



ASIAN FINANCE BANK

بنك التمويل الآسيوي

**Interim Financial Statements
For The Three Months Ended 31 March 2011**



ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS**UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011**

	Note	<u>Economic Entity</u>		<u>Bank</u>	
		<u>31.03.2011</u>	<u>31.12.2010</u>	<u>31.03.2011</u>	<u>31.12.2010</u>
		<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
Assets					
Cash and short-term funds	2	1,048,563,561	1,148,012,825	1,048,563,561	1,148,012,825
Financial investments held-for-trading	3	9,079,200	117,640,973	9,079,200	117,640,973
Financial investments available-for-sale	4	168,885,959	94,372,699	168,885,959	94,372,699
Financial investments-held-to-maturity	5	99,729,463	110,958,004	99,729,463	110,958,004
Financing and advances	6	726,050,201	721,029,028	726,050,201	721,029,028
Other assets	7	10,868,062	16,681,028	10,868,062	16,681,028
Statutory deposits with Bank Negara Malaysia		3,951,715	4,951,715	3,951,715	4,951,715
Investment in jointly controlled entity	8	15,239,060	15,089,958	16,222,255	16,222,255
Advances to jointly controlled entity		-	-	-	-
Deferred tax assets		-	-	-	-
Property, plant and equipment		4,415,324	4,381,280	4,415,324	4,381,280
Intangible assets		7,405,884	8,044,089	7,405,884	8,044,089
Total assets		<u>2,094,188,429</u>	<u>2,241,161,599</u>	<u>2,095,171,624</u>	<u>2,242,293,896</u>
Liabilities					
Deposits from customers	9	1,004,917,799	1,125,717,727	1,004,917,799	1,125,717,727
Deposits and placements of banks and other financial institutions	10	690,754,112	711,617,736	690,754,112	711,617,736
Other liabilities	11	15,234,198	20,491,881	15,234,198	20,491,881
Total liabilities		<u>1,710,906,109</u>	<u>1,857,827,344</u>	<u>1,710,906,109</u>	<u>1,857,827,344</u>
Equity					
Ordinary share capital		443,775,020	443,775,020	443,775,020	443,775,020
Reserves		(60,492,700)	(60,440,765)	(59,509,505)	(59,308,468)
Total equity		<u>383,282,320</u>	<u>383,334,255</u>	<u>384,265,515</u>	<u>384,466,552</u>
Total Liabilities and Equity		<u>2,094,188,429</u>	<u>2,241,161,599</u>	<u>2,095,171,624</u>	<u>2,242,293,896</u>
Commitments and contingencies	19	<u>522,664,444</u>	<u>541,373,311</u>	<u>522,664,444</u>	<u>541,373,311</u>
Capital Adequacy					
Core capital ratio	21	39.72%	45.18%	39.71%	45.17%
Risk-weighted capital ratio	21	41.00%	46.63%	40.99%	46.61%

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2011**

	Note	<u>Economic Entity</u>		<u>Bank</u>	
		<u>1st Quarter</u>	<u>1st Quarter</u>	<u>1st Quarter</u>	<u>1st Quarter</u>
		<u>Ended</u>	<u>Ended</u>	<u>Ended</u>	<u>Ended</u>
		<u>31.03.2011</u>	<u>31.03.2010</u>	<u>31.03.2011</u>	<u>31.03.2010</u>
		<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
Income derived from investment of depositors' funds	12	17,549,680	12,688,189	17,549,680	12,688,189
Income derived from investment of shareholders' funds	13	5,801,258	8,102,226	6,072,035	8,102,226
Allowances for impairment on financing and advances	14	(2,482,651)	(2,120,687)	(2,482,651)	(2,120,687)
Profit equalization reserve		-	(113,000)	-	(113,000)
Total distributable income		20,868,287	18,556,728	21,139,064	18,556,728
Income attributable to depositors	15	(11,146,089)	(6,795,605)	(11,146,089)	(6,795,605)
		9,722,198	11,761,123	9,992,975	11,761,123
Personnel expenses	16	(7,086,362)	(6,216,750)	(7,086,362)	(6,216,750)
Other overheads and expenditures	17	(4,715,053)	(4,406,970)	(4,715,053)	(4,406,970)
Share of profit / (loss) after tax of joint controlled entity		419,879	446,472	-	-
(Loss) / profit before taxation		(1,659,338)	1,583,875	(1,808,440)	1,137,403
Taxation		-	(274,229)	-	(274,229)
Net (loss) / profit for the period		(1,659,338)	1,309,646	(1,808,440)	863,174
(Loss) / profit attributable to :					
Owners of the parent		(1,659,338)	1,309,646	(1,808,440)	863,174
Minority interest		-	-	-	-
		(1,659,338)	1,309,646	(1,808,440)	863,174
Earnings per shares (sen)					
Basic and diluted		(1.50)	1.48	(1.63)	0.97
(Loss) / profit for the period		(1,659,338)	1,309,646	(1,808,440)	863,174
Other comprehensive income :					
Financial investment available-for-sale					
- Unrealised net gain on revaluation	18	1,607,403	466,496	1,607,403	466,496
Income tax relating to components of other comprehensive income					
Other comprehensive income for the period		1,607,403	466,496	1,607,403	466,496
Total Comprehensive (Loss) / Profit For The Period		(51,935)	1,776,142	(201,037)	1,329,670
Total comprehensive (loss) / income attributable to:					
Owners of the parent		(51,935)	1,776,142	(201,037)	1,329,670
Minority interest					
		(51,935)	1,776,142	(201,037)	1,329,670

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS**UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2011**

<u>Economic Entity</u>	<u>Share Capital RM</u>	<u>Accumulated Losses RM</u>	<u>AFS Reserve RM</u>	<u>Total RM</u>
<u>31.03.2011</u>				
Balance as at 1 January 2011	443,775,020	(56,904,026)	(3,536,739)	383,334,255
Effect of adopting FRS 139	-	-	-	-
As restated	443,775,020	(56,904,026)	(3,536,739)	383,334,255
Net profit for the period	-	(1,659,338)	-	(1,659,338)
Other comprehensive income/(loss):				
Financial investment available-for-sale				
- Unrealised net gain on revaluation	-	-	1,607,403	1,607,403
Income tax relating to components of other comprehensive income	-	-	-	-
Total comprehensive income	-	-	1,607,403	1,607,403
Issues of share capital	-	-	-	-
Balance as at 31 March 2011	443,775,020	(58,563,364)	(1,929,336)	383,282,320
<u>31.12.2010</u>				
Balance as at 1 January 2010	355,020,010	(22,475,199)	(5,179,271)	327,365,540
Effect of adopting FRS 139	-	(559,079)	-	(559,079)
As restated	355,020,010	(23,034,278)	(5,179,271)	326,806,461
Net profit for the financial year	-	(33,869,748)	-	(33,869,748)
Other comprehensive income/(loss):				
Financial investment available-for-sale				
- Unrealised net gain on revaluation	-	-	2,190,043	2,190,043
Income tax relating to components of other comprehensive income	-	-	(547,511)	(547,511)
Total comprehensive income	-	-	1,642,532	1,642,532
Issues of share capital	88,755,010	-	-	88,755,010
Balance as at 31 December 2010	443,775,020	(56,904,026)	(3,536,739)	383,334,255

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS**UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2011 (CONTINUED)**

<u>Bank</u>	<u>Share Capital RM</u>	<u>Accumulated Losses RM</u>	<u>AFS Reserve RM</u>	<u>Total RM</u>
<u>31.03.2011</u>				
Balance as at 1 January 2011	443,775,020	(55,771,729)	(3,536,739)	384,466,552
Effect of adopting FRS 139	-	-	-	-
As restated	443,775,020	(55,771,729)	(3,536,739)	384,466,552
Net profit for the period		(1,808,440)		(1,808,440)
Other comprehensive income/(loss):				
Financial investment available-for-sale				
- Unrealised net gain on revaluation	-	-	1,607,403	1,607,403
Income tax relating to components of other comprehensive income	-	-	-	-
Total comprehensive income	-	-	1,607,403	1,607,403
Issues of share capital	-	-	-	-
Balance as at 31 March 2011	443,775,020	(57,580,169)	(1,929,336)	384,265,515
<u>31.12.2010</u>				
Balance as at 1 January 2010	355,020,010	(21,456,744)	(5,179,271)	328,383,995
Effect of adopting FRS 139	-	(559,079)	-	(559,079)
As restated	(22,015,823)	(22,015,823)	(5,179,271)	327,824,916
Net profit for the financial year	-	(33,755,906)	-	(33,755,906)
Other comprehensive income/(loss):				
Financial investment available-for-sale				
- Unrealised net gain on revaluation	-	-	2,190,043	2,190,043
Income tax relating to components of other comprehensive income	-	-	(547,511)	(547,511)
Total comprehensive income	-	-	1,642,532	1,642,532
Issues of share capital	88,755,010	-	-	88,755,010
Balance as at 31 December 2010	443,775,020	(55,771,729)	(3,536,739)	384,466,552

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS**UNAUDITED STATEMENT OF CASH FLOW FOR THE THREE MONTHS ENDED 31 MARCH 2011**

	Note	<u>Economic Entity</u>		<u>Bank</u>	
		<u>31.03.2011</u>	<u>31.12.2010</u>	<u>31.03.2011</u>	<u>31.12.2010</u>
		<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
CASH FLOW FROM OPERATING ACTIVITIES					
(Loss) / profit before taxation		(1,659,338)	(27,983,248)	(1,808,440)	(27,869,406)
Adjustments for:					
Depreciation of property, plant and equipment		573,933	2,057,833	573,933	2,057,833
Amortisation of intangible assets		913,196	3,522,434	913,196	3,522,434
Write off of property, plant and equipment		-	11,129	-	11,129
Profit income from:					
- Investment on financial assets held-for-trading		(134,457)	(501,129)	(134,457)	(501,129)
- Investment on financial investments available-for-sale		(1,224,580)	(1,744,528)	(1,224,580)	(1,744,528)
- Investment on financial investments held-to-maturity		(887,396)	(2,842,777)	(887,396)	(2,842,777)
Net gain on sale of financial assets held-for-trading		(311,299)	(1,034,592)	(311,299)	(1,034,592)
Net loss / (gain) on sale of financial investments available-for-sale		12,146	(109,356)	12,146	(109,356)
Unrealised gain from financial assets held-for-trading		(13,000)	(90,917)	(13,000)	(90,917)
Accretion of discount less amortisation of premium		(74,373)	(285,212)	(74,373)	(285,212)
Share of (loss)/gain in jointly controlled entity		-	(1,498,790)	-	-
Allowances for losses on financing and advances		2,482,651	34,573,455	2,482,651	34,573,455
Charge for profit equalisation reserve		-	113,000	-	113,000
Operating (loss) / profit before working capital changes		(322,517)	4,187,302	(471,619)	5,799,934
(Increase) / decrease in operating assets:					
Financing and advances		(7,503,824)	(82,511,636)	(7,503,824)	(82,511,636)
Other assets		5,812,966	(10,498,207)	5,812,966	(10,498,207)
Statutory deposit with Bank Negara Malaysia		1,000,000	(538,000)	1,000,000	(538,000)
Increase/(decrease) in operating liabilities:					
Deposits from customers		(117,264,606)	46,458,069	(117,264,606)	46,458,069
Deposits and placements of banks and other financial institutions		(24,398,946)	60,288,194	(24,398,946)	60,288,194
Other liabilities		(5,257,683)	4,198,815	(5,257,683)	4,198,815
Net cash (used in) / generated from operating activities		(147,934,610)	21,584,537	(148,083,712)	23,197,169
CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment and intangible assets		(882,968)	(1,903,100)	(882,968)	(1,903,100)
Net proceeds from:					
- Sale / (Purchase) of financial assets held-for-trading held-for-trading		109,020,529	(98,466,824)	109,020,529	(98,466,824)
- (Purchase) / Sale of financial investments available-for-sale		(72,199,393)	(55,458,490)	(72,199,393)	(55,458,490)
- Sale / (Purchase) of financial investments held-to-maturity		12,696,280	(37,808,615)	12,696,280	(37,808,615)
Investment in joint controlled entity		(149,102)	1,612,632	-	-
Repayment from / (advances to) jointly controlled entity		-	1,000,646	-	1,000,646
Net cash generated from / (used in) investing activities		48,485,346	(191,023,751)	48,634,448	(192,636,383)

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS**UNAUDITED STATEMENT OF CASH FLOW FOR THE THREE MONTHS ENDED 31 MARCH 2011 (CONTINUED)**

		<u>Economic Entity</u>		<u>Bank</u>	
	<u>Note</u>	<u>31.03.2011</u>	<u>31.12.2010</u>	<u>31.03.2011</u>	<u>31.12.2010</u>
		<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from issuance of share capital		<u>-</u>	<u>88,755,010</u>	<u>-</u>	<u>88,755,010</u>
ANALYSIS OF CASH AND CASH EQUIVALENT					
Net (decrease) / increase in cash and cash equivalents		<u>(99,449,264)</u>	<u>(80,684,204)</u>	<u>(99,449,264)</u>	<u>(80,684,204)</u>
Cash and cash equivalent at beginning of financial year		<u>1,148,012,825</u>	<u>1,228,697,029</u>	<u>1,148,012,825</u>	<u>1,228,697,029</u>
Cash and cash equivalent at end of period / financial year	2	<u>1,048,563,561</u>	<u>1,148,012,825</u>	<u>1,048,563,561</u>	<u>1,148,012,825</u>

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

-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 (RM1.66m) and (RM1.81m) respectively for the three months period ended 31 March 2011.

The Economic Entity and the Bank's gross financing and advances stood at RM775.9m whilst total Deposit at RM 1,695.7m.

b) Business Plan and outlook for 2011

The prospects of the global economy as a whole are not entirely discouraging as resilient Asian economies continue to provide strong support, as evidenced by stronger-than-expected growth rates recorded by China and India. The International Monetary Fund forecasts robust growth of 8.5% and 5.8% for developing Asia and the Asian-5 countries respectively for the period between 2011 and 2015 – compared to the lower projected expansion of advanced economies of 2.5%.

As for Malaysia, the moderation is anticipated to be largely attributed to the weakening of the external sector in 1H2011, as demand for the country's major exports such as electrical and electronics (E&E) by advanced economies soften. The offsetting effect, however, will come from commodities where prices of crude palm oil (CPO) and crude oil are anticipated to remain relatively firm. On the domestic front, the support will come from private consumption, which has largely been responsible for the country's growth since the 1997/98 Asian Financial Crisis. Major indicators for private consumption, such as retail sales, labour-market conditions and access to credit, remain supportive, suggesting a sustainable growth in consumer spending throughout 2011. Given this scenario, Malaysia's GDP growth is expected to be around 7% in 2011.

In line with its vision to empower business with Islamic banking values, the Bank will continue to leverage on its Middle East connection to create and bridge business opportunities between Malaysia and the Middle East as well as regionally including Indonesia and Brunei, especially for funding GLCs, in the sectors of oil & gas, shipping, aviation, infrastructure as well as real estate.

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

Based on the positive outlook, the Bank is poised to face the challenges ahead in 2011 to chart further growth in its funded assets and hence contribute towards improvement in its profitability.

2. Cash and short-term funds

	<u>Economic Entity and Bank</u>	
	<u>31.03.2011</u>	<u>31.12.2010</u>
	<u>RM</u>	<u>RM</u>
Cash and balances with banks and other financial institutions	8,998,251	6,113,261
Money at call and deposit placements maturing within one month	<u>1,039,565,310</u>	<u>1,141,899,564</u>
	<u>1,048,563,561</u>	<u>1,148,012,825</u>

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

3. Financial assets held-for-trading

	<u>Economic Entity and Bank</u>	
	<u>31.03.2011</u>	<u>31.12.2010</u>
	<u>RM</u>	<u>RM</u>
At fair value		
Money market instruments:		
Bank Negara Malaysia Sukuk Ijarah	-	50,471,043
Quoted securities:		
<u>In Malaysia</u>		
Islamic commercial paper	-	63,778,080
<u>Outside Malaysia</u>		
Foreign Islamic unit trust fund	<u>9,079,200</u>	<u>3,391,850</u>
	<u>9,079,200</u>	<u>117,640,973</u>

4. Financial investments available-for-sale

	<u>Economic Entity and Bank</u>	
	<u>31.03.2011</u>	<u>31.12.2010</u>
	<u>RM</u>	<u>RM</u>
At fair value		
Money market instruments:		
Bank Negara Malaysia Sukuk Ijarah	39,885,254	-
Quoted securities:		
<u>In Malaysia</u>		
Islamic private debt securities	10,273,066	10,362,900
Islamic Medium Term Notes	45,753,803	10,160,596
<u>Outside Malaysia</u>		
Foreign corporate debt securities held	13,566,786	14,716,948
Corporate Bonds	59,407,050	59,132,255
	<u>168,885,959</u>	<u>94,372,699</u>

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

5. Financial investments held-to-maturity

	<u>Economic Entity and Bank</u>	
	<u>31.03.2011</u>	<u>31.12.2010</u>
	<u>RM</u>	<u>RM</u>
At amortised cost		
Money market instruments:		
Bank Negara Malaysia Sukuk Ijarah	-	15,143,986
Cagamas bonds	45,184,074	40,539,140
Quoted securities:		
<u>In Malaysia</u>		
Corporate debt securities held	27,222,622	28,026,254
<u>Outside Malaysia</u>		
Foreign corporate debt securities held	27,322,767	27,248,624
	99,729,463	110,958,004

6. Financing and advances

	<u>Economic Entity and Bank</u>	
	<u>31.03.2011</u>	<u>31.12.2010</u>
	<u>RM</u>	<u>RM</u>
At amortised cost		
Term financing	30,916,103	30,558,555
- house financing	82,814,721	86,357,205
- syndicated term financing	41,820	43,470
- hire purchase receivables	507,643,186	466,049,786
- other term financing	82,989,950	96,064,036
Trusts receipts	931,124	1,182,048
Staff financing	70,566,195	88,144,175
Others	775,903,099	768,399,275
Gross financing and advances		
Less : Allowance for impaired financing and advances:		
- individual impairment allowance	(37,139,865)	(34,657,214)
- collective impairment allowance	(12,713,033)	(12,713,033)
Net financing and advances	726,050,201	721,029,028

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

6. Financing and advances (continued)

	<u>Economic Entity and Bank</u>	
	<u>31.03.2011</u>	<u>31.12.2010</u>
	<u>RM</u>	<u>RM</u>
(i) By type of customer		
Domestic non-bank financial institution		
- Others	43,492,260	45,230,635
Domestic business enterprises		
- Small medium enterprise	35,615,091	37,006,178
- Government	-	-
- Others	592,216,532	578,898,957
Individuals	5,032,438	5,287,614
Foreign entities	99,546,778	101,975,891
	<u>775,903,099</u>	<u>768,399,275</u>
(ii) By contract		
Ijarah	51,172,125	46,618,824
Istisna	110,995,659	116,516,197
Murabahah	123,388,452	148,444,971
Qardhul Hassan	386,458	627,559
Tawarruq	489,960,405	456,191,724
	<u>775,903,099</u>	<u>768,399,275</u>
(iii) By profit rate sensitivity		
Fixed rate		
- Housing financing	5,364,469	5,276,647
- Hire purchase receivables	25,935,161	26,696,708
- Other fixed rate financing	46,649,567	63,470,851
Variable	-	-
- Base Financing Rate	524,406,934	561,346,837
- Cost-plus	173,160,510	110,980,673
Non-profit sensitive	386,458	627,559
	<u>775,903,099</u>	<u>768,399,275</u>
(iv) By contractual maturity		
Maturity within one year	390,909,905	368,487,397
More than one year to three years	44,748,902	46,866,748
More than three years to five years	27,718,653	28,362,161
More than five years	312,525,639	324,682,969
	<u>775,903,099</u>	<u>768,399,275</u>

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

6. Financing and advances (continued)

	<u>Economic Entity and Bank</u>	
	<u>31.03.2011</u>	<u>31.12.2010</u>
	<u>RM</u>	<u>RM</u>
(v) By geographical distribution		
Malaysia	703,291,827	693,143,340
Qatar	46,245,756	48,205,219
Indonesia	25,808,228	26,563,964
United Kingdom	557,288	486,752
	<u>775,903,099</u>	<u>768,399,275</u>
(vi) By economic purpose		
Purchase of landed property:		
- Residential	48,822,057	54,413,085
- Non-Residential	123,682,228	71,286,855
Working Capital	546,098,696	468,576,739
Personal Use	828,495	1,165,951
Purchase of transport vehicles	171,348	119,849,431
Others	56,300,275	53,107,214
	<u>775,903,099</u>	<u>768,399,275</u>
(vii) By sector		
Agriculture	90,055,901	188,465,568
Mining and quarrying	3,976,723	5,987,633
Manufacturing	183,637,918	95,312,096
Electricity, gas and water	-	-
Construction	56,712,040	64,061,429
Purchase of landed property	31,481,282	31,141,490
Wholesale & retail trade and restaurants & hotels	125,826,119	47,941,721
Transport, storage and communication	115,530,651	78,437,592
Finance, insurance and business services	93,886,383	104,528,846
Education, health and others	1,698,147	15,581,852
Purchase of transport vehicles	171,349	178,905
Consumption credit	872,600	1,173,929
Others	72,053,986	135,588,214
	<u>775,903,099</u>	<u>768,399,275</u>

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

6. Financing and advances (continued)

	<u>Economic Entity and Bank</u>	
	<u>31.03.2011</u>	<u>31.12.2010</u>
	<u>RM</u>	<u>RM</u>
(viii) Movement in the allowance for impaired advances and financing		
Individual Assessment Allowance		
Balance beginning of period	34,657,214	3,020,481
Allowance made during the period	2,664,187	36,644,046
Amount written back	(181,536)	(5,007,313)
Balance as at end of period	<u>37,139,865</u>	<u>34,657,214</u>
Collective Assessment Allowance		
Balance beginning of period	12,713,033	10,335,393
Allowance made during the period	-	2,377,640
Balance as at end of period	<u>12,713,033</u>	<u>12,713,033</u>
As % of gross advances and financing less individual assessment allowances	<u>1.72%</u>	<u>1.73%</u>
(ix) Movement in impaired financing and advances		
Balance beginning of period	53,107,215	3,020,481
Classified as impaired/non-performing during the period / financial year	9,874,596	78,666,012
Amount recovered	(6,681,536)	(28,579,278)
Balance as at end of period / financial year	<u>56,300,275</u>	<u>53,107,215</u>
Gross impaired financing and advances ratio	<u>7.26%</u>	<u>6.91%</u>
(xi) Impaired financing by sector		
Agriculture	9,919,846	4,816,069
Manufacturing	28,873,026	35,527,554
Wholesale & retail trade and restaurants & hotels	4,476,449	4,494,449
Finance, insurance and business services	7,879,407	7,879,407
Education, Health & Others	382,820	381,758
Purchase of landed property	4,724,621	-
Consumption credit	44,106	7,978
	<u>56,300,275</u>	<u>53,107,215</u>

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

7. Other assets

	<u>Economic Entity</u>		<u>Bank</u>	
	<u>31.03.2011</u>	<u>31.12.2010</u>	<u>31.03.2011</u>	<u>31.12.2010</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
Other debtors, deposits and prepayments	<u>10,868,062</u>	<u>16,681,028</u>	<u>10,868,062</u>	<u>16,681,028</u>
	<u>10,868,062</u>	<u>16,681,028</u>	<u>10,868,062</u>	<u>16,681,028</u>

8. Investment in jointly controlled entity

	<u>Economic Entity</u>		<u>Bank</u>	
	<u>31.03.2011</u>	<u>31.12.2010</u>	<u>31.03.2011</u>	<u>31.12.2010</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
Management share (USD1.00 per share)	<u>3,026</u>	<u>3,084</u>	<u>3,424</u>	<u>3,424</u>
Participating share (USD4,737,000)	<u>14,335,820</u>	<u>14,606,539</u>	<u>16,218,831</u>	<u>16,218,831</u>
Less: Share of profit / (loss)	<u>900,214</u>	<u>480,335</u>	<u>-</u>	<u>-</u>
	<u>15,239,060</u>	<u>15,089,958</u>	<u>16,222,255</u>	<u>16,222,255</u>

In December 2010, the Bank invested RM16,218,831 in the participating shares of Safeena (L) Ltd, a 50% joint controlled entity with Amanah Raya Investment Bank Ltd.

9. Deposits from customers

	<u>Economic Entity and Bank</u>	
	<u>31.03.2011</u>	<u>31.12.2010</u>
	<u>RM</u>	<u>RM</u>
(i) By type of deposit:		
<u>Non-Mudharabah Funds:</u>		
Demand deposits	<u>55,373,487</u>	<u>70,863,842</u>
Savings deposits	<u>1,927,013</u>	<u>2,922,145</u>
	<u>57,300,500</u>	<u>73,785,987</u>
<u>Mudharabah Funds:</u>		
Savings deposits	<u>3,908,649</u>	<u>1,078,946</u>
General investment deposits	<u>112,202,471</u>	<u>121,787,153</u>
Special investment deposits	<u>831,506,179</u>	<u>929,065,641</u>
	<u>947,617,299</u>	<u>1,051,931,740</u>
	<u>1,004,917,799</u>	<u>1,125,717,727</u>

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

9. Deposits from customers (continued)

		<u>Economic Entity and Bank</u>	
		<u>31.03.2011</u>	<u>31.12.2010</u>
		<u>RM</u>	<u>RM</u>
(ii)	The deposits are sourced from the following classes of customers:		
	Business enterprises	976,592,834	1,092,906,096
	Individuals	28,324,965	32,811,631
		<u>1,004,917,799</u>	<u>1,125,717,727</u>
(iii)	The maturity structure of saving deposits, amount payable on demand and term deposits are as follows:		
	Due within six months	168,340,590	1,120,790,738
	More than six months to one year	836,577,209	4,926,989
	More than one year to three years	-	-
		<u>1,004,917,799</u>	<u>1,125,717,727</u>

10. Deposits and placements of banks and other financial institutions

		<u>Economic Entity and Bank</u>	
		<u>31.03.2011</u>	<u>31.12.2010</u>
		<u>RM</u>	<u>RM</u>
	<u>Non-Mudharabah Funds:</u>		
	Licensed Islamic banks	293,651,519	284,957,384
	Other financial institutions	280,772,355	273,921,915
		<u>574,423,874</u>	<u>558,879,299</u>
	<u>Mudharabah Fund:</u>		
	Licensed Islamic banks	95,438,091	120,000,000
	Other financial institutions	20,892,147	32,738,437
		<u>116,330,238</u>	<u>152,738,437</u>
		<u>690,754,112</u>	<u>711,617,736</u>

11. Other liabilities

		<u>Economic Entity and Bank</u>	
		<u>31.03.2011</u>	<u>31.12.2010</u>
		<u>RM</u>	<u>RM</u>
	Sundry creditors	8,559,035	14,963,544
	Other provisions and accruals	6,562,163	5,415,337
	Profit equalisation reserve	113,000	113,000
		<u>15,234,198</u>	<u>20,491,881</u>

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

12. INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS

	<u>Economic Entity</u>		<u>Bank</u>	
	<u>31.03.2011</u>	<u>31.03.2010</u>	<u>31.03.2011</u>	<u>31.03.2010</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
Income derived from investment of:				
(i) General investment deposit	1,167,200	1,238,163	1,167,200	1,238,163
(ii) Other deposits	16,382,480	11,450,026	16,382,480	11,450,026
	17,549,680	12,688,189	17,549,680	12,688,189

(i) Income derived from investment of general investment deposits

Finance income and hibah:

Financing and advances	620,810	815,829	620,810	815,829
Financial assets held-for-trading	25,060	5,509	25,060	5,509
Financial investment available-for-sale	38,591	(5,678)	38,591	(5,678)
Financial investment held-to-maturity	80,177	96,309	80,177	96,309
Money at call and deposits with financial institutions	402,562	326,194	402,562	326,194
	1,167,200	1,238,163	1,167,200	1,238,163

(ii) Income derived from investment of other deposits

Finance income and hibah:

Financing and advances	8,713,516	7,544,457	8,713,516	7,544,457
Financial assets held-for-trading	351,735	50,946	351,735	50,946
Financial investment available-for-sale	541,658	(52,503)	541,658	(52,503)
Financial investment held-to-maturity	1,125,339	890,622	1,125,339	890,622
Money at call and deposits with financial institutions	5,650,232	3,016,505	5,650,232	3,016,505
	16,382,480	11,450,026	16,382,480	11,450,026

13. INCOME DERIVED FROM INVESTMENT OF SHAREHOLDERS' FUNDS

	<u>Economic Entity</u>		<u>Bank</u>	
	<u>31.03.2011</u>	<u>31.03.2010</u>	<u>31.03.2011</u>	<u>31.03.2010</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
<u>Finance income and hibah</u>				
Financing and advances	2,030,398	2,136,552	2,030,398	2,136,552
Financial assets held-for-trading	81,960	14,428	81,960	14,428
Financial investment available-for-sale	126,216	(14,869)	126,216	(14,869)
Financial investment held-to-maturity	262,223	252,219	262,223	252,219
Money at call and deposits with financial institutions	1,316,601	854,258	1,316,601	854,258
Total finance income and hibah	3,817,398	3,242,588	3,817,398	3,242,588
Other operating income (note a - c)	1,983,860	4,859,638	2,254,637	4,859,638
	5,801,258	8,102,226	6,072,035	8,102,226

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

-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 SHAREHOLDERS' FUNDS (continued)

	<u>Economic Entity</u>		<u>Bank</u>	
	<u>31.03.2011</u>	<u>31.03.2010</u>	<u>31.03.2011</u>	<u>31.03.2010</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
Other operating income comprise of:				
a) Fee and other income:				
Commission	229,477	835,576	229,477	835,576
Fees and other income	1,764,451	3,897,724	2,035,228	3,897,724
	<u>1,993,928</u>	<u>4,733,300</u>	<u>2,264,705</u>	<u>4,733,300</u>
b) Unrealised gain / (loss) on revaluation of:				
Financial assets held-for-trading	(14,814)	73,594	(14,814)	73,594
	<u>(14,814)</u>	<u>73,594</u>	<u>(14,814)</u>	<u>73,594</u>
c) Gross dividend income from:				
Financial assets held-for-trading	4,746	52,744	4,746	52,744
	<u>4,746</u>	<u>52,744</u>	<u>4,746</u>	<u>52,744</u>
Total other operating income	<u>1,983,860</u>	<u>4,859,638</u>	<u>2,254,637</u>	<u>4,859,638</u>

14. Allowance for impairment on financing and advances

	<u>Economic Entity and Bank</u>	
	<u>31.03.2011</u>	<u>31.03.2010</u>
	<u>RM</u>	<u>RM</u>
Allowance for impaired financing and advances:		
(a) Individual impairment allowance		
- made during the financial year	2,664,187	2,120,687
- written back during the financial year	(181,536)	-
(b) Collective impairment allowance		
- made during the financial year	-	-
	<u>2,482,651</u>	<u>2,120,687</u>

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

15. Income attributable to depositors

	<u>Economic Entity and Bank</u>	
	<u>31.03.2011</u>	<u>31.03.2010</u>
	<u>RM</u>	<u>RM</u>
Deposits from customers:		
- Mudharabah funds	<u>6,442,111</u>	<u>5,000,909</u>
	<u>6,442,111</u>	<u>5,000,909</u>
Deposits and placements of banks and other financial institutions:		
- Mudharabah funds	<u>928,388</u>	<u>274,564</u>
- Non-mudharabah funds	<u>3,775,590</u>	<u>1,520,132</u>
	<u>4,703,978</u>	<u>1,794,696</u>
	<u>11,146,089</u>	<u>6,795,605</u>

16. Personnel expenses

	<u>Economic Entity and Bank</u>	
	<u>31.03.2011</u>	<u>31.03.2010</u>
	<u>RM</u>	<u>RM</u>
Salaries, allowances and bonuses	<u>5,775,518</u>	<u>5,263,501</u>
Contributions to Employee Provident Fund and SOCSO	<u>666,492</u>	<u>713,536</u>
Medical related expenses	<u>360,334</u>	<u>44,769</u>
Travelling and parking	<u>23,144</u>	<u>19,973</u>
Other staff related cost	<u>260,874</u>	<u>174,971</u>
	<u>7,086,362</u>	<u>6,216,750</u>

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

17. Other overheads and expenditures

	<u>Economic Entity and Bank</u>	
	<u>31.03.2011</u>	<u>31.03.2010</u>
	<u>RM</u>	<u>RM</u>
<u>Establishment expenses</u>		
Depreciation of property, plant and equipment	573,933	499,024
Amortisation of intangible assets	913,196	869,588
Rental of premises	492,236	478,398
Software and hardware maintenance	946,614	812,487
Rental of equipment and network line	266,121	161,369
Security expenses	70,262	72,511
Others	592,827	444,468
	<u>3,855,189</u>	<u>3,337,845</u>
<u>Marketing expenses</u>		
Advertising and promotional activities	54,583	115,228
Entertainment expenses	7,822	43,188
Travelling expenses	50,277	93,286
Others	313	-
	<u>112,995</u>	<u>251,702</u>
<u>Administration and general expenses</u>		
License and association fees and levies	98,658	93,882
Travelling, transport and accommodation expenses	32,606	27,570
Printing, stationery, postage and clearing charges	69,790	117,092
Telecommunication charges	161,715	138,755
Shariah Committee remunerations	-	73,500
Electricity and water	90,955	62,179
Directors related fees	108,101	170,339
Other professional fees	69,057	39,458
Auditors remuneration	37,500	56,500
Donations	-	-
Others	78,487	38,148
	<u>746,869</u>	<u>817,423</u>
	<u>4,715,053</u>	<u>4,406,970</u>

18. Other comprehensive income

	<u>Economic Entity and Bank</u>	
	<u>31.03.2011</u>	<u>31.03.2010</u>
	<u>RM</u>	<u>RM</u>
Financial investment available-for-sale		
- Unrealised net gain on revaluation	1,607,403	466,496
Income tax relating to components of other comprehensive income	-	-
	<u>1,607,403</u>	<u>466,496</u>

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

19. Commitments and contingencies

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

Economic Entity and Bank

	Principal amount	Gross Positive Fair Value - Derivative Contract	Credit equivalent amount*	Risk weighted amount
<u>31.03.2011</u>	RM	RM	RM	RM
Transaction-related contingent items	84,858,358	-	42,429,179	42,429,179
Irrevocable commitments to extend credit:				
- one year or less	150,789,627	-	75,394,813	75,394,813
- over one year to five years	2,018,609	-	1,009,305	1,008,997
- over five years	5,716,493	-	2,858,246	2,545,647
Foreign exchange related contracts				
- one year or less	<u>279,281,357</u>	<u>7,641,208</u>	<u>11,778,027</u>	<u>2,561,643</u>
Total	<u><u>522,664,444</u></u>	<u><u>7,641,208</u></u>	<u><u>133,469,570</u></u>	<u><u>123,940,279</u></u>

	Principal amount	Gross Positive Fair Value - Derivative Contract	Credit equivalent amount*	Risk weighted amount
<u>31.12.2010</u>	RM	RM	RM	RM
Transaction-related contingent items	70,812,658	-	35,406,329	35,406,329
Irrevocable commitments to extend credit:				
- one year or less	167,073,767	-	-	-
- over one year to five years	5,570,840	-	-	-
- over five years	13,682,415	-	-	-
Foreign exchange related contracts				
- one year or less	<u>284,233,631</u>	<u>6,940,130</u>	<u>9,763,691</u>	<u>2,633,780</u>
Total	<u><u>541,373,311</u></u>	<u><u>6,940,130</u></u>	<u><u>45,170,020</u></u>	<u><u>38,040,109</u></u>

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

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

20. Financial risk management**20.1 Credit risk management**

(i) Financing and advances

Financing and advances are summarised as follows:

	<u>Economic Entity and Bank</u>	
	<u>31.03.2011</u>	<u>31.12.2010</u>
	RM	RM
Neither past due nor impaired	634,789,652	710,218,074
Past due but not impaired	84,813,172	5,073,986
Impaired	56,300,275	53,107,215
Gross financing and advances	775,903,099	768,399,275
Less: Individual allowance	(37,139,865)	(34,657,214)
Collective allowance	(12,713,033)	(12,713,033)
Net financing and advances	<u>726,050,201</u>	<u>721,029,028</u>

Financing and advances neither past due nor impaired

Analysis of financing and advances that are neither past due nor impaired analysed based on the Bank's internal credit grading system is as follows:

	<u>31.03.2011</u>	<u>31.12.2010</u>
	RM	RM
Non-rated	634,789,652	710,218,074
	<u>634,789,652</u>	<u>710,218,074</u>

Financing and advances past due but not impaired

Analysis of aging of financing and advances that are past due but not impaired is as follows:

	<u>31.03.2011</u>	<u>31.12.2010</u>
	RM	RM
Past due up to 30 days	8,264,947	5,073,986
Past due 30 to 60 days	54,817,029	-
Past due 60 to 90 days	21,731,196	-
	<u>84,813,172</u>	<u>5,073,986</u>

Fair value of collateral

	<u>94,767,355</u>	<u>2,500,000</u>
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Financing and advances that are individually determined to be impaired are as follows:

<u>Economic Entity and Bank</u>	<u>Balance</u>	<u>Fair value of collateral</u>
<u>31.03.2011</u>	RM	RM
Individually impaired financing	<u>56,300,275</u>	<u>20,879,031</u>
<u>31.12.2010</u>		
Individually impaired financing	<u>53,107,215</u>	<u>18,450,000</u>

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

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

20. Financial risk management (continued)**20.1 Credit risk management (continued)**

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

Short term funds, financial assets and investments portfolios are summarised as follows:

<u>Economic Entity and Bank</u>	<u>Short term funds</u>	<u>Financial assets/ investments portfolios</u>	<u>Other assets</u>
<u>31.03.2011</u>			
Neither past due nor impaired	<u>1,039,565,310</u>	<u>912,484,273</u>	<u>10,868,062</u>
<u>31.12.2010</u>			
Neither past due nor impaired	<u>1,141,899,564</u>	<u>1,033,189,750</u>	<u>16,681,028</u>

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

<u>Economic Entity and Bank</u>	<u>Short term funds</u>	<u>Financial assets/ investments portfolios</u>
<u>31.03.2011</u>		
AAA	989,796,631	141,054,129
AA and below	56,199,233	54,545,389
P1	-	-
Unrated	-	857,998,203
Bank Guaranteed	-	-
	<u>1,045,995,864</u>	<u>1,053,597,721</u>
<u>31.12.2010</u>		
AAA	1,062,120,376	187,107,167
AA and below	85,892,449	54,656,375
P1	-	3,967,080
Unrated	-	798,270,082
Bank Guaranteed	-	-
	<u>1,148,012,825</u>	<u>1,044,000,704</u>

Company No.

716122	P
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ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

20. Financial risk management (continued)

20.2 Market risk

(i) Profit Rate Risk

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

<u>Economic entity</u>	Up to 1 months	1-3 months	3-12 months	1-5 years	Over 5 years	Non-profit sensitive	Trading book	Total	Effective profit rate
31.03.2011		RM	RM	RM	RM	RM	RM	RM	%
<u>Assets</u>									
Cash and short term funds	1,039,565,310	-	-	-	-	8,998,251	-	1,048,563,561	2.73
Deposits and placements with financial institutions	-	-	-	-	-	-	-	-	-
Financial assets held-for- trading	-	-	-	-	-	-	9,079,200	9,079,200	1.21
Financial investments available-for-sale	-	-	39,722,054	113,881,523	13,550,706	1,731,676	-	168,885,959	3.63
Financial investments held- to-maturity	-	-	-	-	99,233,421	496,042	-	99,729,463	3.26
Financing and advances									
- performing	110,316,371	178,808,761	45,484,499	72,467,555	312,525,638	(49,852,898)	-	669,749,926	5.84
- non performing	-	-	-	-	-	56,300,275	-	56,300,275	-
Other assets	-	-	-	-	-	10,868,062	-	10,868,062	-
Statutory deposits	-	-	-	-	-	3,951,715	-	3,951,715	-
Investment in jointly controlled entity	-	-	-	-	15,239,060	-	-	15,239,060	-
Advances to jointly controlled entity	-	-	-	-	-	-	-	-	-
Deferred taxation assets	-	-	-	-	-	-	-	-	-
Property and equipment	-	-	-	-	-	4,415,324	-	4,415,324	-
Intangible assets	-	-	-	-	-	7,405,884	-	7,405,884	-
Total assets	1,149,881,681	178,808,761	85,206,553	186,349,078	440,548,825	44,314,331	9,079,200	2,094,188,429	

Company No.

716122	P
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ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

20. Financial risk management objectives and policies (continued)

20.2 Market risk management (continued)

(i) Profit Rate Risk

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

<u>Economic entity</u>	Up to 1 months	1-3 months	3-12 months	1-5 years	Over 5 years	Non-profit sensitive	Trading book	Total	Effective profit rate
31.03.2011		RM	RM	RM	RM	RM	RM	RM	%
<u>Liabilities</u>									
Deposits from customers	717,562,680	264,339,644	19,523,959	60,000	-	3,431,516	-	1,004,917,799	2.39
Deposits and placements of banks and other financial institutions	259,939,776	232,069,332	195,209,681	-	-	3,535,323	-	690,754,112	2.69
Other liabilities	-	-	-	-	-	15,234,198	-	15,234,198	-
Total liabilities	977,502,456	496,408,976	214,733,640	60,000	-	22,201,037	-	1,710,906,109	
Total shareholders' equity	-	-	-	-	383,282,320	-	-	383,282,320	-
	977,502,456	496,408,976	214,733,640	60,000	383,282,320	22,201,037	-	2,094,188,429	
Total profit-sensitivity gap	172,379,225	(317,600,215)	(129,527,087)	186,289,078	57,266,505	22,113,294	9,079,200	-	

Company No.

716122	P
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ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

20. Financial risk management objectives and policies (continued)

20.2 Market risk management (continued)

(i) Profit Rate Risk

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

<u>Economic entity</u>	Up to 1 months	1-3 months	3-12 months	1-5 years	Over 5 years	Non-profit sensitive	Trading book	Total	Effective profit rate
31.12.2010		RM	RM	RM	RM	RM	RM	RM	%
<u>Assets</u>									
Cash and short term funds	1,141,383,801	-	-	-	-	6,629,024	-	1,148,012,825	2.51
Deposits and placements with financial institutions	-	-	-	-	-	-	-	-	-
Financial assets held-for- trading	-	-	-	-	-	484,043	117,156,930	117,640,973	-
Financial investments available-for-sale	-	-	-	78,830,266	14,610,008	932,425	-	94,372,699	3.98
Financial investments held- to-maturity	-	15,000,000	-	94,672,723	-	1,285,281	-	110,958,004	3.24
Financing and advances									
- performing	30,528,043	122,137,985	162,714,154	75,228,910	324,682,969	(47,370,247)	-	667,921,814	6.19
- non performing	-	-	-	-	-	53,107,214	-	53,107,214	-
Other assets	-	-	-	-	-	16,681,028	-	16,681,028	-
Statutory deposits	-	-	-	-	-	4,951,715	-	4,951,715	-
Investment in jointly controlled entity	-	-	-	-	15,089,958	-	-	15,089,958	-
Advances to jointly controlled entity	-	-	-	-	-	-	-	-	-
Deferred taxation assets	-	-	-	-	-	-	-	-	-
Property and equipment	-	-	-	-	-	4,381,280	-	4,381,280	-
Intangible assets	-	-	-	-	-	8,044,089	-	8,044,089	-
Total assets	1,171,911,844	137,137,985	162,714,154	248,731,899	354,382,935	49,125,852	117,156,930	2,241,161,599	

Company No.

716122	P
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ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

20. Financial risk management objectives and policies (continued)

20.2 Market risk management (continued)

(i) Profit Rate Risk

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

<u>Economic entity</u>	Up to 1 months	1-3 months	3-12 months	1-5 years	Over 5 years	Non-profit sensitive	Trading book	Total	Effective profit rate
31.12.2010		RM	RM	RM	RM	RM	RM	RM	%
<u>Liabilities</u>									
Deposits from customers	788,941,151	104,566,778	229,982,863	-	-	2,226,935	-	1,125,717,727	2.32
Deposits and placements of banks and other financial institutions	299,980,736	273,460,692	135,468,831	-	-	2,707,477	-	711,617,736	2.54
Other liabilities	-	-	-	-	-	20,491,881	-	20,491,881	-
Total liabilities	1,088,921,887	378,027,470	365,451,694	-	-	25,426,293	-	1,857,827,344	
Total shareholders' equity	-	-	-	-	383,334,255	-	-	383,334,255	
	1,088,921,887	378,027,470	365,451,694	-	383,334,255	25,426,293	-	2,241,161,599	
Total profit-sensitivity gap	82,989,957	(240,889,485)	(202,737,540)	248,731,899	(28,951,320)	23,699,559	117,156,930	-	

Company No.

716122	P
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ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

20. Financial risk management objectives and policies (continued)

20.2 Market risk management (continued)

(i) Profit Rate Risk

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

<u>Bank</u>	Up to 1	1-3	3-12	1-5	Over 5	Non-profit	Trading	Total	Effective
31.03.2011	months	months	months	years	years	sensitive	book	RM	profit
		RM	RM	RM	RM	RM	RM	RM	rate
									%
<u>Assets</u>									
Cash and short term funds	1,039,565,310	-	-	-	-	8,998,251	-	1,048,563,561	2.73
Deposits and placements with financial institutions	-	-	-	-	-	-	-	-	-
Financial assets held-for- trading	-	-	-	-	-	-	9,079,200	9,079,200	1.21
Financial investments available-for-sale	-	-	39,722,054	113,881,523	13,550,706	1,731,676	-	168,885,959	3.63
Financial investments held-to-maturity	-	-	-	-	99,233,421	496,042	-	99,729,463	3.26
Financing and advances	-	-	-	-	-	-	-	-	-
- performing	110,316,371	178,808,761	45,484,499	72,467,555	312,525,638	(49,852,898)	-	669,749,926	5.84
- non performing	-	-	-	-	-	56,300,275	-	56,300,275	-
Other assets	-	-	-	-	-	10,868,062	-	10,868,062	-
Statutory deposits	-	-	-	-	-	3,951,715	-	3,951,715	-
Investment in jointly controlled entity	-	-	-	-	16,222,255	-	-	16,222,255	-
Advances to jointly controlled entity	-	-	-	-	-	-	-	-	-
Deferred taxation assets	-	-	-	-	-	-	-	-	-
Property and equipment	-	-	-	-	-	4,415,324	-	4,415,324	-
Intangible assets	-	-	-	-	-	7,405,884	-	7,405,884	-
Total assets	1,149,881,681	178,808,761	85,206,553	186,349,078	441,532,020	44,314,331	9,079,200	2,095,171,624	

Company No.

716122	P
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ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

20. Financial risk management objectives and policies (continued)

20.2 Market risk management (continued)

(i) Profit Rate Risk

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

<u>Bank</u>	Up to 1 months	1-3 months	3-12 months	1-5 years	Over 5 years	Non-profit sensitive	Trading book	Total	Effective profit rate
31.03.2011		RM	RM	RM	RM	RM	RM	RM	%
<u>Liabilities</u>									
Deposits from customers	717,562,680	264,339,644	19,523,959	60,000	-	3,431,516	-	1,004,917,799	2.39
Deposits and placements of banks and other financial institutions	259,939,776	232,069,332	195,209,681	-	-	3,535,323	-	690,754,112	2.69
Other liabilities	-	-	-	-	-	15,234,198	-	15,234,198	-
Total liabilities	977,502,456	496,408,976	214,733,640	60,000	-	22,201,037	-	1,710,906,109	
Total shareholders' equity	-	-	-	-	384,265,515	-	-	384,265,515	
	977,502,456	496,408,976	214,733,640	60,000	384,265,515	22,201,037	-	2,095,171,624	
Total profit-sensitivity gap	172,379,225	(317,600,215)	(129,527,087)	186,289,078	57,266,505	22,113,293	9,079,200	-	

Company No.

716122	P
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ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

20. Financial risk management objectives and policies (continued)

20.2 Market risk management (continued)

(i) Profit Rate Risk

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

<u>Bank</u>	<u>Up to 1</u>	<u>1-3</u>	<u>3-12</u>	<u>1-5</u>	<u>Over 5</u>	<u>Non-profit</u>	<u>Trading</u>	<u>Total</u>	<u>Effective</u>
31.12.2010	<u>months</u>	<u>months</u>	<u>months</u>	<u>years</u>	<u>years</u>	<u>sensitive</u>	<u>book</u>	<u>RM</u>	<u>profit</u>
		<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>rate</u>
<u>Assets</u>									<u>%</u>
Cash and short term funds	1,141,383,801	-	-	-	-	6,629,024	-	1,148,012,825	2.51
Deposits and placements with financial institutions	-	-	-	-	-	-	-	-	-
Financial assets held-for- trading	-	-	-	-	-	484,043	117,156,930	117,640,973	-
Financial investments available-for-sale	-	-	-	78,830,266	14,610,008	932,425	-	94,372,699	3.98
Financial investments held-to-maturity	-	15,000,000	-	94,672,723	-	1,285,281	-	110,958,004	3.24
Financing and advances									
- performing	30,528,043	122,137,985	162,714,154	75,228,910	324,682,969	(47,370,247)	-	667,921,814	6.19
- non performing	-	-	-	-	-	53,107,214	-	53,107,214	-
Other assets	-	-	-	-	-	16,681,028	-	16,681,028	-
Statutory deposits	-	-	-	-	-	4,951,715	-	4,951,715	-
Investment in jointly controlled entity	-	-	-	-	16,222,255	-	-	16,222,255	-
Advances to jointly controlled entity	-	-	-	-	-	-	-	-	-
Deferred taxation assets	-	-	-	-	-	-	-	-	-
Property and equipment	-	-	-	-	-	4,381,280	-	4,381,280	-
Intangible assets	-	-	-	-	-	8,044,089	-	8,044,089	-
Total assets	1,171,911,844	137,137,985	162,714,154	248,731,899	355,515,232	49,125,852	117,156,930	2,242,293,896	

Company No.

716122	P
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ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

20. Financial risk management objectives and policies (continued)

20.2 Market risk management (continued)

(i) Profit Rate Risk

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

<u>Bank</u>	<u>Up to 1</u>	<u>1-3</u>	<u>3-12</u>	<u>1-5</u>	<u>Over 5</u>	<u>Non-profit</u>	<u>Trading</u>	<u>Total</u>	<u>Effective</u>
31.12.2010	<u>months</u>	<u>months</u>	<u>months</u>	<u>years</u>	<u>years</u>	<u>sensitive</u>	<u>book</u>	<u>RM</u>	<u>profit</u>
		<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>rate</u>
									<u>%</u>
<u>Liabilities</u>									
Deposits from customers	788,941,151	104,566,778	229,982,863	-	-	2,226,935	-	1,125,717,727	2.32
Deposits and placements of banks and other financial institutions	299,980,736	273,460,692	135,468,831	-	-	2,707,477	-	711,617,736	2.54
Other liabilities	-	-	-	-	-	20,491,881	-	20,491,881	-
Total liabilities	1,088,921,887	378,027,470	365,451,694	-	-	25,426,293	-	1,857,827,344	
Total shareholders' equity	-	-	-	-	384,466,552	-	-	384,466,552	
	1,088,921,887	378,027,470	365,451,694	-	384,466,552	25,426,293	-	2,242,293,896	
Total profit-sensitivity gap	82,989,957	(240,889,485)	(202,737,540)	248,731,899	(28,951,320)	23,699,559	117,156,930	-	

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

21. Capital adequacy

	<u>Economic Entity</u>	
	<u>31.03.2011</u>	<u>31.12.2010</u>
	<u>RM</u>	<u>RM</u>
<u>Tier I Capital</u>		
Paid-up ordinary share capital	443,775,020	443,775,020
Accumulated losses	(58,563,363)	(56,904,026)
	385,211,657	386,870,994
Less :		
Deferred tax assets	<u>-</u>	<u>-</u>
Total Tier I capital	<u>385,211,657</u>	<u>386,870,994</u>
<u>Tier II Capital</u>		
Collective impairment/allowance for bad and doubtful financing ^	<u>12,425,627</u>	<u>12,436,283</u>
Total Tier II capital	<u>12,425,627</u>	<u>12,436,283</u>
Total capital base	<u><u>397,637,284</u></u>	<u><u>399,307,277</u></u>
<u>Capital ratios</u>		
Inclusive of market risk :		
Core capital ratio (inclusive of market risk)	39.72%	45.18%
Risk-weighted capital ratio (inclusive of market risk)	<u>41.00%</u>	<u>46.63%</u>

^ Excludes collective assessment impairment allowance attributable to financing and advances classified as impaired but not individually assessed for impairment pursuant to BNM's Guideline on "Classification and impairment Provisions for Loans/Financing" issued on 8 January 2010 and subsequently updated on 26 January 2010 and 17 December 2010

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

21. Capital adequacy (continued)

	<u>Bank</u>	
	<u>31.03.2011</u>	<u>31.12.2010</u>
	<u>RM</u>	<u>RM</u>
<u>Tier I Capital</u>		
Paid-up ordinary share capital	443,775,020	443,775,020
Accumulated losses	<u>(57,580,169)</u>	<u>(55,771,729)</u>
	386,194,851	388,003,291
Less :		
Deferred tax assets	<u>-</u>	<u>-</u>
Total Tier I capital	<u>386,194,851</u>	<u>388,003,289</u>
<u>Tier II Capital</u>		
Collective impairment/allowance for bad and doubtful financing ^	<u>12,425,627</u>	<u>12,436,283</u>
Total Tier II capital	<u>12,425,627</u>	<u>12,436,283</u>
Total capital base	<u>398,620,478</u>	<u>400,439,574</u>
<u>Capital ratios</u>		
Inclusive of market risk :		
Core capital ratio (inclusive of market risk)	39.71%	45.17%
Risk-weighted capital ratio (inclusive of market risk)	<u>40.99%</u>	<u>46.65%</u>

^ Excludes collective assessment impairment allowance attributable to financing and advances classified as impaired but not individually assessed for impairment pursuant to BNM's Guideline on "Classification and impairment Provisions for Loans/Financing" issued on 8 January 2010 and subsequently updated on 26 January 2010 and 17 December 2010

Company No.

716122	P
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ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

21. Capital adequacy (continued)

<u>Economic entity</u> <u>31.03.2011</u>			<u>Risk</u> <u>Weighted</u> <u>Assets</u>	<u>Risk</u> <u>Weighted</u> <u>Assets</u> <u>Absorbed by</u> <u>PSIA</u>	<u>Total Risk</u> <u>Weighted Assets</u> <u>after effects of</u> <u>PSIA</u>	<u>Capital</u> <u>Requirements</u>
<u>Exposure Class</u>	<u>Gross Exposures</u> RM'000	<u>Net Exposures</u> RM'000	<u>Assets</u> RM'000	<u>PSIA</u> RM'000	<u>PSIA</u> RM'000	<u>Requirements</u> RM'000
<u>Credit Risk</u>						
<i>On-Balance Sheet Exposures</i>						
Sovereigns & Central Banks	39,722	39,722	-	-	-	-
Banks, MDBs and FDIs	101,828	101,828	37,866	-	37,866	3,029
Corporates	831,132	831,132	667,441	-	667,441	53,395
Regulatory Retail	32,467	32,467	27,883	-	27,883	2,231
Other Assets	24,318	24,318	31,938	-	31,938	2,555
Total for On-Balance Sheet Exposures	1,029,467	1,029,467	765,128	-	765,128	61,210
<i>Off-Balance Sheet Exposures</i>						
Off balance sheet exposures other than OTC derivatives or credit derivatives	522,664	133,470	123,940	-	123,940	9,915
Total for Off-Balance Sheet Exposures	522,664	133,470	123,940	-	123,940	9,915
Total On and Off-Balance Sheet Exposures	1,552,131	1,162,937	889,068	-	889,068	71,125
<u>Market Risk</u>						
	<u>Long</u> <u>Position</u>	<u>Short</u> <u>Position</u>				
Benchmark Rate Risk	-	-	1,418	1,418	1,418	113
Equity Position Risk	9,079	-	9,079	9,079	9,079	726
Foreign Currency Risk	4,766	6,184	4,766	4,766	4,766	381
Operational Risk	-	-	-	65,579	65,579	5,246
Total RWA and Capital Requirements	1,565,976	6,184	1,178,200	969,910	969,910	77,591

Company No.

716122	P
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ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

21. Capital adequacy (continued)

Economic entity - 31.03.2011 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%	39,722	-	-	-	-	-	-	-
20%	-	-	55,013	11,003	-	-	173,953	34,791
50%	-	-	58,335	29,168	-	-	57,115	28,558
75%	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	691,154	691,154
150%	-	-	-	-	-	-	13,551	20,327
Total	39,722	-	113,348	40,171	-	-	935,773	774,830
Defaulted Exposures								
50%	-	-	-	-	-	-	8,000	4,000
100%	-	-	-	-	-	-	3,950	3,950
150%	-	-	-	-	-	-	2,500	3,750
Total	-	-	-	-	-	-	14,450	11,700
Total Performing and Defaulted	39,722	-	113,348	40,171	-	-	950,223	786,530

Company No.

716122	P
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ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

21. Capital adequacy (continued)

Economic entity - 31.03.2011

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

Risk Weights	Regulatory Retail		Other Assets		Total Exposure	Total Risk Weighted Assets
	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset
Performing Exposures						
0%	-	-	-	-	39,722	-
20%	-	-	-	-	228,966	45,794
50%	-	-	-	-	115,450	57,726
75%	30,080	22,560	-	-	30,080	22,560
100%	-	-	9,079	9,079	700,233	700,233
150%	-	-	15,239	22,859	28,790	43,186
Total	30,080	22,560	24,318	31,938	1,143,241	869,499
Defaulted Exposures						
50%	-	-	-	-	8,000	4,000
100%	-	-	-	-	3,950	3,950
150%	5,246	7,869	-	-	7,746	11,619
Total	5,246	7,869	-	-	19,696	19,569
Total Performing and Defaulted	35,326	30,429	24,318	31,938	1,162,937	889,068

Company No.

716122	P
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ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

21. Capital adequacy (continued)

<u>Economic entity</u> <u>31.12.2010</u>			<u>Risk</u> <u>Weighted</u> <u>Assets</u> <u>RM'000</u>	<u>Risk</u> <u>Weighted</u> <u>Absorbed by</u> <u>PSIA</u> <u>RM'000</u>	<u>Total Risk</u> <u>Weighted Assets</u> <u>after effects of</u> <u>PSIA</u> <u>RM'000</u>	<u>Capital</u> <u>Requirements</u> <u>RM'000</u>
<u>Exposure Class</u>	<u>Gross Exposures</u> <u>RM'000</u>	<u>Net Exposures</u> <u>RM'000</u>	<u>Risk</u> <u>Weighted</u> <u>Assets</u> <u>RM'000</u>	<u>Risk</u> <u>Weighted</u> <u>Absorbed by</u> <u>PSIA</u> <u>RM'000</u>	<u>Total Risk</u> <u>Weighted Assets</u> <u>after effects of</u> <u>PSIA</u> <u>RM'000</u>	<u>Capital</u> <u>Requirements</u> <u>RM'000</u>
<u>Credit Risk</u>						
<i>On-Balance Sheet Exposures</i>						
Sovereigns & Central Banks	64,987	64,987	-	-	-	-
Banks, MDBs and FDIs	103,794	103,794	38,328	-	38,328	3,066
Corporates	849,353	849,353	661,728	-	661,728	52,938
Regulatory Retail	32,486	32,486	24,365	-	24,365	1,949
Other Assets	18,482	18,482	26,028	-	26,028	2,082
Total for On-Balance Sheet Exposures	1,069,102	1,069,102	750,449	-	750,449	60,036
<i>Off-Balance Sheet Exposures</i>						
Off balance sheet exposures other than OTC derivatives or credit derivatives	541,372	45,170	38,040	-	38,040	3,043
Total for Off-Balance Sheet Exposures	541,372	45,170	38,040	-	38,040	3,043
Total On and Off-Balance Sheet Exposures	1,610,474	1,114,272	788,489	-	788,489	63,079
<u>Market Risk</u>						
	Long Position	Short Position				
Benchmark Rate Risk	-	-	4,814	4,814	4,814	385
Equity Position Risk	-	-	-	-	-	-
Foreign Currency Risk	3,188	-	3,188	3,188	3,188	255
Operational Risk	-	-	59,861	-	59,861	4,789
Total RWA and Capital Requirements	1,613,662	-	1,122,274	856,352	856,352	68,508

Company No.

716122	P
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ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

21. Capital adequacy (continued)

Economic entity - 31.12.2010

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%	64,987	-	-	-	-	-	-	-
20%	-	-	54,143	10,829	-	-	199,352	39,870
50%	-	-	58,563	29,282	-	-	57,696	28,848
75%	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	595,503	595,503
150%	-	-	-	-	-	-	14,610	21,915
Total	64,987	-	112,706	40,110	-	-	867,161	686,136
Defaulted Exposures								
50%	-	-	-	-	-	-	15,700	7,850
100%	-	-	-	-	-	-	250	250
150%	-	-	-	-	-	-	2,500	3,750
Total	-	-	-	-	-	-	18,450	11,850
Total Performing and Defaulted	64,987	-	112,706	40,110	-	-	885,611	697,986

Company No.

716122	P
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ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

21. Capital adequacy (continued)

Economic entity - 31.12.2010

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

Risk Weights	Regulatory Retail		Other Assets		Total Exposure	Total Risk Weighted Assets
	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset		
Performing Exposures						
0%	-	-	-	-	64,987	-
20%	-	-	-	-	253,495	50,699
50%	-	-	-	-	116,259	58,130
75%	32,486	24,365	-	-	32,486	24,365
100%	-	-	3,392	3,392	598,895	598,895
150%	-	-	15,090	22,635	29,700	44,550
Total	32,486	24,365	18,482	26,027	1,095,822	776,639
Defaulted Exposures						
50%	-	-	-	-	15,700	7,850
100%	-	-	-	-	250	250
150%	-	-	-	-	2,500	3,750
Total	-	-	-	-	18,450	11,850
Total Performing and Defaulted	32,486	24,365	18,482	26,027	1,114,272	788,489

Company No.

716122	P
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ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

21. Capital adequacy (continued)

<u>Bank</u> <u>31.03.2011</u>			<u>Risk</u> <u>Weighted</u> <u>Assets</u>	<u>Risk</u> <u>Weighted</u> <u>Assets</u> <u>Absorbed by</u> <u>PSIA</u>	<u>Total Risk</u> <u>Weighted Assets</u> <u>after effects of</u> <u>PSIA</u>	<u>Capital</u> <u>Requirements</u>
<u>Exposure Class</u>	<u>Gross Exposures</u> RM'000	<u>Net Exposures</u> RM'000	<u>Assets</u> RM'000	RM'000	RM'000	RM'000
<u>Credit Risk</u>						
<i>On-Balance Sheet Exposures</i>						
Sovereigns & Central Banks	39,722	39,722	-	-	-	-
Banks, MDBs and FDIs	101,828	101,828	37,866	-	37,866	3,029
Corporates	831,132	831,132	667,439	-	667,439	53,395
Regulatory Retail	32,467	32,467	27,883	-	27,883	2,231
Other Assets	25,301	25,301	33,413	-	33,413	2,673
Total for On-Balance Sheet Exposures	1,030,450	1,030,450	766,601	-	766,601	61,328
<i>Off-Balance Sheet Exposures</i>						
Off balance sheet exposures other than OTC derivatives or credit derivatives	522,664	133,470	123,940	-	123,940	9,915
Total for Off-Balance Sheet Exposures	522,664	133,470	123,940	-	123,940	9,915
Total On and Off-Balance Sheet Exposures	1,553,114	1,163,920	890,541	-	890,541	71,243
<u>Market Risk</u>						
	<u>Long</u> <u>Position</u>	<u>Short</u> <u>Position</u>				
Benchmark Rate Risk	-	-	1,418	1,418	1,418	113
Equity Position Risk	9,079	-	9,079	9,079	9,079	726
Foreign Currency Risk	4,766	6,184	4,766	4,766	4,766	381
Operational Risk	-	-	-	66,756	66,756	5,341
Total RWA and Capital Requirements	1,566,959	6,184	1,179,183	972,560	972,560	77,805

Company No.

716122	P
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ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

21. Capital adequacy (continued)

Bank - 31.03.2011

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%	39,722	-	-	-	-	-	-	-
20%	-	-	55,013	11,003	-	-	173,953	34,791
50%	-	-	58,335	29,168	-	-	57,115	28,558
75%	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	691,154	691,154
150%	-	-	-	-	-	-	13,551	20,327
Total	39,722	-	113,348	40,171	-	-	935,773	774,830
Defaulted Exposures								
50%	-	-	-	-	-	-	8,000	4,000
100%	-	-	-	-	-	-	3,950	3,950
150%	-	-	-	-	-	-	2,500	3,750
Total	-	-	-	-	-	-	14,450	11,700
Total Performing and Defaulted	39,722	-	113,348	40,171	-	-	950,223	786,530

Company No.

716122	P
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ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

21. Capital adequacy (continued)

Bank - 31.03.2011

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

Risk Weights	Regulatory Retail		Other Assets		Total Exposure	Total Risk Weighted Assets
	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset
Performing Exposures						
0%	-	-	-	-	39,722	-
20%	-	-	-	-	228,966	45,794
50%	-	-	-	-	115,450	57,726
75%	30,080	22,560	-	-	30,080	22,560
100%	-	-	9,079	9,079	700,233	700,233
150%	-	-	16,222	24,332	29,773	44,659
Total	30,080	22,560	25,301	33,411	1,144,224	870,972
Defaulted Exposures						
50%	-	-	-	-	8,000	4,000
100%	-	-	-	-	3,950	3,950
150%	5,246	7,869	-	-	7,746	11,619
Total	5,246	7,869	-	-	19,696	19,569
Total Performing and Defaulted	35,326	30,429	25,301	33,411	1,163,920	890,541

Company No.

716122	P
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ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

21. Capital adequacy (continued)

<u>Bank</u> <u>31.12.2010</u>			<u>Risk</u> <u>Weighted</u> <u>Assets</u> <u>RM'000</u>	<u>Risk</u> <u>Weighted</u> <u>Assets</u> <u>Absorbed by</u> <u>PSIA</u> <u>RM'000</u>	<u>Total Risk</u> <u>Weighted Assets</u> <u>after effects of</u> <u>PSIA</u> <u>RM'000</u>	<u>Capital</u> <u>Requirements</u> <u>RM'000</u>
<u>Exposure Class</u>	<u>Gross Exposures</u> <u>RM'000</u>	<u>Net Exposures</u> <u>RM'000</u>				
<u>Credit Risk</u>						
<i>On-Balance Sheet Exposures</i>						
Sovereigns & Central Banks	64,987	64,987	-	-	-	-
Banks, MDBs and FDIs	103,794	103,794	38,328	-	38,328	3,066
Corporates	849,353	849,353	661,728	-	661,728	52,938
Regulatory Retail	32,486	32,486	24,365	-	24,365	1,949
Other Assets	19,614	19,614	27,725	-	27,725	2,218
Total for On-Balance Sheet Exposures	1,070,234	1,070,234	752,146	-	752,146	60,171
<i>Off-Balance Sheet Exposures</i>						
Off balance sheet exposures other than OTC derivatives or credit derivatives	541,372	45,170	38,040	-	38,040	3,043
Total for Off-Balance Sheet Exposures	541,372	45,170	38,040	-	38,040	3,043
Total On and Off-Balance Sheet Exposures	1,611,606	1,115,404	790,186	-	790,186	63,214
<u>Market Risk</u>						
	<u>Long</u> <u>Position</u>	<u>Short</u> <u>Position</u>				
Benchmark Rate Risk	-	-	4,814	4,814	4,814	385
Equity Position Risk	-	-	-	-	-	-
Foreign Currency Risk	3,188	-	3,188	3,188	3,188	255
Operational Risk	-	-	60,869	60,869	60,869	4,870
Total RWA and Capital Requirements	1,614,794	-	1,123,406	859,057	859,057	68,724

Company No.

716122	P
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ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

21. Capital adequacy (continued)

Bank - 31.12.2010

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	<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%	64,987	-	-	-	-	-	-	-
20%	-	-	54,143	10,829	-	-	199,352	39,870
50%	-	-	58,563	29,282	-	-	57,696	28,848
75%	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	595,503	595,503
150%	-	-	-	-	-	-	14,610	21,915
Total	64,987	-	112,706	40,110	-	-	867,161	686,136
Defaulted Exposures								
50%	-	-	-	-	-	-	15,700	7,850
100%	-	-	-	-	-	-	250	250
150%	-	-	-	-	-	-	2,500	3,750
Total	-	-	-	-	-	-	18,450	11,850
Total Performing and Defaulted	64,987	-	112,706	40,110	-	-	885,611	697,986

Company No.

716122	P
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ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

21. Capital adequacy (continued)

Bank - 31.12.2010

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

Risk Weights	Regulatory Retail		Other Assets		Total Exposure	Total Risk Weighted Assets
	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset
Performing Exposures						
0%	-	-	-	-	64,987	-
20%	-	-	-	-	253,495	50,699
50%	-	-	-	-	116,259	58,130
75%	32,486	24,365	-	-	32,486	24,365
100%	-	-	3,392	3,392	598,895	598,895
150%	-	-	16,222	24,333	30,832	46,247
Total	32,486	24,365	19,614	27,725	1,096,954	778,336
Defaulted Exposures						
50%	-	-	-	-	15,700	7,850
100%	-	-	-	-	250	250
150%	-	-	-	-	2,500	3,750
Total	-	-	-	-	18,450	11,850
Total Performing and Defaulted	32,486	24,365	19,614	27,725	1,115,404	790,186

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

22. Segment information**Economic Entity****31.03.2011**

	Domestic Banking RM	International Banking RM	Asset Management and Investment Banking RM	Total RM
External revenue	10,897,280	12,021,531	432,127	23,350,938
Inter-segment revenue	(4,811,448)	5,029,979	(218,531)	-
Total revenue	6,085,832	17,051,510	213,596	23,350,938
Depositors' payout	(399,641)	(10,746,448)	-	(11,146,089)
Net income	5,686,191	6,305,062	213,596	12,204,849
Operating overheads	(6,053,611)	(7,818,645)	(411,810)	(14,284,066)
Share of results of jointly controlled entity	-	-	419,879	419,879
Segmental results / loss before taxation	(367,420)	(1,513,583)	221,665	(1,659,338)
Taxation				-
Profit for the financial year				(1,659,338)

31.03.2010

	Domestic Banking RM	International Banking RM	Asset Management and Investment Banking RM	Total RM
External revenue	11,202,297	10,506,749	(918,632)	20,790,414
Inter-segment revenue	(3,731,824)	3,731,824	-	-
Total revenue	7,470,473	14,238,573	(918,632)	20,790,414
Depositors' payout	(509,051)	(6,286,554)	-	(6,795,605)
Net income	6,961,422	7,952,019	(918,632)	13,994,809
Operating overheads	(7,681,120)	(5,135,989)	(40,297)	(12,857,406)
Share of results of jointly controlled entity	-	-	-	446,472
Segmental results / loss before taxation	(719,699)	2,816,031	(958,929)	1,583,875
Taxation				(274,229)
Profit for the financial year				1,309,646

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

22. Segment information (continued)**Bank****31.03.2011**

	Domestic Banking RM	International Banking RM	Asset Management and Investment Banking RM	Total RM
External revenue	10,897,280	12,021,531	702,903	23,621,714
Inter-segment revenue	(4,811,448)	5,029,979	(218,531)	-
Total revenue	<u>6,085,832</u>	<u>17,051,510</u>	<u>484,372</u>	<u>23,621,714</u>
Depositors' payout	(399,641)	(10,746,448)	-	(11,146,089)
Net income	5,686,191	6,305,062	484,372	12,475,625
Operating overheads	(6,053,611)	(7,818,645)	(411,809)	(14,284,065)
Segmental results / loss before taxation	<u>(367,420)</u>	<u>(1,513,583)</u>	<u>72,563</u>	<u>(1,808,440)</u>
Taxation				-
Profit for the financial year				<u>(1,808,440)</u>

31.03.2010

	Domestic Banking RM	International Banking RM	Asset Management and Investment Banking RM	Total RM
External revenue	11,202,297	10,506,749	(918,632)	20,790,414
Inter-segment revenue	(3,731,824)	3,731,824	-	-
Total revenue	<u>7,470,473</u>	<u>14,238,573</u>	<u>(918,632)</u>	<u>20,790,414</u>
Depositors' payout	(509,051)	(6,286,554)	-	(6,795,605)
Net income	6,961,422	7,952,019	(918,632)	13,994,809
Operating overheads	(7,681,120)	(5,135,989)	(40,297)	(12,857,406)
Segmental results / loss before taxation	<u>(719,699)</u>	<u>2,816,031</u>	<u>(958,929)</u>	<u>1,137,403</u>
Taxation				(274,229)
Profit for the financial year				<u>863,174</u>

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

22. Segment information (continued)**Economic Entity****31.03.2011**

	Domestic Banking RM	International Banking RM	Asset Management and Investment Banking RM	Total RM
Segment assets	708,161,122	1,345,048,660	40,978,647	2,094,188,429
Deferred tax assets	-	-	-	-
Total assets	<u>708,161,122</u>	<u>1,345,048,660</u>	<u>40,978,647</u>	<u>2,094,188,429</u>
Segment liabilities	182,581,529	1,528,309,515	15,065	1,710,906,109
Total liabilities	<u>182,581,529</u>	<u>1,528,309,515</u>	<u>15,065</u>	<u>1,710,906,109</u>

31.12.2010

	Domestic Banking RM	International Banking RM	Asset Management and Investment Banking RM	Total RM
Segment assets	732,116,749	1,493,717,619	15,327,231	2,241,161,599
Deferred tax assets	-	-	-	-
Total assets	<u>732,116,749</u>	<u>1,493,717,619</u>	<u>15,327,231</u>	<u>2,241,161,599</u>
Segment liabilities	200,295,131	1,657,532,213	-	1,857,827,344
Total liabilities	<u>200,295,131</u>	<u>1,657,532,213</u>	<u>-</u>	<u>1,857,827,344</u>

ASIAN FINANCE BANK BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED 31 MARCH 2011

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

22. Segment information (continued)**Bank****31.03.2011**

	Domestic Banking RM	International Banking RM	Asset Management and Investment Banking RM	Total RM
Segment assets	708,161,122	1,345,048,660	41,961,842	2,095,171,624
Deferred tax assets	-	-	-	-
Total assets	<u>708,161,122</u>	<u>1,345,048,660</u>	<u>41,961,842</u>	<u>2,095,171,624</u>
Segment liabilities	<u>182,581,529</u>	<u>1,528,309,515</u>	<u>15,065</u>	<u>1,710,906,109</u>
Total liabilities	<u>182,581,529</u>	<u>1,528,309,515</u>	<u>15,065</u>	<u>1,710,906,109</u>

Bank**31.12.2010**

	Domestic Banking RM	International Banking RM	Asset Management and Investment Banking RM	Total RM
Segment assets	732,116,749	1,493,717,619	16,459,528	2,242,293,896
Deferred tax assets	-	-	-	-
Total assets	<u>732,116,749</u>	<u>1,493,717,619</u>	<u>16,459,528</u>	<u>2,242,293,896</u>
Segment liabilities	<u>200,295,131</u>	<u>1,657,532,213</u>	<u>-</u>	<u>1,857,827,344</u>
Total liabilities	<u>200,295,131</u>	<u>1,657,532,213</u>	<u>-</u>	<u>1,857,827,344</u>