunerations | 73,500 | 36,750 | 242,984 | 110,250 |
| - Electricity and water | 72,787 | 70,326 | 203,326 | 228,482 |
| - Directors related fees | 243,942 | 15,289 | 533,598 | 307,677 |
| - Other professional fees | 25,223 | 53,714 | 113,394 | 129,327 |
| - Auditors remuneration | 68,150 | 27,000 | 149,650 | 107,450 |
| - Donations | - | 5,000 | - | 40,488 |
| - Others | 145,275 | 106,839 | 209,767 | 347,201 |
| | 939,374 | 811,656 | 2,452,834 | 2,635,410 |
| | 4,570,322 | 3,850,461 | 13,288,392 | 12,933,621 |

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

-PART A – EXPLANATORY NOTES PURSUANT TO GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKS
(BNM GP8-I) ISSUED BY BANK NEGARA MALAYSIA**19. OTHER COMPREHENSIVE INCOME****Economic Entity & Bank**

| | 3rd Quarter Ended | 3rd Quarter Ended | Nine Months Ended | Nine Months Ended |
|---|------------------------------|----------------------|------------------------------|-------------------------|
| | <u>30.09.2010</u> | <u>30.09.2009</u> | <u>30.09.2010</u> | <u>30.09.2009</u> |
| | RM | RM | RM | RM |
| Other comprehensive income : | | | | |
| Exchange difference on translating foreign operations | - | - | - | - |
| Available-for-sale financial assets : | | | | |
| Gains (losses) arising during the period | 415,654 | 258,757 | 1,438,558 | 1,789,032 |
| Less : Reclassification adjustments for gains (losses) included in profit or loss | - | - | - | - |
| Cash Flow hedges | | | | |
| Gains (losses) arising during the period | - | - | - | - |
| Less : Reclassification adjustments for gains (losses) included in profit or loss | - | - | - | - |
| Less : Adjustment for amounts transferred to initial carrying amount of hedged items | - | - | - | - |
| Gains on property revaluation | - | - | - | - |
| Actuarial gains / (losses) on defined benefit pension plans | - | - | - | - |
| Share of other comprehensive income of associates | | | | |
| Other comprehensive income | 415,654 | 258,757 | 1,438,558 | 1,789,032 |
| Income tax relating to components of other comprehensive income | - | - | - | - |
| Other comprehensive income for the period | 415,654 | 258,757 | 1,438,558 | 1,789,032 |

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

21. PROFIT RATE RISK

| <u>Economic entity</u> <u>30.09.2010</u> | -----Non-trading book----- | | | | | | | Trading book | Total | Effectiv e profit rate |
|---|----------------------------|-------------------|--------------------|--------------------|--------------------|-------------------------|--------------------|----------------------|-------|------------------------------|
| | Up to 1 months | 1-3 months | 3-12 months | 1-5 years | Over 5 years | Non-profit sensitive | | | | |
| | RM | RM | RM | RM | RM | RM | RM | RM | RM | % |
| Assets | | | | | | | | | | |
| Cash and short term funds | 1,021,147,800 | - | - | - | - | 10,775,465 | - | 1,031,923,265 | | 2.41 |
| Deposits and placements | | | | | | | | | | |
| with financial institutions | - | - | - | - | - | - | - | - | - | 2.58 |
| Securities held-for-trading | - | - | - | - | - | - | 139,903,061 | 139,903,061 | | - |
| Securities available-for-sale | - | - | - | 20,390,600 | 14,660,875 | - | - | 35,051,475 | | 4.11 |
| Securities held-to-maturity | - | - | - | 99,126,000 | - | - | - | 99,126,000 | | 3.22 |
| Financing and advances | | | | | | | | | | |
| - performing | 77,075,825 | 96,753,047 | 139,719,292 | 70,357,661 | 316,073,227 | (37,060,801) | - | 662,918,251 | | 6.25 |
| - non performing | - | - | - | - | - | 37,887,757 | - | 37,887,757 | | - |
| Other assets | - | - | - | - | - | 11,973,433 | - | 11,973,433 | | - |
| Statutory deposits | - | - | - | - | - | 4,263,715 | - | 4,263,715 | | - |
| Investment in jointly controlled entity | - | - | - | - | 14,818,173 | - | - | 14,818,173 | | - |
| Deferred taxation assets | - | - | - | - | - | 10,443,193 | - | 10,443,193 | | - |
| Property, plant and equipment | - | - | - | - | - | 4,805,593 | - | 4,805,593 | | - |
| Intangible assets | - | - | - | - | - | 8,956,126 | - | 8,956,126 | | - |
| Total assets | 1,098,223,625 | 96,753,047 | 139,719,292 | 189,874,261 | 345,552,275 | 52,044,481 | 139,903,061 | 2,062,070,042 | | |

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

21. PROFIT RATE RISK (CONTINUED)

| Economic entity 30.09.2010 | <-----Non-trading book-----> | | | | | | | Trading book | Total | Effective profit rate |
|---|---|----------------------|--------------------|--------------------|---------------------|-----------------------------|--------------------|---------------------|--------------|------------------------------|
| | Up to 1 months | 1-3 months | 3-12 months | 1-5 years | Over 5 years | Non-profit sensitive | RM | | | |
| | RM | RM | RM | RM | RM | RM | RM | RM | | |
| Liabilities | | | | | | | | | | |
| Deposits from customers | 681,289,567 | 289,821,350 | 41,286,756 | 388,456 | - | - | - | 1,012,786,129 | 2.26 | |
| Deposits and placements of banks and other financial institutions | 364,836,109 | 270,403,793 | 78,892,817 | - | - | - | - | 714,132,719 | 2.40 | |
| Other liabilities | - | - | - | - | - | 19,409,498 | - | 19,409,498 | - | |
| Total liabilities | 1,046,125,676 | 560,225,143 | 120,179,573 | 388,456 | - | 19,409,498 | - | 1,746,328,346 | | |
| Total shareholders' equity | - | - | - | - | 315,741,696 | - | - | 315,741,696 | | |
| | 1,046,125,676 | 560,225,143 | 120,179,573 | 388,456 | 315,741,696 | 19,409,498 | - | 2,062,070,042 | | |
| Total profit-sensitivity gap | 52,097,949 | (463,472,096) | 19,539,719 | 189,485,805 | 29,810,579 | 32,634,983 | 139,903,061 | - | | |

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

21. PROFIT RATE RISK (CONTINUED)

| <u>Economic entity</u> 31.12.2009 | <-----Non-trading book-----> | | | | | | | Trading book | Total | Effective profit rate |
|--|------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------------|-------------------|----------------------|-------|-----------------------------|
| | Up to 1 months | 1-3 months | 3-12 months | 1-5 years | Over 5 years | Non-profit sensitive | RM | | | |
| Assets | | | | | | | | | | |
| Cash and short term funds | 1,223,131,064 | - | - | - | - | 5,565,965 | - | 1,228,697,029 | 2.12 | |
| Deposits and placements with financial institutions | - | - | - | - | - | - | - | - | 2.97 | |
| Securities held-for-trading | - | - | - | - | - | - | 17,547,511 | 17,547,511 | - | |
| Securities available-for-sale | - | - | - | 9,905,812 | 27,068,637 | - | - | 36,974,449 | 3.93 | |
| Securities held-to-maturity | - | 10,003,736 | - | 57,913,497 | - | - | - | 67,917,233 | 2.88 | |
| Financing and advances | | | | | | | | | | |
| - performing | 57,105,697 | 155,019,916 | 193,016,685 | 43,977,956 | 235,324,142 | (12,796,792) | - | 671,647,604 | 5.77 | |
| - non performing | - | - | - | - | - | 2,002,321 | - | 2,002,321 | - | |
| Other assets | - | - | - | - | - | 6,182,821 | - | 6,182,821 | - | |
| Statutory deposits | - | - | - | - | - | 4,413,715 | - | 4,413,715 | - | |
| Investment in jointly controlled entity | - | - | - | - | 15,203,800 | - | - | 15,203,800 | - | |
| Advances to jointly controlled entity | - | - | - | - | 1,000,646 | - | - | 1,000,646 | - | |
| Deferred taxation assets | - | - | - | - | - | 6,434,011 | - | 6,434,011 | - | |
| Property, plant and equipment | - | - | - | - | - | 5,421,635 | - | 5,421,635 | - | |
| Intangible assets | - | - | - | - | - | 10,692,031 | - | 10,692,031 | - | |
| Total assets | 1,280,236,761 | 165,023,652 | 193,016,685 | 111,797,265 | 278,597,225 | 27,915,707 | 17,547,511 | 2,074,134,806 | | |

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

21. PROFIT RATE RISK (CONTINUED)Economic entity

31.12.2009

| | -----Non-trading book-----> | | | | | | | Total | Effective profit rate |
|---|-----------------------------|---------------|---------------|-------------|--------------|----------------------|--------------|---------------|-----------------------|
| | Up to 1 months | 1-3 months | 3-12 months | 1-5 years | Over 5 years | Non-profit sensitive | Trading book | | |
| | RM | RM | RM | RM | RM | RM | RM | RM | % |
| <u>Liabilities</u> | | | | | | | | | |
| Deposits from customers | 552,892,532 | 111,929,618 | 414,237,508 | 200,000 | - | - | - | 1,079,259,658 | 2.23 |
| Deposits and placements of banks and other financial institutions | 304,553,696 | 291,509,951 | 55,265,895 | - | - | - | - | 651,329,542 | 1.91 |
| Other liabilities | - | - | - | - | - | 16,180,066 | - | 16,180,066 | - |
| Total liabilities | 857,446,228 | 403,439,569 | 469,503,403 | 200,000 | - | 16,180,066 | - | 1,746,769,266 | |
| Total shareholders' equity | - | - | - | - | 327,365,540 | - | - | 327,365,540 | |
| | 857,446,228 | 403,439,569 | 469,503,403 | 200,000 | 327,365,540 | 16,180,066 | - | 2,074,134,806 | |
| Total profit-sensitivity gap | 422,790,533 | (238,415,917) | (276,486,718) | 111,597,265 | (48,768,315) | 11,735,641 | 17,547,511 | - | |

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

21. PROFIT RATE RISK (CONTINUED)

| Bank 30.09.2010 | ←-----Non-trading book-----→ | | | | | | | Trading book | Total | Effective profit rate |
|---|------------------------------|-------------------|--------------------|--------------------|---------------------|-----------------------------|--------------------|----------------------|--------------|------------------------------|
| | Up to 1 months | 1-3 months | 3-12 months | 1-5 years | Over 5 years | Non-profit sensitive | RM | | | |
| Assets | | | | | | | | | | |
| Cash and short term funds | 1,021,147,800 | - | - | - | - | 10,775,465 | - | 1,031,923,265 | 2.41 | |
| Deposits and placements | | | | | | | | | | |
| with financial institutions | - | - | - | - | - | - | - | - | 2.58 | |
| Securities held-for-trading | - | - | - | - | - | - | 139,903,061 | 139,903,061 | - | |
| Securities available-for-sale | - | - | - | 20,390,600 | 14,660,875 | - | - | 35,051,475 | 4.11 | |
| Securities held-to-maturity | - | - | - | 99,126,000 | - | - | - | 99,126,000 | 3.22 | |
| Financing and advances | | | | | | | | | | |
| - performing | 77,075,825 | 96,753,047 | 139,719,292 | 70,357,661 | 316,073,227 | (37,060,801) | - | 662,918,251 | 6.25 | |
| - non performing | - | - | - | - | - | 37,887,757 | - | 37,887,757 | - | |
| Other assets | - | - | - | - | - | 11,973,433 | - | 11,973,433 | - | |
| Statutory deposits | - | - | - | - | - | 4,263,715 | - | 4,263,715 | - | |
| Investment in jointly controlled entity | - | - | - | - | 14,623,837 | - | - | 14,623,837 | - | |
| Deferred taxation assets | - | - | - | - | - | 10,443,193 | - | 10,443,193 | - | |
| Property, plant and equipment | - | - | - | - | - | 4,805,593 | - | 4,805,593 | - | |
| Intangible assets | - | - | - | - | - | 8,956,126 | - | 8,956,126 | - | |
| Total assets | 1,098,223,625 | 96,753,047 | 139,719,292 | 189,874,261 | 345,357,939 | 52,044,481 | 139,903,061 | 2,061,875,706 | | |

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

21. PROFIT RATE RISK (CONTINUED)

| Bank 30.09.2010 | <-----Non-trading book-----> | | | | | | | Trading book | Total | Effective profit rate |
|---|---|-----------------------|------------------------|----------------------|-------------------------|---------------------------------|-------------|-------------------------|--------------|--------------------------------------|
| | Up to 1 months | 1-3 months | 3-12 months | 1-5 years | Over 5 years | Non-profit sensitive | RM | | | |
| Liabilities | | | | | | | | | | |
| Deposits from customers | 681,289,567 | 289,821,350 | 41,286,756 | 388,456 | - | - | - | 1,012,786,129 | 2.26 | |
| Deposits and placements of banks and other financial institutions | 364,836,109 | 270,403,793 | 78,892,817 | - | - | - | - | 714,132,719 | 2.40 | |
| Other liabilities | - | - | - | - | - | 19,409,498 | - | 19,409,498 | - | |
| Total liabilities | 1,046,125,676 | 560,225,143 | 120,179,573 | 388,456 | - | 19,409,498 | - | 1,746,328,346 | | |
| Total shareholders' equity | - | - | - | - | 315,547,360 | - | - | 315,547,360 | | |
| | 1,046,125,676 | 560,225,143 | 120,179,573 | 388,456 | 315,547,360 | 19,409,498 | - | 2,061,875,706 | | |
| Total profit-sensitivity gap | 52,097,949 | (463,472,096) | 19,539,719 | 189,485,805 | 29,810,579 | 32,634,983 | 139,903,061 | - | | |

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

21. PROFIT RATE RISK (CONTINUED)

| <u>Bank</u> 31.12.2009 | ←-----Non-trading book-----→ | | | | | | | Trading book | Total | Effective profit rate |
|--|------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------------|-------------------|----------------------|-------|-----------------------------|
| | Up to 1 months | 1-3 months | 3-12 months | 1-5 years | Over 5 years | Non-profit sensitive | RM | | | |
| Assets | | | | | | | | | | |
| Cash and short term funds | 1,223,131,064 | - | - | - | - | 5,565,965 | - | 1,228,697,029 | 2.12 | |
| Deposits and placements with financial institutions | - | - | - | - | - | - | - | - | 2.97 | |
| Securities held-for-trading | - | - | - | - | - | - | 17,547,511 | 17,547,511 | - | |
| Securities available-for-sale | - | - | - | 9,905,812 | 27,068,637 | - | - | 36,974,449 | 3.93 | |
| Securities held-to-maturity | - | 10,003,736 | - | 57,913,497 | - | - | - | 67,917,233 | 2.88 | |
| Financing and advances | | | | | | | | | | |
| - performing | 57,105,697 | 155,019,916 | 193,016,685 | 43,977,956 | 235,324,142 | (12,796,792) | - | 671,647,604 | 5.77 | |
| - non performing | - | - | - | - | - | 2,002,321 | - | 2,002,321 | - | |
| Other assets | - | - | - | - | - | 6,182,821 | - | 6,182,821 | - | |
| Statutory deposits | - | - | - | - | - | 4,413,715 | - | 4,413,715 | - | |
| Investment in jointly controlled entity | - | - | - | - | 16,222,255 | - | - | 16,222,255 | - | |
| Advances to jointly controlled entity | - | - | - | - | 1,000,646 | - | - | 1,000,646 | - | |
| Deferred taxation assets | - | - | - | - | - | 6,434,011 | - | 6,434,011 | - | |
| Property, plant and equipment | - | - | - | - | - | 5,421,635 | - | 5,421,635 | - | |
| Intangible assets | - | - | - | - | - | 10,692,031 | - | 10,692,031 | - | |
| Total assets | 1,280,236,761 | 165,023,652 | 193,016,685 | 111,797,265 | 279,615,680 | 27,915,707 | 17,547,511 | 2,075,153,261 | | |

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

21. PROFIT RATE RISK (CONTINUED)

| Bank 31.12.2009 | -----Non-trading book-----> | | | | | | | Trading book | Total | Effective profit rate |
|---|-----------------------------|---------------|----------------|--------------|-----------------|-------------------------|------------|-----------------|-------|-----------------------------|
| | Up to 1 months | 1-3 months | 3-12 months | 1-5 years | Over 5 years | Non-profit sensitive | RM | | | |
| Liabilities | | | | | | | | | | |
| Deposits from customers | 552,892,532 | 111,929,618 | 414,237,508 | 200,000 | - | - | - | 1,079,259,658 | 2.23 | |
| Deposits and placements of banks and other financial institutions | 304,553,696 | 291,509,951 | 55,265,895 | - | - | - | - | 651,329,542 | 1.91 | |
| Other liabilities | - | - | - | - | - | 16,180,066 | - | 16,180,066 | - | |
| Total liabilities | 857,446,228 | 403,439,569 | 469,503,403 | 200,000 | - | 16,180,066 | - | 1,746,769,266 | | |
| Total shareholders' equity | - | - | - | - | 328,383,995 | - | - | 328,383,995 | | |
| | 857,446,228 | 403,439,569 | 469,503,403 | 200,000 | 328,383,995 | 16,180,066 | - | 2,075,153,261 | | |
| Total profit-sensitivity gap | 422,790,533 | (238,415,917) | (276,486,718) | 111,597,265 | (48,768,315) | 11,735,641 | 17,547,511 | - | | |

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

22. CAPITAL ADEQUACY

| | <u>Economic Entity</u> | <u>Economic Entity</u> |
|--|------------------------|------------------------|
| | <u>30.09.2010</u> | <u>31.12.2009</u> |
| | RM | RM |
| <u>Tier I Capital</u> | | |
| Paid-up ordinary share capital | 355,020,010 | 355,020,010 |
| Accumulated losses | (35,537,601) | (22,475,199) |
| | 319,482,409 | 332,544,811 |
| Less : | | |
| Deferred tax assets | (6,434,011) | (6,434,011) |
| Total Tier I capital | 313,048,398 | 326,110,800 |
| <u>Tier II Capital</u> | | |
| Collective impairment for bad and doubtful financing | 10,673,043 | 10,335,393 |
| Total Tier II capital | 10,673,043 | 10,335,393 |
| Total capital base | 323,721,441 | 336,446,193 |
| <u>Capital ratios</u> | | |
| Inclusive of market risk : | | |
| Core capital ratio (inclusive of market risk) | 31.29% | 36.55% |
| Risk-weighted capital ratio (inclusive of market risk) | 32.36% | 37.71% |

The capital ratios have been computed in accordance with Capital Adequacy Framework for Islamic Bank (CAFIB).

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

22. CAPITAL ADEQUACY (CONTINUED)Economic Entity30.09.2010

| <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 | 64,949 | 64,949 | - | - | - | - |
| Banks, MDBs and FDIs | 46,971 | 46,971 | 9,394 | - | 9,394 | 751 |
| Corporate | 825,174 | 825,174 | 647,015 | - | 647,015 | 51,761 |
| Regulatory Retail | 22,242 | 22,242 | 16,682 | - | 16,682 | 1,335 |
| Other Assets | 41,042 | 41,042 | 48,451 | - | 48,451 | 3,876 |
| Total for On-Balance Sheet Exposures | 1,000,378 | 1,000,378 | 721,542 | - | 721,542 | 57,723 |
| <i>Off-Balance Sheet Exposures</i> | | | | | | |
| Off balance sheet exposures other than OTC derivatives or credit derivatives | 503,177 | 47,713 | 38,444 | - | 38,444 | 3,076 |
| Total for Off-Balance Sheet Exposures | 503,177 | 47,713 | 38,444 | - | 38,444 | 3,076 |
| Total On and Off-Balance Sheet Exposures | 1,503,555 | 1,048,091 | 759,986 | - | 759,986 | 60,799 |
| <u>Market Risk</u> | | | | | | |
| | Long Position | Short Position | | | | |
| Benchmark Rate Risk | - | - | 5,376 | 5,376 | 5,376 | 430 |
| Equity Position Risk | 26,948 | - | 26,948 | 26,948 | 26,948 | 2,156 |
| Foreign Currency Risk | 5,158 | 159,990 | 154,832 | 159,990 | 159,990 | 12,799 |
| Operational Risk | - | - | - | 48,156 | 48,156 | 3,853 |
| Total RWA and Capital Requirements | 1,535,661 | 159,990 | 1,235,247 | 1,000,456 | 1,000,456 | 80,037 |

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

22. CAPITAL ADEQUACY (CONTINUED)

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

Economic Entity**30.09.2010**

| Risk Weights | Sovereigns & Central Banks | | Banks, MDBs and FDIs | | Insurance Companies, Securities Firms & Fund Managers | | Corporate | |
|---------------------------------------|-------------------------------|----------------------------|-------------------------------|----------------------------|---|----------------------------|-------------------------------|----------------------------|
| | 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% | 64,949 | - | - | - | - | - | - | - |
| 20% | - | - | 58,557 | 11,711 | - | - | 188,807 | 37,761 |
| 50% | - | - | - | - | - | - | 57,639 | 28,820 |
| 75% | - | - | - | - | - | - | - | - |
| 100% | - | - | - | - | - | - | 588,694 | 588,694 |
| 150% | - | - | - | - | - | - | 14,661 | 21,992 |
| Total | 64,949 | - | 58,557 | 11,711 | - | - | 849,801 | 677,267 |
| Defaulted Exposures | | | | | | | | |
| 50% | - | - | - | - | - | - | 11,250 | 5,625 |
| 100% | - | - | - | - | - | - | 250 | 250 |
| Total | - | - | - | - | - | - | 11,500 | 5,875 |
| Total Performing and Defaulted | 64,949 | - | 58,557 | 11,711 | - | - | 861,301 | 683,142 |

| Risk Weights | Regulatory Retail | | Other Assets | | Total Exposure | <i>Total Risk Weighted Assets</i> |
|---------------------------------------|-------------------------------|----------------------------|-------------------------------|----------------------------|-------------------------------|-----------------------------------|
| | Exposures after Netting & CRM | <i>Risk Weighted Asset</i> | Exposures after Netting & CRM | <i>Risk Weighted Asset</i> | Exposures after Netting & CRM | Exposures after Netting & CRM |
| Performing Exposures | | | | | | |
| 0% | - | - | - | - | 64,949 | - |
| 20% | - | - | - | - | 247,364 | 49,472 |
| 50% | - | - | - | - | 57,639 | 28,820 |
| 75% | 22,242 | 16,682 | - | - | 22,242 | 16,682 |
| 100% | - | - | 26,224 | 26,224 | 614,918 | 614,918 |
| 150% | - | - | 14,818 | 22,227 | 29,479 | 44,219 |
| Total | 22,242 | 16,682 | 41,042 | 48,451 | 1,036,591 | 754,111 |
| Defaulted Exposures | | | | | | |
| 50% | - | - | - | - | 11,250 | 5,625 |
| 100% | - | - | - | - | 250 | 250 |
| Total | - | - | - | - | 11,500 | 5,875 |
| Total Performing and Defaulted | 22,242 | 16,682 | 41,042 | 48,451 | 1,048,091 | 759,986 |

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

22. CAPITAL ADEQUACY (CONTINUED)Economic Entity

31.12.2009

| <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 | 10,004 | 10,004 | - | - | - | - |
| Banks, MDBs and FDIs | 51,996 | 51,996 | 10,399 | - | 10,399 | 832 |
| Corporate | 710,490 | 710,490 | 602,245 | - | 602,245 | 48,180 |
| Regulatory Retail | 23,613 | 23,613 | 17,710 | - | 17,710 | 1,417 |
| Other Assets | 26,761 | 26,761 | 34,863 | - | 34,863 | 2,789 |
| Total for On-Balance Sheet Exposures | 822,864 | 822,864 | 665,217 | - | 665,217 | 53,218 |
| <i>Off-Balance Sheet Exposures</i> | | | | | | |
| Off balance sheet exposures other than OTC derivatives or credit derivatives | 523,341 | 63,963 | 60,050 | - | 60,050 | 4,804 |
| Total for Off-Balance Sheet Exposures | 523,341 | 63,963 | 60,050 | - | 60,050 | 4,804 |
| Total On and Off-Balance Sheet Exposures | 1,346,205 | 886,827 | 725,267 | - | 725,267 | 58,022 |
| <u>Market Risk</u> | | | | | | |
| | Long Position | Short Position | | | | |
| Benchmark Rate Risk | - | - | 656 | 656 | - | 52 |
| Equity Position Risk | 11,322 | - | 11,322 | 11,322 | - | 906 |
| Foreign Currency Risk | 49,878 | 113,683 | 63,805 | 113,683 | - | 9,095 |
| Operational Risk | - | - | - | 41,316 | - | 3,305 |
| Total RWA and Capital Requirements | 1,407,405 | 113,683 | 962,610 | 892,244 | - | 71,380 |

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

22. CAPITAL ADEQUACY (CONTINUED)Economic Entity

31.12.2009

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 | | Corporate | |
|---------------------------------------|-------------------------------|----------------------------|-------------------------------|----------------------------|---|----------------------------|-------------------------------|----------------------------|
| | 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% | 10,004 | - | - | - | - | - | 9,906 | - |
| 20% | - | - | 56,887 | 11,377 | - | - | 95,563 | 19,113 |
| 50% | - | - | - | - | - | - | 60,724 | 30,361 |
| 75% | - | - | - | - | - | - | - | - |
| 100% | - | - | - | - | - | - | 585,864 | 585,864 |
| 150% | - | - | - | - | - | - | 16,946 | 25,419 |
| Total | 10,004 | - | 56,887 | 11,377 | - | - | 769,003 | 660,757 |
| Defaulted Exposures | | | | | | | | |
| 100% | - | - | - | - | - | - | 559 | 559 |
| Total | - | - | - | - | - | - | 559 | 559 |
| Total Performing and Defaulted | 10,004 | - | 56,887 | 11,377 | - | - | 769,562 | 661,316 |

| 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 | Exposures after Netting & CRM |
| Performing Exposures | | | | | | |
| 0% | - | - | - | - | 19,910 | - |
| 20% | - | - | - | - | 152,450 | 30,490 |
| 50% | - | - | - | - | 60,724 | 30,361 |
| 75% | 23,613 | 17,710 | - | - | 23,613 | 17,710 |
| 100% | - | - | 10,557 | 10,557 | 596,421 | 596,421 |
| 150% | - | - | 16,204 | 24,307 | 33,150 | 49,726 |
| Total | 23,613 | 17,710 | 26,761 | 34,864 | 886,268 | 724,708 |
| Defaulted Exposures | | | | | | |
| 100% | - | - | - | - | 559 | 559 |
| Total | - | - | - | - | 559 | 559 |
| Total Performing and Defaulted | 23,613 | 17,710 | 26,761 | 34,864 | 886,827 | 725,267 |

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

| 22. CAPITAL ADEQUACY (CONTINUED) | <u>Bank</u> | <u>Bank</u> |
|--|--------------------------|--------------------------|
| | <u>30.09.2010</u> | <u>31.12.2009</u> |
| | RM | RM |
| <u>Tier I Capital</u> | | |
| Paid-up ordinary share capital | 355,020,010 | 355,020,010 |
| Accumulated losses | (35,731,937) | (21,456,744) |
| | 319,288,073 | 333,563,266 |
| Less : | | |
| Deferred tax assets | (6,434,011) | (6,434,011) |
| Total Tier I capital | 312,854,062 | 327,129,255 |
| <u>Tier II Capital</u> | | |
| Collective impairment for bad and doubtful financing | 10,673,043 | 10,335,393 |
| Total Tier II capital | 10,673,043 | 10,335,393 |
| Total capital base | 323,527,105 | 337,464,648 |
| <u>Capital ratios</u> | | |
| Inclusive of market risk : | | |
| Core capital ratio (inclusive of market risk) | 31.28% | 36.60% |
| Risk-weighted capital ratio (inclusive of market risk) | 32.35% | 37.76% |

The capital ratios have been computed in accordance with Capital Adequacy Framework for Islamic Bank (CAFIB).

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

22. CAPITAL ADEQUACY (CONTINUED)

| <u>Bank</u> | | | | | | | | |
|------------------------------------|--|------------------------|-----------------------|-----------------------------|--|---|-----------------------------|---------------|
| <u>30.09.2010</u> | <u>Exposure Class</u> | <u>Gross Exposures</u> | <u>Net Exposures</u> | <u>Risk Weighted Assets</u> | <u>Risk Weighted Assets Absorbed by PSIA</u> | <u>Total Risk Weighted Assets after effects of PSIA</u> | <u>Capital Requirements</u> | |
| | | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>Credit Risk</u> | | | | | | | | |
| <i>On-Balance Sheet Exposures</i> | | | | | | | | |
| | Sovereigns & Central Banks | 64,949 | 64,949 | - | - | - | - | - |
| | Banks, MDBs and FDIs | 46,971 | 46,971 | 9,394 | - | 9,394 | 751 | |
| | Corporate | 825,174 | 825,174 | 647,015 | - | 647,015 | 51,761 | |
| | Regulatory Retail | 22,242 | 22,242 | 16,682 | - | 16,682 | 1,335 | |
| | Other Assets | 40,847 | 40,847 | 48,158 | - | 48,158 | 3,853 | |
| | Total for On-Balance Sheet Exposures | 1,000,183 | 1,000,183 | 721,249 | - | 721,249 | 57,700 | |
| <i>Off-Balance Sheet Exposures</i> | | | | | | | | |
| | Off balance sheet exposures other than OTC derivatives or credit derivatives | 503,177 | 47,713 | 38,444 | - | 38,444 | 3,075 | |
| | Total for Off-Balance Sheet Exposures | 503,177 | 47,713 | 38,444 | - | 38,444 | 3,075 | |
| | Total On and Off-Balance Sheet Exposures | 1,503,360 | 1,047,896 | 759,693 | - | 759,693 | 60,775 | |
| <u>Market Risk</u> | | | | | | | | |
| | | Long Position | Short Position | | | | | |
| | Benchmark Rate Risk | - | - | 5,376 | 5,376 | - | 5,376 | 430 |
| | Equity Position Risk | 26,948 | - | 26,948 | 26,948 | - | 26,948 | 2,156 |
| | Foreign Currency Risk | 5,158 | 159,990 | 154,832 | 159,990 | - | 159,990 | 12,799 |
| | Operational Risk | - | - | - | 48,156 | - | 48,156 | 3,853 |
| | Total RWA and Capital Requirements | 1,535,466 | 159,990 | 1,235,052 | 1,000,163 | - | 1,000,163 | 80,013 |

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

22. CAPITAL ADEQUACY (CONTINUED)

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

Bank**30.09.2010**

| Risk Weights | Sovereigns & Central Banks | | Banks, MDBs and FDIs | | Insurance Companies, Securities Firms & Fund Managers | | Corporate | |
|---------------------------------------|-------------------------------|---------------------|-------------------------------|---------------------|---|---------------------|-------------------------------|---------------------|
| | Exposures after Netting & CRM | Risk Weighted Asset | Exposures after Netting & CRM | Risk Weighted Asset | Exposures after Netting & CRM | Risk Weighted Asset | Exposures after Netting & CRM | Risk Weighted Asset |
| Performing Exposures | | | | | | | | |
| 0% | 64,949 | - | - | - | - | - | - | - |
| 20% | - | - | 58,557 | 11,711 | - | - | 188,807 | 37,761 |
| 50% | - | - | - | - | - | - | 57,639 | 28,820 |
| 75% | - | - | - | - | - | - | - | - |
| 100% | - | - | - | - | - | - | 588,694 | 588,694 |
| 150% | - | - | - | - | - | - | 14,661 | 21,992 |
| Total | 64,949 | - | 58,557 | 11,711 | - | - | 849,801 | 677,267 |
| Defaulted Exposures | | | | | | | | |
| 50% | - | - | - | - | - | - | 11,250 | 5,625 |
| 100% | - | - | - | - | - | - | 250 | 250 |
| Total | - | - | - | - | - | - | 11,500 | 5,875 |
| Total Performing and Defaulted | 64,949 | - | 58,557 | 11,711 | - | - | 861,301 | 683,142 |

| Risk Weights | Regulatory Retail | | Other Assets | | Total Exposure | Total Risk Weighted Assets |
|---------------------------------------|-------------------------------|---------------------|-------------------------------|---------------------|-------------------------------|-------------------------------|
| | Exposures after Netting & CRM | Risk Weighted Asset | Exposures after Netting & CRM | Risk Weighted Asset | Exposures after Netting & CRM | Exposures after Netting & CRM |
| Performing Exposures | | | | | | |
| 0% | - | - | - | - | 64,949 | - |
| 20% | - | - | - | - | 247,364 | 49,472 |
| 50% | - | - | - | - | 57,639 | 28,820 |
| 75% | 22,242 | 16,682 | - | - | 22,242 | 16,682 |
| 100% | - | - | 26,224 | 26,224 | 614,918 | 614,918 |
| 150% | - | - | 14,623 | 21,934 | 29,284 | 43,926 |
| Total | 22,242 | 16,682 | 40,847 | 48,158 | 1,036,396 | 753,818 |
| Defaulted Exposures | | | | | | |
| 50% | - | - | - | - | 11,250 | 5,625 |
| 100% | - | - | - | - | 250 | 250 |
| Total | - | - | - | - | 11,500 | 5,875 |
| Total Performing and Defaulted | 22,242 | 16,682 | 40,847 | 48,158 | 1,047,896 | 759,693 |

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

22. CAPITAL ADEQUACY (CONTINUED)Bank31.12.2009

| <u>Exposure Class</u> | <u>Gross Exposures</u> RM'000 | <u>Net</u> <u>Exposures</u> RM'000 | <u>Risk</u> <u>Weighted</u> <u>Assets</u> RM'000 | <u>Risk Weighted</u> <u>Assets Absorbed</u> <u>by PSIA</u> RM'000 | <u>Total Risk</u> <u>Weighted Assets</u> <u>after effects of</u> <u>PSIA</u> RM'000 | <u>Capital</u> <u>Requirements</u> RM'000 |
|---|----------------------------------|--|---|--|---|---|
| <u>Credit Risk</u> | | | | | | |
| <i>On-Balance Sheet Exposures</i> | | | | | | |
| Sovereigns & Central Banks | 10,004 | 10,004 | - | - | - | - |
| Banks, MDBs and FDIs | 51,996 | 51,996 | 10,399 | - | 10,399 | 832 |
| Corporate | 710,490 | 710,490 | 602,245 | - | 602,245 | 48,180 |
| Regulatory Retail | 23,613 | 23,613 | 17,710 | - | 17,710 | 1,417 |
| Other Assets | 27,780 | 27,780 | 36,391 | - | 36,391 | 2,911 |
| Total for On-Balance Sheet Exposures | 823,883 | 823,883 | 666,745 | - | 666,745 | 53,340 |
| <i>Off-Balance Sheet Exposures</i> | | | | | | |
| Off balance sheet exposures other than OTC derivatives or credit derivatives | 523,341 | 63,963 | 60,050 | - | 60,050 | 4,804 |
| Total for Off-Balance Sheet Exposures | 523,341 | 63,963 | 60,050 | - | 60,050 | 4,804 |
| Total On and Off-Balance Sheet Exposures | 1,347,224 | 887,846 | 726,795 | - | 726,795 | 58,144 |
| <u>Market Risk</u> | | | | | | |
| | Long Position | Short Position | | | | |
| Benchmark Rate Risk | - | - | 656 | 656 | 656 | 52 |
| Equity Position Risk | 11,322 | - | 11,322 | 11,322 | 11,322 | 906 |
| Foreign Currency Risk | 49,878 | 113,683 | 63,805 | 113,683 | 113,683 | 9,095 |
| Operational Risk | - | - | - | 41,316 | 41,316 | 3,305 |
| Total RWA and Capital Requirements | 1,408,424 | 113,683 | 963,629 | 893,772 | 893,772 | 71,502 |

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

22. CAPITAL ADEQUACY (CONTINUED)Bank

31.12.2009

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 | | Corporate | |
|---------------------------------------|-------------------------------|----------------------------|-------------------------------|----------------------------|---|----------------------------|-------------------------------|----------------------------|
| | 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% | 10,004 | - | - | - | - | - | 9,906 | - |
| 20% | - | - | 56,887 | 11,377 | - | - | 95,563 | 19,113 |
| 50% | - | - | - | - | - | - | 60,724 | 30,361 |
| 75% | - | - | - | - | - | - | - | - |
| 100% | - | - | - | - | - | - | 585,864 | 585,864 |
| 150% | - | - | - | - | - | - | 16,946 | 25,419 |
| Total | 10,004 | - | 56,887 | 11,377 | - | - | 769,003 | 660,757 |
| Defaulted Exposures | | | | | | | | |
| 100% | - | - | - | - | - | - | 559 | 559 |
| Total | - | - | - | - | - | - | 559 | 559 |
| Total Performing and Defaulted | 10,004 | - | 56,887 | 11,377 | - | - | 769,562 | 661,316 |

| 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 | Exposures after Netting & CRM |
| Performing Exposures | | | | | | |
| 0% | - | - | - | - | 19,910 | - |
| 20% | - | - | - | - | 152,450 | 30,490 |
| 50% | - | - | - | - | 60,724 | 30,361 |
| 75% | 23,613 | 17,710 | - | - | 23,613 | 17,710 |
| 100% | - | - | 10,557 | 10,557 | 596,421 | 596,421 |
| 150% | - | - | 17,223 | 25,835 | 34,169 | 51,254 |
| Total | 23,613 | 17,710 | 27,780 | 36,392 | 887,287 | 726,236 |
| Defaulted Exposures | | | | | | |
| 100% | - | - | - | - | 559 | 559 |
| Total | - | - | - | - | 559 | 559 |
| Total Performing and Defaulted | 23,613 | 17,710 | 27,780 | 36,392 | 887,846 | 726,795 |

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

-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**Economic Entity****3rd Quarter Ended****30.09.2010**

| | Domestic banking | Investment and International banking | Asset Management | Total |
|---|-------------------------|---|-------------------------|--------------|
| | RM | RM | RM | RM |
| External revenue | 10,793,079 | 10,754,552 | - | 21,547,631 |
| Inter-segment revenue | (3,295,320) | 3,295,320 | - | - |
| Total revenue | 7,497,759 | 14,049,872 | - | 21,547,631 |
| Depositors' payout | (600,055) | (8,337,748) | - | (8,937,803) |
| Net income | 6,897,704 | 5,712,124 | - | 12,609,828 |
| Operating overheads | (15,426,902) | (5,055,058) | (231,573) | (20,713,533) |
| Share of results of jointly controlled entity | - | - | - | 310,421 |
| Segmental results / loss before taxation | (8,529,198) | 657,066 | (231,573) | (7,793,284) |
| Taxation | | | | 1,912,377 |
| Profit for the quarter | | | | (5,880,907) |

3rd Quarter Ended**30.09.2009**

| | Domestic banking | Investment and International banking | Asset Management | Total |
|---|-------------------------|---|-------------------------|--------------|
| | RM | RM | RM | RM |
| External revenue | 13,399,960 | 6,570,745 | 105,768 | 20,076,473 |
| Inter-segment revenue | 11,104,544 | (11,104,544) | - | - |
| Total revenue | 24,504,504 | (4,533,799) | 105,768 | 20,076,473 |
| Depositors' payout | (409,965) | (4,688,744) | - | (5,098,709) |
| Net income | 24,094,539 | (9,222,543) | 105,768 | 14,977,764 |
| Operating overheads | (15,487,947) | 5,164,986 | (244,206) | (10,567,167) |
| Share of results of jointly controlled entity | - | - | - | - |
| Segmental results / loss before taxation | 8,606,592 | (4,057,557) | (138,438) | 4,410,597 |
| Taxation | | | | (1,265,929) |
| Profit for the quarter | | | | 3,144,668 |

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

-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****Nine Months Ended****30.09.2010**

| | Domestic banking | Investment and International banking | Asset Management | Total |
|---|-------------------------|---|-------------------------|--------------|
| | RM | RM | RM | RM |
| External revenue | 34,758,572 | 27,649,175 | 45,000 | 62,452,747 |
| Inter-segment revenue | (9,236,710) | 9,236,710 | - | - |
| Total revenue | 25,521,862 | 36,885,885 | 45,000 | 62,452,747 |
| Depositors' payout | (1,634,578) | (22,049,546) | - | (23,684,124) |
| Net income | 23,887,284 | 14,836,339 | 45,000 | 38,768,623 |
| Operating overheads | (44,093,174) | (12,682,500) | (756,844) | (57,532,518) |
| Share of results of jointly controlled entity | - | - | - | 1,212,791 |
| Segmental results / loss before taxation | (20,205,890) | 2,153,839 | (711,844) | (17,551,104) |
| Taxation | | | | 4,488,702 |
| Profit for the period | | | | (13,062,402) |

Nine Months Ended**30.09.2009**

| | Domestic banking | Investment and International banking | Asset Management | Total |
|---|-------------------------|---|-------------------------|--------------|
| | RM | RM | RM | RM |
| External revenue | 28,326,443 | 23,145,995 | 140,918 | 51,613,356 |
| Inter-segment revenue | 7,181,488 | (7,181,488) | - | - |
| Total revenue | 35,507,931 | 15,964,507 | 140,918 | 51,613,356 |
| Depositors' payout | (1,338,552) | (16,022,426) | - | (17,360,978) |
| Net income | 34,169,379 | (57,919) | 140,918 | 34,252,378 |
| Operating overheads | (26,280,064) | (3,017,586) | (540,531) | (29,838,181) |
| Share of results of jointly controlled entity | - | - | - | (3,467) |
| Segmental results / loss before taxation | 7,889,315 | (3,075,505) | (399,613) | 4,410,730 |
| Taxation | | | | (1,232,849) |
| Profit for the period | | | | 3,177,881 |

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

-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****3rd Quarter Ended****30.09.2010**

| | Domestic banking | Investment and International banking | Asset Management | Total |
|--|-------------------------|---|-------------------------|--------------|
| | RM | RM | RM | RM |
| External revenue | 10,793,079 | 10,754,552 | - | 21,547,631 |
| Inter-segment revenue | (3,295,320) | 3,295,320 | - | - |
| Total revenue | 7,497,759 | 14,049,872 | - | 21,547,631 |
| Depositors' payout | (600,055) | (8,337,748) | - | (8,937,803) |
| Net income | 6,897,704 | 5,712,124 | - | 12,609,828 |
| Operating overheads | (15,426,902) | (5,055,058) | (231,573) | (20,713,533) |
| Segmental results / loss before taxation | (8,529,198) | 657,066 | (231,573) | (8,103,705) |
| Taxation | | | | 1,912,377 |
| Profit for the quarter | | | | (6,191,328) |

3rd Quarter Ended**30.09.2009**

| | Domestic banking | Investment and International banking | Asset Management | Total |
|--|-------------------------|---|-------------------------|--------------|
| | RM | RM | RM | RM |
| External revenue | 13,399,960 | 6,570,745 | 105,768 | 20,076,473 |
| Inter-segment revenue | 11,104,544 | (11,104,544) | - | - |
| Total revenue | 24,504,504 | (4,533,799) | 105,768 | 20,076,473 |
| Depositors' payout | (409,965) | (4,688,744) | - | (5,098,709) |
| Net income | 24,094,539 | (9,222,543) | 105,768 | 14,977,764 |
| Operating overheads | (15,487,947) | 5,164,986 | (244,206) | (10,567,167) |
| Segmental results / loss before taxation | (8,606,592) | (4,057,557) | (138,438) | 4,410,597 |
| Taxation | | | | (1,265,929) |
| Profit for the quarter | | | | 3,144,668 |

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

-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****30.09.2010**

| | Domestic banking | Investment and International banking | Asset Management | Total |
|--|-------------------------|---|-------------------------|--------------|
| | RM | RM | RM | RM |
| External revenue | 34,758,572 | 27,649,175 | 45,000 | 62,452,747 |
| Inter-segment revenue | (9,236,710) | 9,236,710 | - | - |
| Total revenue | 25,521,862 | 36,885,885 | 45,000 | 62,452,748 |
| Depositors' payout | (1,634,578) | (22,049,546) | - | (23,684,124) |
| Net income | 23,887,284 | 14,836,339 | 45,000 | 38,768,624 |
| Operating overheads | (44,093,174) | (12,682,500) | (756,844) | (57,532,518) |
| Segmental results / loss before taxation | (20,205,890) | 2,153,839 | (711,844) | (18,763,895) |
| Taxation | | | | 4,488,702 |
| Profit for the period | | | | (14,275,193) |

Nine Months Ended**30.09.2009**

| | Domestic banking | Investment and International banking | Asset Management | Total |
|--|-------------------------|---|-------------------------|--------------|
| | RM | RM | RM | RM |
| External revenue | 28,326,443 | 23,145,995 | 140,918 | 51,613,356 |
| Inter-segment revenue | 7,181,488 | (7,181,488) | - | - |
| Total revenue | 35,507,931 | 15,964,507 | 140,918 | 51,613,356 |
| Depositors' payout | (1,338,552) | (16,022,426) | - | (17,360,978) |
| Net income | 34,169,379 | (57,919) | 140,918 | 34,252,378 |
| Operating overheads | (26,280,064) | (3,017,586) | (540,531) | (29,838,181) |
| Segmental results / loss before taxation | 7,889,315 | (3,075,505) | (399,613) | 4,414,197 |
| Taxation | | | | (1,232,849) |
| Profit for the period | | | | 3,181,348 |

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

-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****30.09.2010**

| | Domestic banking | Investment and International banking | Asset Management | Total |
|---------------------|-------------------------|---|-------------------------|----------------------|
| | RM | RM | RM | RM |
| Segment assets | 710,156,462 | 1,326,466,428 | 15,003,959 | 2,051,626,849 |
| Deferred tax assets | 3,615,182 | 6,752,620 | 75,391 | 10,443,193 |
| Total assets | <u>713,771,644</u> | <u>1,333,219,048</u> | <u>15,079,350</u> | <u>2,062,070,042</u> |

Economic Entity**31.12.2009**

| | Domestic banking | Investment and International banking | Asset Management | Total |
|---------------------|-------------------------|---|-------------------------|----------------------|
| | RM | RM | RM | RM |
| Segment assets | 681,826,741 | 1,369,482,000 | 16,392,054 | 2,067,700,795 |
| Deferred tax assets | 2,121,535 | 4,258,339 | 54,137 | 6,434,011 |
| Total assets | <u>683,948,276</u> | <u>1,373,740,339</u> | <u>16,446,191</u> | <u>2,074,134,806</u> |

Bank**30.09.2010**

| | Domestic banking | Investment and International banking | Asset Management | Total |
|---------------------|-------------------------|---|-------------------------|----------------------|
| | RM | RM | RM | RM |
| Segment assets | 710,156,462 | 1,326,466,428 | 14,809,623 | 2,051,432,513 |
| Deferred tax assets | 3,615,182 | 6,752,620 | 75,391 | 10,443,193 |
| Total assets | <u>713,771,644</u> | <u>1,333,219,048</u> | <u>14,885,014</u> | <u>2,061,875,706</u> |

Bank**31.12.2009**

| | Domestic banking | Investment and International banking | Asset Management | Total |
|---------------------|-------------------------|---|-------------------------|----------------------|
| | RM | RM | RM | RM |
| Segment assets | 681,826,741 | 1,369,482,000 | 17,410,509 | 2,068,719,250 |
| Deferred tax assets | 2,121,535 | 4,258,339 | 54,137 | 6,434,011 |
| Total assets | <u>683,948,276</u> | <u>1,373,740,339</u> | <u>17,464,646</u> | <u>2,075,153,261</u> |