



**ASIAN FINANCE BANK**

بنك التمويل الآسيوي

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



**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2010

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

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## INTERIM FINANCIAL STATEMENTS

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

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

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## INTERIM FINANCIAL STATEMENTS

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

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

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## INTERIM FINANCIAL STATEMENTS

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

**Economic entity**

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

31.12.2009

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

**Bank**

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

31.12.2009

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

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## INTERIM FINANCIAL STATEMENTS

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

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

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

**1. GENERAL INFORMATION**a) Performance Review

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

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

b) Prospect for 2010

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

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

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

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

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

**3. DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS**

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

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

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

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

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

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

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

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

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

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

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

**8. OTHER ASSETS**

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

**9. INVESTMENT IN JOINTLY CONTROLLED ENTITY**

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

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

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

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

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

Savings deposits

1,001,069

967,425

General investment deposits

129,635,759

120,267,774

Special investment deposits

835,141,836

912,015,087

**965,778,664****1,033,250,286****1,012,786,129****1,079,259,658**

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

Business enterprises

980,806,737

1,045,585,842

Individuals

31,979,392

33,673,816

**1,012,786,129****1,079,259,658**Economic Entity and Bank**11. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS****30.09.2010****31.12.2009**

RM

RM

Non-Mudharabah Funds:

Licensed Islamic banks

199,041,780

206,768,020

Other financial institutions

367,561,719

226,825,520

**566,603,499****433,593,540**Mudharabah Fund:

Licensed Islamic banks

125,000,000

-

Other financial institutions

22,529,220

217,736,002

**147,529,220****217,736,002****714,132,719****651,329,542****12. OTHER LIABILITIES****30.09.2010****31.12.2009**

RM

RM

Income payable

5,005,042

4,729,277

Sundry creditors

9,950,996

8,564,664

Other provisions and accruals

4,340,460

2,886,125

Profit equalisation reserve

113,000

-

**19,409,498****16,180,066**

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

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

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

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

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

**15. ALLOWANCES FOR LOSSES ON FINANCING AND ADVANCES**

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

**16. INCOME ATTRIBUTABLE TO DEPOSITORS**

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

**17. PERSONNEL EXPENSES**

	<b>3rd Quarter Ended</b> <b>30.09.2010</b> RM	3rd Quarter Ended 30.09.2009 RM	<b>Nine Months Ended</b> <b>30.09.2010</b> RM	Nine Months Ended 30.09.2009 RM
Contributions to Employee Provident Fund and SOCSO	660,220	487,270	1,966,537	1,360,015
Medical related expenses	32,027	141,906	117,787	454,174
Travelling and parking	31,290	38,709	89,009	102,142
Other staff related cost	556,540	150,726	1,124,172	436,393
	<b>7,221,176</b>	<b>5,308,834</b>	<b>19,867,119</b>	<b>14,733,688</b>

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

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

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

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

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

**20. COMMITMENTS AND CONTINGENCIES**

In the normal course of business, the Economic Entity and 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:

	<b>30.09.2010</b>			
	<u>Principal amount</u>	<u>Gross Positive Fair Value - Derivative Contract amount</u>	<u>Credit equivalent amount *</u>	<u>Risk weighted amount</u>
	RM	RM	RM	RM
Transaction-related contingent items	71,384,585	-	35,692,293	35,692,293
Irrevocable commitments to extend credit:				
- one year or less	200,329,131	-	-	-
- over one year to five years	4,972,640	-	-	-
- over five years	17,406,771	-	-	-
Foreign exchange related contracts				
- one year or less	209,085,443	8,907,245	12,021,000	2,752,357
<b>Total</b>	<b>503,178,570</b>	<b>8,907,245</b>	<b>47,713,293</b>	<b>38,444,650</b>
	<b>31.12.2009</b>			
	<u>Principal amount</u>	<u>Gross Positive Fair Value - Derivative Contract amount</u>	<u>Credit equivalent amount *</u>	<u>Risk weighted amount</u>
	RM	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	2,469,366	5,364,682	1,452,164
<b>Total</b>	<b>523,340,358</b>	<b>2,469,366</b>	<b>63,962,439</b>	<b>60,049,921</b>

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

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

**21. PROFIT RATE RISK**

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

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

## 21. PROFIT RATE RISK (CONTINUED)

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

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

**21. PROFIT RATE RISK (CONTINUED)**

<u>Economic entity</u> 31.12.2009	<-----Non-trading book----->							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	
<b>Assets</b>									
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	-
<b>Total assets</b>	<b>1,280,236,761</b>	<b>165,023,652</b>	<b>193,016,685</b>	<b>111,797,265</b>	<b>278,597,225</b>	<b>27,915,707</b>	<b>17,547,511</b>	<b>2,074,134,806</b>	

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

**21. PROFIT RATE RISK (CONTINUED)**Economic entity

31.12.2009

	-----Non-trading book----->							Total	Effective profit rate
	Up to 1 months	1-3 months	3-12 months	1-5 years	Over 5 years	Non-profit sensitive	Trading book		
	RM	RM	RM	RM	RM	RM	RM	RM	%
<b><u>Liabilities</u></b>									
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	
<b>Total profit-sensitivity gap</b>	422,790,533	(238,415,917)	(276,486,718)	111,597,265	(48,768,315)	11,735,641	17,547,511	-	

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

**21. PROFIT RATE RISK (CONTINUED)**

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

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

## 21. PROFIT RATE RISK (CONTINUED)

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

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

**21. PROFIT RATE RISK (CONTINUED)**

<u>Bank</u> 31.12.2009	←-----Non-trading book-----→							Trading book	Total	Effective profit rate
	Up to 1 months	1-3 months	3-12 months	1-5 years	Over 5 years	Non-profit sensitive	RM			
<b>Assets</b>										
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	-	
<b>Total assets</b>	<b>1,280,236,761</b>	<b>165,023,652</b>	<b>193,016,685</b>	<b>111,797,265</b>	<b>279,615,680</b>	<b>27,915,707</b>	<b>17,547,511</b>	<b>2,075,153,261</b>		

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

**21. PROFIT RATE RISK (CONTINUED)**

Bank 31.12.2009	←-----Non-trading book-----→							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	%
<b>Liabilities</b>									
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	
<b>Total profit-sensitivity gap</b>	422,790,533	(238,415,917)	(276,486,718)	111,597,265	(48,768,315)	11,735,641	17,547,511	-	

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

**22. CAPITAL ADEQUACY**

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

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

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

**22. CAPITAL ADEQUACY (CONTINUED)**Economic Entity30.09.2010

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

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

**22. CAPITAL ADEQUACY (CONTINUED)**

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

**Economic Entity****30.09.2010**

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

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

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

**22. CAPITAL ADEQUACY (CONTINUED)**Economic Entity

31.12.2009

<u>Exposure Class</u>	<u>Gross Exposures</u> RM'000	<u>Net Exposures</u> RM'000	<u>Risk Weighted Assets</u> RM'000	<u>Risk Weighted Assets Absorbed by PSIA</u> RM'000	<u>Total Risk Weighted Assets after effects of PSIA</u> RM'000	<u>Capital Requirements</u> RM'000
<b><u>Credit Risk</u></b>						
<i>On-Balance Sheet Exposures</i>						
Sovereigns & Central Banks	10,004	10,004	-	-	-	-
Banks, MDBs and FDIs	51,996	51,996	10,399	-	10,399	832
Corporate	710,490	710,490	602,245	-	602,245	48,180
Regulatory Retail	23,613	23,613	17,710	-	17,710	1,417
Other Assets	26,761	26,761	34,863	-	34,863	2,789
<b>Total for On-Balance Sheet Exposures</b>	<b>822,864</b>	<b>822,864</b>	<b>665,217</b>	<b>-</b>	<b>665,217</b>	<b>53,218</b>
<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
<b>Total for Off-Balance Sheet Exposures</b>	<b>523,341</b>	<b>63,963</b>	<b>60,050</b>	<b>-</b>	<b>60,050</b>	<b>4,804</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>1,346,205</b>	<b>886,827</b>	<b>725,267</b>	<b>-</b>	<b>725,267</b>	<b>58,022</b>
<b><u>Market Risk</u></b>						
	<b>Long Position</b>	<b>Short Position</b>				
Benchmark Rate Risk	-	-	656	656	-	52
Equity Position Risk	11,322	-	11,322	11,322	-	906
Foreign Currency Risk	49,878	113,683	63,805	113,683	-	9,095
Operational Risk	-	-	-	41,316	-	3,305
<b>Total RWA and Capital Requirements</b>	<b>1,407,405</b>	<b>113,683</b>	<b>962,610</b>	<b>892,244</b>	<b>-</b>	<b>71,380</b>

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

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

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

**22. CAPITAL ADEQUACY (CONTINUED)**Economic Entity

31.12.2009

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

Risk Weights	Sovereigns & Central Banks		Banks, MDBs and FDI's		Insurance Companies, Securities Firms & Fund Managers		Corporate	
	Exposures after Netting & CRM	<i>Risk Weighted Asset</i>	Exposures after Netting & CRM	<i>Risk Weighted Asset</i>	Exposures after Netting & CRM	<i>Risk Weighted Asset</i>	Exposures after Netting & CRM	<i>Risk Weighted Asset</i>
<b>Performing Exposures</b>								
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
<b>Total</b>	<b>10,004</b>	<b>-</b>	<b>56,887</b>	<b>11,377</b>	<b>-</b>	<b>-</b>	<b>769,003</b>	<b>660,757</b>
<b>Defaulted Exposures</b>								
100%	-	-	-	-	-	-	559	559
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>559</b>	<b>559</b>
<b>Total Performing and Defaulted</b>	<b>10,004</b>	<b>-</b>	<b>56,887</b>	<b>11,377</b>	<b>-</b>	<b>-</b>	<b>769,562</b>	<b>661,316</b>

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
<b>Performing Exposures</b>						
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
<b>Total</b>	<b>23,613</b>	<b>17,710</b>	<b>26,761</b>	<b>34,864</b>	<b>886,268</b>	<b>724,708</b>
<b>Defaulted Exposures</b>						
100%	-	-	-	-	559	559
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>559</b>	<b>559</b>
<b>Total Performing and Defaulted</b>	<b>23,613</b>	<b>17,710</b>	<b>26,761</b>	<b>34,864</b>	<b>886,827</b>	<b>725,267</b>

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

**22. CAPITAL ADEQUACY (CONTINUED)**

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

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

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

## 22. CAPITAL ADEQUACY (CONTINUED)

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

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

**22. CAPITAL ADEQUACY (CONTINUED)**

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

**Bank****30.09.2010**

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

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
<b>Performing Exposures</b>						
0%	-	-	-	-	64,949	-
20%	-	-	-	-	247,364	49,472
50%	-	-	-	-	57,639	28,820
75%	22,242	16,682	-	-	22,242	16,682
100%	-	-	26,224	26,224	614,918	614,918
150%	-	-	14,623	21,934	29,284	43,926
<b>Total</b>	<b>22,242</b>	<b>16,682</b>	<b>40,847</b>	<b>48,158</b>	<b>1,036,396</b>	<b>753,818</b>
<b>Defaulted Exposures</b>						
50%	-	-	-	-	11,250	5,625
100%	-	-	-	-	250	250
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,500</b>	<b>5,875</b>
<b>Total Performing and Defaulted</b>	<b>22,242</b>	<b>16,682</b>	<b>40,847</b>	<b>48,158</b>	<b>1,047,896</b>	<b>759,693</b>

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

**22. CAPITAL ADEQUACY (CONTINUED)**Bank31.12.2009

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

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

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

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

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

31.12.2009

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

Risk Weights	Sovereigns & Central Banks		Banks, MDBs and FDIs		Insurance Companies, Securities Firms & Fund Managers		Corporate	
	Exposures after Netting & CRM	<i>Risk Weighted Asset</i>	Exposures after Netting & CRM	<i>Risk Weighted Asset</i>	Exposures after Netting & CRM	<i>Risk Weighted Asset</i>	Exposures after Netting & CRM	<i>Risk Weighted Asset</i>
<b>Performing Exposures</b>								
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
<b>Total</b>	<b>10,004</b>	<b>-</b>	<b>56,887</b>	<b>11,377</b>	<b>-</b>	<b>-</b>	<b>769,003</b>	<b>660,757</b>
<b>Defaulted Exposures</b>								
100%	-	-	-	-	-	-	559	559
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>559</b>	<b>559</b>
<b>Total Performing and Defaulted</b>	<b>10,004</b>	<b>-</b>	<b>56,887</b>	<b>11,377</b>	<b>-</b>	<b>-</b>	<b>769,562</b>	<b>661,316</b>

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
<b>Performing Exposures</b>						
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
<b>Total</b>	<b>23,613</b>	<b>17,710</b>	<b>27,780</b>	<b>36,392</b>	<b>887,287</b>	<b>726,236</b>
<b>Defaulted Exposures</b>						
100%	-	-	-	-	559	559
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>559</b>	<b>559</b>
<b>Total Performing and Defaulted</b>	<b>23,613</b>	<b>17,710</b>	<b>27,780</b>	<b>36,392</b>	<b>887,846</b>	<b>726,795</b>

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

**23. SEGMENT INFORMATION****Economic Entity****3rd Quarter Ended****30.09.2010**

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

**3rd Quarter Ended****30.09.2009**

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

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

**23. SEGMENT INFORMATION (CONTINUED)****Economic Entity****Nine Months Ended****30.09.2010**

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

**Nine Months Ended****30.09.2009**

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

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

**23. SEGMENT INFORMATION (CONTINUED)****Bank****3rd Quarter Ended****30.09.2010**

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

**3rd Quarter Ended****30.09.2009**

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

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

**23. SEGMENT INFORMATION (CONTINUED)****Bank****Nine Months Ended****30.09.2010**

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

**Nine Months Ended****30.09.2009**

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

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## NOTES TO THE FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED 30 SEPTEMBER 2010

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

**23. SEGMENT INFORMATION (CONTINUED)****Economic Entity****30.09.2010**

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

**Economic Entity****31.12.2009**

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

**Bank****30.09.2010**

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

**Bank****31.12.2009**

	<b>Domestic banking</b>	<b>Investment and International banking</b>	<b>Asset Management</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
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>