

Company No.

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ASIAN FINANCE BANK BERHAD

INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2010

	Note	<u>Economic Entity</u>		<u>Bank</u>	
		<u>31.03.2010</u>	<u>31.12.2009</u>	<u>31.03.2010</u>	<u>31.12.2009</u>
		RM	RM	RM	RM
ASSETS					
Cash and short-term funds	2	755,749,741	1,228,697,029	755,749,741	1,228,697,029
Deposits & placements with bank and other financial institutions	3	30,000,000	-	30,000,000	-
Securities held-for-trading	4	10,197,955	17,547,511	10,197,955	17,547,511
Securities available-for-sale	5	46,300,095	36,974,449	46,300,095	36,974,449
Securities held-to-maturity	6	71,029,622	67,917,233	71,029,622	67,917,233
Financing and advances	7	672,769,448	673,649,925	672,769,448	673,649,925
Other assets	8	11,958,984	6,182,821	11,958,984	6,182,821
Statutory deposits with Bank Negara Malaysia		4,113,715	4,413,715	4,113,715	4,413,715
Investment in jointly controlled entity	9	14,881,742	15,203,800	15,453,725	16,222,255
Advances to jointly controlled entity	9	503,035	1,000,646	503,035	1,000,646
Deferred tax assets		6,004,283	6,434,011	6,004,283	6,434,011
Property and equipment		5,114,296	5,421,635	5,114,296	5,421,635
Intangible assets		9,829,443	10,692,031	9,829,443	10,692,031
TOTAL ASSETS		1,638,452,359	2,074,134,806	1,639,024,342	2,075,153,261
LIABILITIES					
Deposits from customers	10	1,008,825,675	1,079,259,658	1,008,825,675	1,079,259,658
Deposits and placements of banks and other financial institutions	11	288,242,529	651,329,542	288,242,529	651,329,542
Other liabilities	12	12,242,473	16,180,066	12,242,473	16,180,066
		1,309,310,677	1,746,769,266	1,309,310,677	1,746,769,266
EQUITY					
Ordinary share capital		355,020,010	355,020,010	355,020,010	355,020,010
Reserves		(25,878,328)	(27,654,470)	(25,306,345)	(26,636,015)
Total Equity		329,141,682	327,365,540	329,713,665	328,383,995
TOTAL LIABILITIES AND EQUITY		1,638,452,359	2,074,134,806	1,639,024,342	2,075,153,261
COMMITMENTS AND CONTINGENCIES					
	20	526,987,986	523,340,358	526,987,986	523,340,358
Capital Ratios					
Core capital ratio	22	36.44%	36.55%	36.52%	36.60%
Risk-weighted capital ratio	22	37.60%	37.71%	37.68%	37.76%

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UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2010

	Note	<u>Economic Entity</u>		<u>Bank</u>	
		<u>1st Quarter Ended 31.03.2010</u> RM	<u>1st Quarter Ended 31.03.2009</u> RM	<u>1st Quarter Ended 31.03.2010</u> RM	<u>1st Quarter Ended 31.03.2009</u> RM
Income derived from investment of depositors' funds	13	12,688,189	8,553,538	12,688,189	8,553,538
Income derived from investment of shareholders' funds	14	8,102,226	5,009,517	8,102,226	5,009,517
Allowances for losses on financing and advances	15	(2,120,687)	(613,000)	(2,120,687)	(613,000)
Profit Equalisation Reserve		(113,000)	-	(113,000)	-
Total distributable income		18,556,728	12,950,055	18,556,728	12,950,055
Income attributable to depositors	16	(6,795,605)	(6,780,831)	(6,795,605)	(6,780,831)
Total net income		11,761,123	6,169,224	11,761,123	6,169,224
Personnel expenses	17	(6,216,750)	(4,377,848)	(6,216,750)	(4,377,848)
Other overheads and expenditures	18	(4,406,970)	(4,359,103)	(4,406,970)	(4,359,103)
Share of profit / (loss) after tax of jointly controlled entity		446,472	(3,467)	-	-
Profit / (loss) before taxation		1,583,875	(2,571,194)	1,137,403	(2,567,727)
Taxation		(274,229)	270,145	(274,229)	270,145
Profit / (loss) for the period		1,309,646	(2,301,049)	863,174	(2,297,582)
Profit / (loss) attributable to :					
Owners of the parent		1,309,646	(2,301,049)	863,174	(2,297,582)
Minority interest		-	-	-	-
		1,309,646	(2,301,049)	863,174	(2,297,582)
Earnings per shares (sen)					
Basic and diluted		1	(3)	1	(3)
Profit/(Loss) for the period		1,309,646	(2,301,049)	863,174	(2,297,582)
Other comprehensive income :					
Exchange difference on translating foreign operations					
Availabe-for-sale financial assets		466,496	192,965	466,496	192,965
Other comprehensive income for the period, net of tax	19	466,496	192,965	466,496	192,965
Total Comprehensive Income For The Period		1,776,142	(2,108,084)	1,329,670	(2,104,617)
Total comprehensive income attributable to:					
Owners of the parent		1,776,142	(2,108,084)	1,329,670	(2,104,617)
Minority interest		-	-	-	-
		1,776,142	(2,108,084)	1,329,670	(2,104,617)

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UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2010

<u>Economic entity</u>	Share Capital RM	Accumulated Losses RM	AFS Reserve RM	Total RM
<u>31.03.2010</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	-	-	621,995	621,995
Deferred taxation	-	-	(155,499)	(155,499)
Net profit for the period	-	1,309,646	-	1,309,646
Balance as at 31.03.2010	355,020,010	(21,165,553)	(4,712,775)	329,141,682

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	355,020,010	(22,475,199)	(5,179,271)	327,365,540

Bank

	Share Capital RM	Accumulated Losses RM	AFS Reserve RM	Total RM
<u>31.03.2010</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	-	-	621,995	621,995
Deferred taxation	-	-	(155,499)	(155,499)
Net profit for the period	-	863,174	-	863,174
Balance as at 31.03.2010	355,020,010	(20,593,570)	(4,712,775)	329,713,665

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	355,020,010	(21,456,744)	(5,179,271)	328,383,995

ASIAN FINANCE BANK BERHAD
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INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED 31 MARCH 2010

	<u>Economic Entity</u>		<u>Bank</u>	
Note	<u>31.03.2010</u> RM	<u>31.12.2009</u> RM	<u>31.03.2010</u> RM	<u>31.12.2009</u> RM
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before taxation for the period / financial year	1,583,875	3,194,842	1,137,403	4,209,830
Adjustments for:				
Depreciation of property and equipment	499,024	1,645,857	499,024	1,645,857
Amortisation of intangible assets	869,588	2,986,866	869,588	2,986,866
Unrealised loss/(gain) from revaluation of securities held-for-trading	349,556	(355,563)	349,556	(355,563)
Accretion of discount less amortisation of premium	(946,056)	(482,326)	(946,056)	(482,326)
Share of (profit) / loss in jointly controlled entity	(446,472)	1,014,988	-	-
Allowance for losses on financing and advances	2,120,687	2,870,951	2,120,687	2,870,951
Profit equalisation reserve	113,000	-	113,000	-
Operating profit before working capital changes	<u>4,143,202</u>	<u>10,875,615</u>	<u>4,143,202</u>	<u>10,875,615</u>
Decrease/(increase) in operating assets:				
Deposits and placements with financial institutions	(30,000,000)	-	(30,000,000)	-
Financing and advances	(1,240,211)	(426,191,808)	(1,240,211)	(426,191,808)
Other assets	(5,776,163)	35,895,036	(5,776,163)	35,895,036
Statutory deposit with Bank Negara Malaysia	300,000	(4,413,715)	300,000	(4,413,715)
Increase/(decrease) in operating liabilities:				
Deposits from customers	(70,433,983)	111,152,622	(70,433,983)	111,152,622
Deposits and placements of banks and other financial institutions	(363,087,012)	126,689,387	(363,087,012)	126,689,387
Other liabilities	(4,050,593)	8,342,597	(4,050,593)	8,342,597
Net cash used in operating activities	<u>(470,144,760)</u>	<u>(137,650,266)</u>	<u>(470,144,760)</u>	<u>(137,650,266)</u>
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property and equipment and intangible assets	(198,685)	(3,835,298)	(198,685)	(3,835,298)
Sale / (Purchase) of securities held-for-trading	7,000,000	(17,547,511)	7,000,000	(17,547,511)
Sale / (Purchase) of securities available-for-sale	(8,398,077)	-	(8,398,077)	-
Sale / (Purchase) of securities held-to-maturity	(2,471,907)	(26,555,265)	(2,471,907)	(26,555,265)
Investment in Jointly controlled entity	768,530	(16,218,831)	768,530	(16,218,831)
Advance to jointly controlled entity	497,611	(192,927)	497,611	(192,927)
Net cash used in investing activities	<u>(2,802,528)</u>	<u>(64,349,832)</u>	<u>(2,802,528)</u>	<u>(64,349,832)</u>
ANALYSIS OF CASH AND CASH EQUIVALENT				
Net (decrease) / increase in cash and cash equivalents	(472,947,288)	(202,000,098)	(472,947,288)	(202,000,098)
Cash and cash equivalent at beginning of period / financial year	<u>1,228,697,029</u>	<u>1,430,697,127</u>	<u>1,228,697,029</u>	<u>1,430,697,127</u>
Cash and cash equivalent at end of period / financial Year	2 <u>755,749,741</u>	<u>1,228,697,029</u>	<u>755,749,741</u>	<u>1,228,697,029</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR QUARTER ENDED 31 MARCH 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 profit before zakat and tax of RM1.58m and RM1.14m respectively for the three months period ended 31 March 2010.

The Economic Entity and the Bank's gross financing and advances stood at RM687.69m whilst total Deposit at RM1,297.07m.

b) Prospect for 2010

Outlook for Malaysia is positive with the economy recovering gradually from the fourth quarter 2009 onwards and expected to continue in 2010 albeit fragile and uneven. GDP growth of around 4.5% to 5.5% is forecasted for 2010. OPR is expected to be increased further to reach 2.75% at the year end, while the Banking sector remains sound and resilient.

The Bank is also actively 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 poised to face the challenges ahead in 2010 to chart further growth in its funded assets and hence contribute to its bottom line through its entrepreneurial banking approach.

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

	<u>31.03.2010</u>	<u>31.12.2009</u>
	RM	RM
Cash and balances with banks and other financial institutions	16,816,965	5,565,964
Money at call and deposit placements maturing within one month	738,932,776	1,223,131,065
	<u>755,749,741</u>	<u>1,228,697,029</u>

3. DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	<u>31.03.2010</u>	<u>31.12.2009</u>
	RM	RM
Licensed Islamic Banks	30,000,000	-

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	<u>Economic Entity and Bank</u>	
	<u>31.03.2010</u>	<u>31.12.2009</u>
	RM	RM
4. SECURITIES HELD-FOR-TRADING		
<u>At fair value</u>		
<u>Quoted securities in Malaysia</u>		
Islamic commercial paper	-	6,785,280
<u>Quoted securities outside Malaysia</u>		
Islamic private debt securities	10,197,955	10,762,231
	10,197,955	17,547,511
5. SECURITIES AVAILABLE-FOR-SALE		
<u>At fair value</u>		
<u>Quoted securities in Malaysia</u>		
Islamic private debt securities	20,101,500	20,020,612
Islamic Medium Term Notes	9,978,300	-
<u>Quoted securities outside Malaysia</u>		
Foreign corporate debt securities held	16,220,295	16,953,837
	46,300,095	36,974,449
6. SECURITIES HELD-TO-MATURITY		
	<u>31.03.2010</u>	<u>31.12.2009</u>
	RM	RM
Bank Negara Malaysia Sukuk Ijarah	15,000,000	10,003,736
<u>Quoted securities outside Malaysia</u>		
Foreign corporate debt securities held	26,897,001	27,306,047
<u>Quoted securities in and outside Malaysia</u>		
Foreign corporate debt securities held	29,132,621	30,607,450
	71,029,622	67,917,233

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	<u>Economic Entity and Bank</u>	
	<u>31.03.2010</u>	<u>31.12.2009</u>
	RM	RM
7. FINANCING AND ADVANCES		
(i) By type		
Term financing		
- house financing	31,818,349	30,900,537
- syndicated term financing	101,352,466	105,689,255
- hire purchase receivables	45,248	47,804
- other term financing	486,738,140	549,114,626
Trusts receipts	116,301,233	94,702,042
Staff financing	1,125,696	1,189,564
Others	43,258,307	28,651,401
	<u>780,639,439</u>	<u>810,295,229</u>
Less: Unearned income	(92,952,510)	(123,848,511)
Gross financing and advances	<u>687,686,929</u>	<u>686,446,718</u>
Less : Allowance for impaired advances and financing:		
- collective assessment allowance	(10,335,393)	-
- individual assessment allowance	(4,582,088)	-
- general allowance	-	(10,335,393)
- specific allowance	-	(2,461,400)
Net financing and advances	<u>672,769,448</u>	<u>673,649,925</u>
(ii) By type of customer		
Domestic non-bank financial institution		
- Others	50,337,037	51,995,829
Domestic business enterprises		
- Small medium enterprise	30,263,710	25,984,063
- Government	13,821,055	4,162,553
- Others	500,480,610	509,468,584
Government and statutory bodies		
Individuals	9,146,659	12,372,754
Other domestic entities		
Foreign entities	83,637,858	82,462,935
	<u>687,686,929</u>	<u>686,446,718</u>
(iii) Financing and advances analysed by contract are as follows:		
Tawarruq	345,737,172	382,043,181
Murabahah	166,075,610	120,563,276
Ijarah	54,779,312	60,802,480
Istisna	120,896,330	122,787,324
Qardhul Hassan	198,505	250,457
	<u>687,686,929</u>	<u>686,446,718</u>

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

	<u>Economic Entity and Bank</u>	
	<u>31.03.2010</u>	<u>31.12.2009</u>
	RM	RM
7. FINANCING AND ADVANCES (CONTINUED)		
(iv) By profit rate sensitivity		
Fixed rate		
- Other fixed rate financing	104,684,772	133,384,078
Variable rate		
- Others	582,803,652	552,812,183
Non-profit sensitive		
- Others	198,505	250,457
	<u>687,686,929</u>	<u>686,446,718</u>
(v) By residual contractual maturity		
Maturity within one year	417,938,756	407,144,619
More than one year to three years	41,642,486	20,375,098
More than three years to five years	29,771,351	23,602,859
More than five years	198,334,336	235,324,142
	<u>687,686,929</u>	<u>686,446,718</u>
(vi) By purpose		
Purchase of landed property:		
- Residential	48,823,159	50,400,949
- Non-Residential	78,565,111	82,537,324
Working Capital	486,021,235	479,219,148
Personal Use	868,516	960,366
Purchase of transport vehicles	68,826,820	71,326,610
Others	4,582,088	2,002,321
	<u>687,686,929</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	10,335,393	-
Allowance made during the year	-	-
Balance carried forward	10,335,393	-

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	<u>Economic Entity and Bank</u>	
	<u>31.03.2010</u>	<u>31.12.2009</u>
	RM	RM
7. FINANCING AND ADVANCES (CONTINUED)		
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	2,120,688	-
Balance carried forward	4,582,088	-
<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 financing and advances		
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	2,579,767	-
	4,582,088	2,002,321
Ratio of gross impaired advances and financing to gross advances and financing	0.67%	0.29%
(ix) Non-performing financing by purpose		
Others	4,582,088	2,002,321
(x) Non-performing financing by sector		
Manufacturing	1,044,564	-
Wholesale & retail trade and restaurants & hotels	3,537,524	2,002,321
	4,582,088	2,002,321

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

8. OTHER ASSETS	<u>Economic Entity and Bank</u>	
	<u>31.03.2010</u> RM	<u>31.12.2009</u> RM
Income receivable from placements and securities	1,635,722	2,334,296
Other debtors, deposits and prepayments	10,323,262	3,848,525
	<u>11,958,984</u>	<u>6,182,821</u>

9. INVESTMENT IN JOINTLY CONTROLLED ENTITY

	<u>Economic Entity</u>		<u>Bank</u>	
	<u>31.03.2010</u> RM	<u>31.12.2009</u> RM	<u>31.03.2010</u> RM	<u>31.12.2009</u> RM
Management share (USD 1.00 per share)	3,262	3,424	3,262	3,424
Participating share (USD 4,737,500)	15,450,463	16,218,831	15,450,463	16,218,831
Less: Share of loss	(571,983)	(1,018,455)	-	-
	<u>14,881,742</u>	<u>15,203,800</u>	<u>15,453,725</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	<u>Economic Entity and Bank</u>	
	<u>31.03.2010</u> RM	<u>31.12.2009</u> RM
(i) By type of deposit:		
<u>Non-Mudharabah Funds:</u>		
Demand deposits	43,405,516	45,575,906
Savings deposits	944,521	433,466
	<u>44,350,037</u>	<u>46,009,372</u>
<u>Mudharabah Funds:</u>		
Savings deposits	393,994	967,425
General investment deposits	134,869,968	120,267,774
Special investment deposits	829,211,676	912,015,087
	<u>964,475,638</u>	<u>1,033,250,286</u>
	<u>1,008,825,675</u>	<u>1,079,259,658</u>
(ii) The deposits are sourced from the following classes of customers:		
Business enterprises	975,429,076	1,045,585,842
Individuals	33,396,599	33,673,816
	<u>1,008,825,675</u>	<u>1,079,259,658</u>

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

	<u>Economic Entity and Bank</u>	
11. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS	<u>31.03.2010</u>	<u>31.12.2009</u>
	RM	RM
<u>Non-Mudharabah Funds:</u>		
Licensed Islamic banks	117,308,309	206,768,020
Other financial institutions	91,940,832	226,825,520
	209,249,141	433,593,540
<u>Mudharabah Fund:</u>		
Licensed Islamic banks	28,000,000	-
Other financial institutions	50,993,388	217,736,002
	78,993,388	217,736,002
	288,242,529	651,329,542
12. OTHER LIABILITIES	<u>31.03.2010</u>	<u>31.12.2009</u>
	RM	RM
Income payable	6,245,037	4,729,277
Sundry creditors	2,894,697	8,564,664
Other provisions and accruals	2,989,739	2,886,125
Profit equalisation reserve	113,000	-
	12,242,473	16,180,066
13. INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS	<u>31.03.2010</u>	<u>31.03.2009</u>
	RM	RM
Income derived from investment of:		
(i) General investment deposit	1,238,163	467,756
(ii) Other deposits	11,450,026	8,085,782
	12,688,189	8,553,538
(i) Income derived from investment of general investment deposits		
<u>Finance income and hibah:</u>		
Financing and advances	815,829	170,759
Securities available-for-sale	34,975	12,409
Securities held-to-maturity	45,786	5,646
Money at call and deposits with financial institutions	331,703	273,733
	1,228,293	462,547
Accretion of discount less amortisation of premium	9,870	5,209
	1,238,163	467,756
(ii) Income derived from investment of other deposits		
<u>Finance income and hibah:</u>		
Financing and advances	7,544,457	2,951,801
Securities available-for-sale	323,438	214,500
Securities held-to-maturity	423,407	97,601
Money at call and deposit with financial institutions	3,067,450	4,731,844
	11,358,752	7,995,746
Accretion of discount less amortisation of premium	91,274	90,036
	11,450,026	8,085,782

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	<u>Economic Entity and Bank</u>	
	<u>31.03.2010</u>	<u>31.03.2009</u>
	RM	RM
14. INCOME DERIVED FROM INVESTMENT OF SHAREHOLDERS' FUNDS		
<u>Finance income and hibah</u>		
Financing and advances	2,136,551	938,318
Securities available-for-sale	91,596	68,185
Securities held-to-maturity	119,907	31,025
Money at call and deposits with financial institutions	868,685	1,504,158
	3,216,739	2,541,686
Accretion of discount less amortisation of premium	25,848	28,621
Total finance income and hibah	3,242,587	2,570,307
Other operating income (note a - c)	4,859,639	2,439,210
	8,102,226	5,009,517
a) Fee and other income:		
Commission	835,576	563,593
Fees and other income	3,897,724	1,875,617
	4,733,300	2,439,210
b) Unrealised gain / (loss) on revaluation of:		
Securities held-for-trading	73,594	-
	73,594	-
c) Gross dividend income from:		
Securities held-for-trading	52,745	-
	52,745	-
Total other operating income	4,859,639	2,439,210
15. ALLOWANCES FOR LOSSES ON FINANCING AND ADVANCES		
	<u>31.03.2010</u>	<u>31.03.2009</u>
	RM	RM
Allowances for impaired advances and financing		
Collective assessment allowance	-	-
Individual assessment allowance	2,120,687	-
General allowance	-	613,000
Specific allowance	-	-
Total allowances	2,120,687	613,000
16. INCOME ATTRIBUTABLE TO DEPOSITORS		
	<u>31.03.2010</u>	<u>31.03.2009</u>
	RM	RM
Deposits from customers:		
- Mudharabah funds	5,000,909	5,237,902
- Non-mudharabah funds	-	-
	5,000,909	5,237,902
Deposits and placements of banks and other financial institutions:		
- Mudharabah funds	274,564	780,458
- Non-mudharabah funds	1,520,132	762,471
	1,794,696	1,542,929
	6,795,605	6,780,831

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17. PERSONNEL EXPENSES	<u>Economic Entity and Bank</u>	
	<u>31.03.2010</u> RM	<u>31.03.2009</u> RM
Salaries, allowances and bonuses	5,263,501	3,698,993
Contributions to Employee Provident Fund and SOCSO	713,536	424,886
Medical related expenses	44,769	110,209
Travelling and parking	19,973	10,921
Other staff related cost	174,971	132,839
	6,216,750	4,377,848
18. OTHER OVERHEADS AND EXPENDITURES	<u>31.03.2010</u> RM	<u>31.03.2009</u> RM
<u>Establishment expenses</u>		
- Depreciation	499,024	399,715
- Amortisation of intangible assets	869,588	716,135
- Rental of premises	478,398	370,782
- Software and hardware maintenance	812,487	852,147
- Rental of equipment and network line	161,369	108,956
- Security expenses	72,511	50,981
- Others	444,468	356,708
	3,337,845	2,855,424
<u>Marketing expenses</u>		
- Advertising and promotional activities	115,228	386,851
- Entertainment expenses	43,188	611
- Travelling expenses	93,286	101,074
- Others	-	6,980
	251,702	495,516
<u>Administration and general expenses</u>		
- License and association fees and levies	93,882	108,151
- Travelling, transport and accomodation expenses	27,570	67,794
- Printing, stationery, postage and clearing charges	117,092	91,754
- Telecommunication charges	138,755	190,693
- Shariah Committee remunerations	73,500	36,750
- Electricity and water	62,179	87,023
- Directors related fees	170,339	198,257
- Other professional fees	39,458	13,963
- Auditors remuneration	56,500	50,450
- Donations	-	12,000
- Others	38,148	151,328
	817,423	1,008,163
	4,406,970	4,359,103

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19. OTHER COMPREHENSIVE INCOME

	<u>Economic Entity</u>		<u>Bank</u>	
	1st Quarter Ended 31.03.2010 RM	1st Quarter Ended 31.03.2009 RM	1st Quarter Ended 31.03.2010 RM	1st Quarter Ended 31.03.2009 RM
Other comprehensive income :				
Exchange difference on translating foreign operations	-	-	-	-
Available-for-sale financial assets :				
Gains (losses) arising during the period	466,496	192,965	466,496	192,965
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	466,496	192,965	466,496	192,965
Income tax relating to components of other comprehensive income	-	-	-	-
Other comprehensive income for the period	466,496	192,965	466,496	192,965

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20. COMMITMENTS AND CONTINGENCIES

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

Risk weighted exposures of the Economic Entity and the Bank are as follows:

	31.03.2010		
	<u>Principal amount</u>	<u>Credit equivalent amount *</u>	<u>Risk weighted amount</u>
	RM	RM	RM
Transaction-related contingent items	108,378,618	54,189,309	54,189,309
Irrevocable commitments to extend credit:	-	-	-
- one year or less	157,785,228	-	-
- over one year to five years	2,397,280	-	-
- over five years	44,872,228	-	-
Foreign exchange related contracts	-	-	-
- one year or less	213,554,632	11,161,845	2,593,707
Total	526,987,986	65,351,154	56,783,016

	31.12.2009		
	<u>Principal amount</u>	<u>Credit equivalent amount *</u>	<u>Risk weighted amount</u>
	RM	RM	RM
Transaction-related contingent items	117,195,513	58,597,757	58,597,757
Irrevocable commitments to extend credit:	-	-	-
- one year or less	155,565,824	-	-
- over one year to five years	2,240,050	-	-
- over five years	43,407,834	-	-
Foreign exchange related contracts	-	-	-
- one year or less	204,931,137	5,364,682	1,452,164
Total	523,340,358	63,962,439	60,049,921

* The credit equivalent amount is arrived at using credit conversion factors as per Bank Negara Malaysia's guidelines.

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21. PROFIT RATE RISK

<u>Economic entity</u> <u>31.03.2010</u>	-----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	%	
<u>Assets</u>										
Cash and short term funds	738,932,776	-	10,000,000	-	-	6,816,965	-	755,749,741	2.06	
Deposits and placements with financial institutions	30,000,000	-	-	-	-	-	-	30,000,000	2.45	
Securities held-for-trading	-	-	-	-	-	-	10,197,955	10,197,955	-	
Securities available-for-sale	-	-	-	30,079,800	16,220,295	-	-	46,300,095	4.39	
Securities held-to-maturity	-	-	-	71,029,622	-	-	-	71,029,622	3.14	
Financing and advances										
- performing	98,355,082	231,153,449	83,848,137	71,413,837	198,334,336	(14,917,481)	-	668,187,360	6.24	
- non performing	-	-	-	-	-	4,582,088	-	4,582,088	-	
Other assets	-	-	-	-	-	11,958,984	-	11,958,984	-	
Statutory deposits	-	-	-	-	-	4,113,715	-	4,113,715	-	
Investment in jointly controlled entity	-	-	-	-	14,881,742	-	-	14,881,742	-	
Advances to jointly controlled entity	-	-	-	-	503,035	-	-	503,035	-	
Deferred taxation assets	-	-	-	-	-	6,004,283	-	6,004,283	-	
Property, plant and equipment	-	-	-	-	-	5,114,296	-	5,114,296	-	
Intangible assets	-	-	-	-	-	9,829,443	-	9,829,443	-	
Total assets	867,287,858	231,153,449	93,848,137	172,523,259	229,939,408	33,502,293	10,197,955	1,638,452,359		

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21. PROFIT RATE RISK (CONTINUED)

Economic entity 31.03.2010	<-----Non-trading book----->								Effective profit rate %
	Up to 1 months RM	1-3 months RM	3-12 months RM	1-5 years RM	Over 5 years RM	Non-profit sensitive RM	Trading book RM	Total RM	
Liabilities									
Deposits from customers	348,154,711	547,249,096	113,338,045	83,823	-	-	-	1,008,825,675	2.10
Deposits and placements of banks and other financial institutions	247,384,966	40,357,563	500,000	-	-	-	-	288,242,529	2.05
Other liabilities	-	-	-	-	-	12,242,473	-	12,242,473	-
Total liabilities	595,539,677	587,606,659	113,838,045	83,823	-	12,242,473	-	1,309,310,677	
Total shareholders equity	-	-	-	-	329,141,682	-	-	329,141,682	
	595,539,677	587,606,659	113,838,045	83,823	329,141,682	12,242,473	-	1,638,452,359	
Total profit-sensitivity gap	271,748,181	(356,453,210)	(19,989,908)	172,439,436	(99,202,274)	21,259,820	10,197,955	-	

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21. PROFIT RATE RISK (CONTINUED)

Economic entity 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	RM	RM	RM	RM	RM	RM	RM	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		

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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	%
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	-	-	-	-	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	-	

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21. PROFIT RATE RISK (CONTINUED)

<u>Bank</u> <u>31.03.2010</u>	<-----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	%
Assets										
Cash and short term funds	738,932,776	-	10,000,000	-	-	6,816,965	-	755,749,741	2.06	
Deposits and placements with financial institutions	30,000,000	-	-	-	-	-	-	30,000,000	2.45	
Securities held-for-trading	-	-	-	-	-	-	10,197,955	10,197,955	-	
Securities available-for-sale	-	-	-	30,079,800	16,220,295	-	-	46,300,095	4.39	
Securities held-to-maturity	-	-	-	71,029,622	-	-	-	71,029,622	3.14	
Financing and advances										
- performing	98,355,082	231,153,449	83,848,137	71,413,837	198,334,336	(14,917,481)	-	668,187,360	6.24	
- non performing	-	-	-	-	-	4,582,088	-	4,582,088	-	
Other assets	-	-	-	-	-	11,958,984	-	11,958,984	-	
Statutory deposits	-	-	-	-	-	4,113,715	-	4,113,715	-	
Investment in jointly controlled entity	-	-	-	-	15,453,725	-	-	15,453,725	-	
Advances to jointly controlled entity	-	-	-	-	503,035	-	-	503,035	-	
Deferred taxation assets	-	-	-	-	-	6,004,283	-	6,004,283	-	
Property, plant and equipment	-	-	-	-	-	5,114,296	-	5,114,296	-	
Intangible assets	-	-	-	-	-	9,829,443	-	9,829,443	-	
Total assets	867,287,858	231,153,449	93,848,137	172,523,259	230,511,391	33,502,293	10,197,955	1,639,024,342		

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21. PROFIT RATE RISK (CONTINUED)

Bank 31.03.2010	<-----Non-trading book----->								Effective profit rate
	Up to 1 months	1-3 months	3-12 months	1-5 years	Over 5 years	Non-profit sensitive	Trading book	Total	
	RM	RM	RM	RM	RM	RM	RM	RM	%
Liabilities									
Deposits from customers	348,154,711	547,249,096	113,338,045	83,823	-	-	-	1,008,825,675	2.10
Deposits and placements of banks and other financial institutions	247,384,966	40,357,563	500,000	-	-	-	-	288,242,529	2.05
Other liabilities	-	-	-	-	-	12,242,473	-	12,242,473	-
Total liabilities	595,539,677	587,606,659	113,838,045	83,823	-	12,242,473	-	1,309,310,677	
Total shareholders equity	-	-	-	-	329,713,665	-	-	329,713,665	
	595,539,677	587,606,659	113,838,045	83,823	329,713,665	12,242,473	-	1,639,024,342	
Total profit-sensitivity gap	271,748,181	(356,453,210)	(19,989,908)	172,439,436	(99,202,274)	21,259,820	10,197,955	-	

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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		

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

21. PROFIT RATE RISK (CONTINUED)

<u>Bank</u> 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	-	-	-	-	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	-	

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22. CAPITAL ADEQUACY

	<u>Economic Entity</u>	<u>Economic Entity</u>
	<u>31.03.2010</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	(22,475,199)	(22,475,199)
	332,544,811	332,544,811
Less :		
Deferred tax assets	(6,434,011)	(6,434,011)
Total Tier I capital	326,110,800	326,110,800
<u>Tier II Capital</u>		
Collective impairment for bad and doubtful financing	10,335,393	10,335,393
Total Tier II capital	10,335,393	10,335,393
Total capital base	336,446,193	336,446,193
<u>Capital ratios</u>		
Inclusive of market risk :		
Core capital ratio (inclusive of market risk)	36.44%	36.55%
Risk-weighted capital ratio (inclusive of market risk)	37.60%	37.71%

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

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22. CAPITAL ADEQUACY (CONTINUED)

<u>Economic Entity</u>						
<u>31.03.2010</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
<u>Credit Risk</u>						
<i>On-Balance Sheet Exposures</i>						
Sovereigns & Central Banks	15,000	15,000	-	-	-	-
Banks, MDBs and FDIs	50,337	50,337	10,067	-	10,067	805
Corporates	711,256	711,256	602,242	-	602,242	48,179
Regulatory Retail	23,843	23,843	17,882	-	17,882	1,431
Other Assets	25,583	25,583	33,275	-	33,275	2,662
Total for On-Balance Sheet Exposures	826,019	826,019	663,466	-	663,466	53,077
<i>Off-Balance Sheet Exposures</i>						
Off balance sheet exposures other than OTC derivatives or credit derivatives	526,987	65,351	56,784	-	56,784	4,543
Total for Off-Balance Sheet Exposures	526,987	65,351	56,784	-	56,784	4,543
Total On and Off-Balance Sheet Exposures	1,353,006	891,370	720,250	-	720,250	57,620
<u>Market Risk</u>						
	Long Position	Short Position				
Benchmark Rate Risk	-	-	-	-	-	-
Equity Position Risk	10,831	-	10,831	10,831	10,831	866
Foreign Currency Risk	1,875	116,332	114,457	116,332	116,332	9,307
Operational Risk	-	-	-	47,439	47,439	3,795
Total RWA and Capital Requirements	1,365,712	116,332	1,016,658	894,852	894,852	71,588

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22. CAPITAL ADEQUACY (CONTINUED)

Economic Entity

31.03.2010

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

Risk Weights	Sovereigns & Central Banks		Banks, MDBs and FDI's		Insurance Companies, Securities Firms & Fund Managers		Corporates	
	Exposures after Netting & CRM	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%	15,000	-	-	-	-	-	9,960	-
20%	-	-	61,047	12,209	-	-	96,925	19,385
50%	-	-	-	-	-	-	59,248	29,624
75%	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	583,544	583,544
150%	-	-	-	-	-	-	16,220	24,330
Total	15,000	-	61,047	12,209	-	-	765,897	656,883
Defaulted Exposures								
100%	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
Total Performing and Defaulted	15,000	-	61,047	12,209	-	-	765,897	656,883

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%	-	-	-	-	24,960	-
20%	-	-	-	-	157,972	31,594
50%	-	-	-	-	59,248	29,624
75%	23,843	17,882	-	-	23,843	17,882
100%	-	-	10,198	10,198	593,742	593,742
150%	-	-	15,385	23,078	31,605	47,408
Total	23,843	17,882	25,583	33,276	891,370	720,250
Defaulted Exposures						
100%	-	-	-	-	-	-
Total	-	-	-	-	-	-
Total Performing and Defaulted	23,843	17,882	25,583	33,276	891,370	720,250

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

22. 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
Corporates	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	-	656
Equity Position Risk	11,322	-	11,322	11,322	-	11,322
Foreign Currency Risk	49,878	113,683	63,805	113,683	-	113,683
Operational Risk	-	-	-	41,316	-	41,316
Total RWA and Capital Requirements	1,407,405	113,683	962,610	892,244	-	892,244

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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		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%	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

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22. CAPITAL ADEQUACY (CONTINUED)

	<u>Bank</u>	<u>Bank</u>
	<u>31.03.2010</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	(21,456,744)	(21,456,744)
	333,563,266	333,563,266
Less :		
Deferred tax assets	(6,434,011)	(6,434,011)
Total Tier I capital	327,129,255	327,129,255
<u>Tier II Capital</u>		
Collective impairment for bad and doubtful financing	10,335,393	10,335,393
Total Tier II capital	10,335,393	10,335,393
Total capital base	337,464,648	337,464,648
<u>Capital ratios</u>		
Inclusive of market risk :		
Core capital ratio (inclusive of market risk)	36.52%	36.60%
Risk-weighted capital ratio (inclusive of market risk)	37.68%	37.76%

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22. CAPITAL ADEQUACY (CONTINUED)

Bank						
31.03.2010						
<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
Credit Risk						
<i>On-Balance Sheet Exposures</i>						
Sovereigns & Central Banks	15,000	15,000	-	-	-	-
Banks, MDBs and FDIs	50,337	50,337	10,067	-	10,067	805
Corporates	711,256	711,256	602,242	-	602,242	48,179
Regulatory Retail	23,843	23,843	17,882	-	17,882	1,431
Other Assets	26,155	26,155	34,133	-	34,133	2,731
Total for On-Balance Sheet Exposures	826,591	826,591	664,324	-	664,324	53,146
<i>Off-Balance Sheet Exposures</i>						
Off balance sheet exposures other than OTC derivatives or credit derivatives	526,987	65,351	56,784	-	56,784	4,543
Total for Off-Balance Sheet Exposures	526,987	65,351	56,784	-	56,784	4,543
Total On and Off-Balance Sheet Exposures	1,353,578	891,942	721,108	-	721,108	57,689
Market Risk						
	Long Position	Short Position				
Benchmark Rate Risk	-	-	-	-	-	-
Equity Position Risk	10,831	-	10,831	10,831	10,831	866
Foreign Currency Risk	1,875	116,332	114,457	116,332	116,332	9,307
Operational Risk	-	-	-	47,439	47,439	3,795
Total RWA and Capital Requirements	1,366,284	116,332	1,017,230	895,710	895,710	71,657

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22. CAPITAL ADEQUACY (CONTINUED)**Bank****31.03.2010**

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

Risk Weights	Sovereigns & Central Banks		Banks, MDBs and FDIs		Insurance Companies, Securities Firms & Fund Managers		Corporates	
	Exposures after Netting & CRM	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%	15,000	-	-	-	-	-	9,960	-
20%	-	-	61,047	12,209	-	-	96,925	19,385
50%	-	-	-	-	-	-	59,248	29,624
75%	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	583,544	583,544
150%	-	-	-	-	-	-	16,220	24,330
Total	15,000	-	61,047	12,209	-	-	765,897	656,883
Defaulted Exposures								
100%	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
Total Performing and Defaulted	15,000	-	61,047	12,209	-	-	765,897	656,883

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%	-	-	-	-	24,960	-
20%	-	-	-	-	157,972	31,594
50%	-	-	-	-	59,248	29,624
75%	23,843	17,882	-	-	23,843	17,882
100%	-	-	10,198	10,198	593,742	593,742
150%	-	-	15,957	23,936	32,177	48,266
Total	23,843	17,882	26,155	34,134	891,942	721,108
Defaulted Exposures						
100%	-	-	-	-	-	-
Total	-	-	-	-	-	-
Total Performing and Defaulted	23,843	17,882	26,155	34,134	891,942	721,108

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22. CAPITAL ADEQUACY (CONTINUED)

<u>Bank</u> <u>31.12.2009</u>						
<u>Exposure Class</u>	<u>Gross Exposures</u> RM'000	<u>Net Exposures</u> RM'000	<u>Risk Weighted Assets</u> RM'000	<u>Risk Weighted Assets Absorbed by PSIA</u> RM'000	<u>Total Risk Weighted Assets after effects of PSIA</u> RM'000	<u>Capital Requirements</u> RM'000
<u>Credit Risk</u>						
<i>On-Balance Sheet Exposures</i>						
Sovereigns & Central Banks	10,004	10,004	-	-	-	-
Banks, MDBs and FDIs	51,996	51,996	10,399	-	10,399	832
Corporates	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
Equity Position Risk	11,322	-	11,322	11,322	-	11,322
Foreign Currency Risk	49,878	113,683	63,805	113,683	-	113,683
Operational Risk	-	-	-	41,316	-	41,316
Total RWA and Capital Requirements	1,408,424	113,683	963,629	893,772	-	893,772

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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		Corporates	
	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%	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	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset	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

Company No.

716122	P
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ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR QUARTER ENDED 31 MARCH 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

31.03.2010

	Domestic banking RM	Investment and International banking RM	Asset Management RM	Total RM
External revenue	11,202,298	10,328,223	(740,106)	20,790,415
Inter-segment revenue	(3,731,824)	3,731,824	-	-
Total revenue	7,470,474	14,060,047	(740,106)	20,790,415
Depositors' payout	(509,053)	(6,286,552)	-	(6,795,605)
Net income	6,961,421	7,773,495	(740,106)	13,994,810
Operating overheads	(7,681,121)	(5,345,451)	169,165	(12,857,407)
Share of results of jointly controlled entity	-	-	-	446,472
Segmental results / loss before taxation	(719,700)	2,428,044	(570,941)	1,583,875
Taxation				(274,229)
Profit for the period				1,309,646

31.03.2009

	Domestic banking RM	Investment and International banking RM	Asset Management RM	Total RM
External revenue	6,525,146	7,037,909	-	13,563,055
Inter-segment revenue	(1,768,509)	1,768,509	-	-
Total revenue	4,756,637	8,806,418	-	13,563,055
Depositors' payout	(2,208,433)	(4,572,398)	-	(6,780,831)
Net income	2,548,204	4,234,020	-	6,782,224
Operating overheads	(6,053,673)	(2,824,762)	(471,516)	(9,349,951)
Share of results of jointly controlled entity	-	-	-	(3,467)
Segmental results / loss before taxation	(3,505,469)	1,409,258	(471,516)	(2,571,194)
Taxation				270,145
Loss for the financial year				(2,301,049)

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR QUARTER ENDED 31 MARCH 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****31.03.2010**

	Domestic banking RM	Investment and International banking RM	Asset Management RM	Total RM
External revenue	11,202,298	10,328,223	(740,106)	20,790,415
Inter-segment revenue	(3,731,824)	3,731,824	-	-
Total revenue	7,470,474	14,060,047	(740,106)	20,790,415
Depositors' payout	(509,053)	(6,286,552)	-	(6,795,605)
Net income	6,961,421	7,773,495	(740,106)	13,994,810
Operating overheads	(7,681,121)	(5,345,451)	169,165	(12,857,407)
Segmental results / loss before taxation	(719,700)	2,428,044	(570,941)	1,137,403
Taxation				(274,229)
Profit for the period				863,174

31.03.2009

	Domestic banking RM	Investment and International banking RM	Asset Management RM	Total RM
External revenue	6,525,146	7,037,909	-	13,563,055
Inter-segment revenue	(1,768,509)	1,768,509	-	-
Total revenue	4,756,637	8,806,418	-	13,563,055
Depositors' payout	(2,208,433)	(4,572,398)	-	(6,780,831)
Net income	2,548,204	4,234,020	-	6,782,224
Operating overheads	(6,053,673)	(2,824,762)	(471,516)	(9,349,951)
Segmental results / loss before taxation	(3,505,469)	1,409,258	(471,516)	(2,567,727)
Taxation				270,145
Loss for the financial year				(2,297,582)

Company No.

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ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR QUARTER ENDED 31 MARCH 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

31.03.2010

	Domestic banking RM	Investment and International banking RM	Asset Management RM	Total RM
Segment assets	684,621,499	932,174,522	15,652,055	1,632,448,076
Deferred tax assets	2,517,214	3,427,417	59,652	6,004,283
Total assets	<u>687,138,713</u>	<u>935,601,939</u>	<u>15,711,707</u>	<u>1,638,452,359</u>

Economic Entity

31.12.2009

	Domestic banking RM	Investment and International banking RM	Asset Management RM	Total 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

31.03.2010

	Domestic banking RM	Investment and International banking RM	Asset Management RM	Total RM
Segment assets	684,621,499	932,174,522	16,224,038	1,633,020,059
Deferred tax assets	2,517,214	3,427,417	59,652	6,004,283
Total assets	<u>687,138,713</u>	<u>935,601,939</u>	<u>16,283,690</u>	<u>1,639,024,342</u>

Bank

31.12.2009

	Domestic banking RM	Investment and International banking RM	Asset Management RM	Total 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>