

Company No.

716122	P
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**ASIAN FINANCE BANK BERHAD**

 INTERIM FINANCIAL STATEMENTS  
 UNAUDITED BALANCE SHEET AS AT 30 JUNE 2009

	<u>Note</u>	<u>30.06.2009</u> RM	<u>31.12.2008</u> RM
<b>ASSETS</b>			
Cash and short-term funds	2	<b>658,674,521</b>	1,430,697,127
Deposits and placements with banks and other financial institutions	3	<b>50,000,000</b>	-
Securities held-for-trading	4	<b>10,389,777</b>	-
Securities available-for-sale	5	<b>65,139,292</b>	61,461,157
Securities held-to-maturity	6	<b>27,374,673</b>	16,875,260
Financing and advances	7	<b>570,145,521</b>	249,827,727
Other assets	8	<b>4,045,355</b>	39,097,494
Statutory deposits with Bank Negara Malaysia		<b>919,289</b>	-
Deferred tax assets		<b>8,254,737</b>	9,756,257
Property, plant and equipment		<b>5,252,825</b>	5,349,243
Intangible assets		<b>10,264,192</b>	11,561,849
<b>TOTAL ASSETS</b>		<b><u>1,410,460,182</u></b>	<b><u>1,824,626,114</u></b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Deposits from customers	9	<b>869,431,905</b>	968,107,036
Deposits and placements of banks and other financial institutions	10	<b>206,777,886</b>	524,640,155
Other liabilities	11	<b>8,641,983</b>	7,837,469
		<b><u>1,084,851,774</u></b>	<b><u>1,500,584,660</u></b>
Ordinary share capital		<b>355,020,010</b>	355,020,010
Available-for-sale reserve		<b>(5,398,875)</b>	(6,929,150)
Accumulated losses		<b>(24,012,727)</b>	(24,049,406)
Shareholders' equity		<b><u>325,608,408</u></b>	<b><u>324,041,454</u></b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b><u>1,410,460,182</u></b>	<b><u>1,824,626,114</u></b>
<b>COMMITMENTS AND CONTINGENCIES</b>	18	<b><u>297,960,752</u></b>	<b><u>178,333,000</u></b>
<b>Capital Ratios</b>			
Core capital ratio	20	<b>53.43%</b>	92.13%
Risk-weighted capital ratio	20	<b>54.87%</b>	94.41%

**ASIAN FINANCE BANK BERHAD**  
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS  
UNAUDITED INCOME STATEMENT  
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2009

		<b>2nd Quarter Ended <u>30.06.2009</u> RM</b>	2nd Quarter Ended <u>30.06.2008</u> RM	<b>Half Year Ended <u>30.06.2009</u> RM</b>	Half Year Ended <u>30.06.2008</u> RM
	<u>Note</u>				
Income derived from investment of depositors' funds	12	<b>9,371,333</b>	10,179,024	<b>17,924,871</b>	18,513,651
Income derived from investment of shareholders' funds	13	<b>8,602,495</b>	3,965,832	<b>13,612,012</b>	8,605,074
Allowance for losses on financing and advances	14	<b>(150,000)</b>	(1,734,000)	<b>(763,000)</b>	(2,901,000)
Total distributable income		<b><u>17,823,828</u></b>	<u>12,410,856</u>	<b><u>30,773,883</u></b>	<u>24,217,725</u>
Income attributable to the depositors	15	<b>(5,481,438)</b>	(8,668,074)	<b>(12,262,269)</b>	(16,103,552)
Total net income		<b><u>12,342,390</u></b>	<u>3,742,782</u>	<b><u>18,511,614</u></b>	<u>8,114,173</u>
Personnel expenses	16	<b>(5,047,008)</b>	(4,703,903)	<b>(9,424,856)</b>	(7,941,258)
Other overheads and expenditures	17	<b>(4,724,055)</b>	(2,758,226)	<b>(9,083,159)</b>	(6,036,696)
Profit / (loss) before taxation		<b><u>2,571,327</u></b>	<u>(3,719,347)</u>	<b><u>3,599</u></b>	<u>(5,863,781)</u>
Taxation		<b>(237,065)</b>	-	<b>33,080</b>	440,000
Net profit / (loss) for the financial year		<b><u><u>2,334,262</u></u></b>	<u><u>(3,719,347)</u></u>	<b><u><u>36,679</u></u></b>	<u><u>(5,423,781)</u></u>

**ASIAN FINANCE BANK BERHAD**  
(Incorporated in Malaysia)

## INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2009

	Share Capital RM	Accumulated Losses RM	AFS Reserve RM	Total RM
<b><u>30.06.2009</u></b>				
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	-	-	3,064,875	3,064,875
Deferred taxation	-	-	(1,534,600)	(1,534,600)
Net profit for the half year	-	36,679	-	36,679
Balance as at 30.06.2009	<u>355,020,010</u>	<u>(24,012,727)</u>	<u>(5,398,875)</u>	<u>325,608,408</u>
<b><u>31.12.2008</u></b>				
Balance as at 1.1.2008	355,020,010	(8,296,296)	(239,253)	346,484,461
Unrealised net loss on revaluation of securities available-for-sale	-	-	(10,032,124)	(10,032,124)
Deferred taxation	-	-	3,342,227	3,342,227
Net loss for the financial year	-	(15,753,110)	-	(15,753,110)
Balance as at 31.12.2008	<u>355,020,010</u>	<u>(24,049,406)</u>	<u>(6,929,150)</u>	<u>324,041,454</u>

**ASIAN FINANCE BANK BERHAD**  
(Incorporated in Malaysia)

## INTERIM FINANCIAL STATEMENTS

## UNAUDITED CASHFLOW STATEMENT FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2009

	<u>Note</u>	<u>30.06.2009</u> RM	<u>31.12.2008</u> RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(Loss) before taxation for the period/financial year		3,599	(20,528,865)
Adjustments for:			
Revaluation of investment in securities available-for-sale		-	-
Depreciation of property, plant and equipment		808,529	1,461,215
Amortisation of intangible assets		1,451,008	2,135,888
Property, plant and equipment written off		-	38,616
Unrealised loss/(gain) from securities held for trading		24,723	-
Unrealised loss/(gain) from revaluation of securities available for sale		(618,328)	(3,013,640)
Unrealised loss/(gain) from revaluation of securities held-to-maturity		(243,727)	1,289,260
Net gain on sale of securities available-for-sale		-	-
Accretion of discount less amortisation of premium		(250,617)	(58,963)
Allowance for losses on financing and advances		720,738	7,410,060
Profit equalisation reserve		-	-
Operating gain / (loss) before working capital changes		<u>1,895,925</u>	<u>(11,266,429)</u>
<b>Decrease/(increase) in operating assets:</b>			
Deposits and placements with financial institutions		(50,000,000)	100,000,000
Financing and advances		(321,038,532)	(166,448,599)
Other assets		35,052,139	(34,181,046)
Statutory deposit with Bank Negara Malaysia		(919,289)	-
<b>Increase/(decrease) in operating liabilities:</b>			
Deposits from customers		(98,675,131)	139,407,465
Deposits and placements of banks and other financial institutions		(317,862,269)	455,832,972
Bills and acceptances payable		-	-
Other liabilities		804,514	(975,233)
Cash (used in) / generated from operating activities		<u>(750,742,643)</u>	<u>1,049,452,833</u>
Taxation paid		-	-
Zakat paid		-	-
Net cash (used in) / generated from operating activities		<u>(750,742,643)</u>	<u>482,369,130</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(865,463)	(5,936,591)
Purchase of securities held-for-trading		(10,414,500)	-
Purchase of securities available-for-sale		-	(35,728,747)
Purchase of securities held-to-maturity		(10,000,000)	(18,122,101)
Net cash used in investing activities		<u>(21,279,963)</u>	<u>(59,787,439)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from issuance of share capital		-	-
<b>ANALYSIS OF CASH AND CASH EQUIVALENT</b>			
Net increase in cash and cash equivalents		(772,022,606)	422,581,691
Cash and cash equivalent at beginning of period/financial year		1,430,697,127	1,008,115,436
Cash and cash equivalent carried forward	2	<u>658,674,521</u>	<u>1,430,697,127</u>

**ASIAN FINANCE BANK BERHAD**  
(Incorporated in Malaysia)

NOTES TO FINANCIAL STATEMENTS  
FOR HALF YEAR ENDED 30 JUNE 2009

-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 Bank registered a profit before zakat and tax of RM3,599 for the half year ended 30th June 2009.

The Bank's gross financing and advances stood at RM580.8m whilst total Deposit at RM1,076.2m.

b) Prospect for 2009

The Bank continues to pursue its mission to lead the world to islamic finance amidst the global financial crisis.

2. CASH AND SHORT-TERM FUNDS

	<u>30.06.2009</u>	<u>31.12.2008</u>
	RM	RM
Cash and balances with banks and other financial institutions	658,671,145	8,477,127
Money at call and deposit placements maturing within one month	3,376	1,422,220,000
	<u>658,674,521</u>	<u>1,430,697,127</u>

3. DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	<u>30.06.2009</u>	<u>31.12.2008</u>
	RM	RM
Licensed Islamic Bank	<u>50,000,000</u>	-

4. SECURITIES HELD-FOR-TRADING

	<u>30.06.2009</u>	<u>31.12.2008</u>
	RM	RM
<u>At fair value</u>		
<u>Quoted securities outside Malaysia</u>		
Islamic private debt securities	<u>10,389,777</u>	-
	<u>10,389,777</u>	-

**ASIAN FINANCE BANK BERHAD**  
(Incorporated in Malaysia)

NOTES TO FINANCIAL STATEMENTS  
FOR HALF YEAR ENDED 30 JUNE 2009

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

5. SECURITIES AVAILABLE-FOR-SALE

	<u>30.06.2009</u>	<u>31.12.2008</u>
<u>At fair value</u>	RM	RM
<u>Unquoted securities in Malaysia</u>		
Islamic private debt securities	20,029,742	20,662,901
<u>Unquoted securities outside Malaysia</u>		
Foreign corporate debt securities held	45,109,550	40,798,256
	<u>65,139,292</u>	<u>61,461,157</u>

6. SECURITIES HELD-TO-MATURITY

	<u>30.06.2009</u>	<u>31.12.2008</u>
	RM	RM
Bank Negara Malaysia Sukuk Ijarah	10,020,475	-
<u>Unquoted securities in and outside Malaysia</u>		
Foreign corporate debt securities held	17,354,198	16,875,260
	<u>27,374,673</u>	<u>16,875,260</u>

7. FINANCING AND ADVANCES

	<u>30.06.2009</u>	<u>31.12.2008</u>
(i) By type	RM	RM
Term financing		
- housing financing	16,882,246	14,910,042
- syndicated term financing	104,995,156	104,620,793
- other term financing	509,740,890	197,858,502
Trust receipts	25,070,043	2,002,323
Staff financing	1,032,754	618,877
Others	24,966,460	43,227,129
	<u>682,687,549</u>	<u>363,237,666</u>
Less: Unearned income	(101,853,186)	(103,484,097)
Gross financing and advances	580,834,363	259,753,569
Less : Allowance for bad and doubtful financing:		
- general	(8,686,521)	(7,965,782)
- specific	(2,002,321)	(1,960,060)
Net financing and advances	<u>570,145,521</u>	<u>249,827,727</u>

(ii) By type of customer

Domestic non-bank financial institution		
- Others	55,209,841	-
Domestic business enterprises		
- Small medium enterprises	14,733,171	8,045,321
- Others	424,381,540	159,629,228
Individuals	11,382,763	11,766,652
Foreign entities	75,127,048	80,312,368
	<u>580,834,363</u>	<u>259,753,569</u>

**ASIAN FINANCE BANK BERHAD**  
(Incorporated in Malaysia)

FOR HALF YEAR ENDED 30 JUNE 2009

-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)

	<u>30.06.2009</u>	<u>31.12.2008</u>
	RM	RM
(iii) Financing and advances analysed by contract are as follows:		
Tawarruq	353,292,242	136,676,541
Murabahah	55,375,774	-
Ijarah	62,972,368	46,069,975
Istisna	109,137,056	76,903,410
Qardhul Hassan	56,923	103,643
	<u>580,834,363</u>	<u>259,753,569</u>
(iv) By profit rate sensitivity		
Fixed rate		
- Other fixed rate financing	118,376,598	80,075,366
Variable rate		
-Others	462,400,842	179,574,560
Non-profit sensitive		
-Others	56,923	103,643
	<u>580,834,363</u>	<u>259,753,569</u>
(v) By purpose		
Purchase of landed property:		
- Residential	41,785,175	18,590,000
- Non-residential	87,908,951	8,962,365
Working Capital	375,423,576	207,393,689
Personal Use	770,141	820,800
Purchase of transport vehicles	72,944,199	21,984,394
Others	2,002,321	2,002,321
	<u>580,834,363</u>	<u>259,753,569</u>
(vi) Movement in allowance for bad and doubtful financing		
General allowance		
As at 1 January	7,965,782	2,515,782
Allowance made during the period	763,000	5,450,000
Transfer to Specific allowance	(42,261)	-
Balance carried forward	<u>8,686,521</u>	<u>7,965,782</u>
As % of gross financing and advances less specific allowance	<u>1.50%</u>	<u>3.09%</u>
Specific allowance		
As at 1 January	1,960,060	-
Transfer from General allowance	42,261	-
Balance carried forward	<u>2,002,321</u>	<u>1,960,060</u>

**ASIAN FINANCE BANK BERHAD**  
(Incorporated in Malaysia)

NOTES TO FINANCIAL STATEMENTS  
FOR HALF YEAR ENDED 30 JUNE 2009

-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)

	<u>30.06.2009</u>	<u>31.12.2008</u>
	RM	RM
(vii) Movement in non performing financing and advances		
At 1 January	2,002,321	-
Classified as non-performing	-	2,002,321
	<u>2,002,321</u>	<u>2,002,321</u>
Less: Specific allowance	(2,002,321)	(1,960,060)
Net non-performing financing and advances	<u>-</u>	<u>42,261</u>
Ratio of net non-performing financing and advances to total net financing and advances	<u>0.00%</u>	<u>0.02%</u>
(viii) Non-performing financing by purpose		
Others	<u>2,002,321</u>	<u>2,002,321</u>

8. OTHER ASSETS

	<u>30.06.2009</u>	<u>31.12.2008</u>
	RM	RM
Other debtors, deposits and prepayments	2,806,994	1,917,269
Income receivable from placements and securities	1,238,361	37,180,225
	<u>4,045,355</u>	<u>39,097,494</u>

**ASIAN FINANCE BANK BERHAD**  
(Incorporated in Malaysia)

NOTES TO FINANCIAL STATEMENTS  
FOR HALF YEAR ENDED 30 JUNE 2009

-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

	<u>30.06.2009</u>	<u>31.12.2008</u>
	RM	RM
<u>Non-Mudharabah Funds:</u>		
Demand deposits	61,760,837	24,561,297
Savings deposits	374,883	85,281
	<u>62,135,720</u>	<u>24,646,578</u>
<u>Mudharabah Funds:</u>		
Savings deposits	843,736	741,656
General investment deposits	85,266,429	45,197,458
Special investment deposits	721,186,020	897,521,344
	<u>807,296,185</u>	<u>943,460,458</u>
Total deposits	<u><u>869,431,905</u></u>	<u><u>968,107,036</u></u>

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

Business enterprises	843,933,003	954,682,738
Individuals	25,498,902	13,424,298
	<u>869,431,905</u>	<u>968,107,036</u>

10. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	<u>30.06.2009</u>	<u>31.12.2008</u>
	RM	RM
<u>Non-Mudharabah Funds:</u>		
Licensed Islamic banks	137,028,261	133,441,644
Other financial institutions	115,266	48,620
	<u>137,143,527</u>	<u>133,490,264</u>
<u>Mudharabah Fund:</u>		
Licensed Islamic banks	-	15,000,000
Other financial institutions	69,634,359	376,149,891
	<u>69,634,359</u>	<u>391,149,891</u>
Total deposits	<u><u>206,777,886</u></u>	<u><u>524,640,155</u></u>

11. OTHER LIABILITIES

	<u>30.06.2009</u>	<u>31.12.2008</u>
	RM	RM
Income payable	2,350,907	2,007,715
Sundry creditors	6,128,250	5,665,331
Other provisions and accrual	162,826	164,423
	<u>8,641,983</u>	<u>7,837,469</u>

**ASIAN FINANCE BANK BERHAD**  
(Incorporated in Malaysia)

NOTES TO FINANCIAL STATEMENTS  
FOR HALF YEAR ENDED 30 JUNE 2009

-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

Income derived from investment of depositors' funds are as follows:

	<b>2nd Quarter Ended 30.06.2009</b>	2nd Quarter Ended 30.06.2008	<b>Half Year Ended 30.06.2009</b>	Half Year Ended 30.06.2008
	RM	RM	RM	RM
Income derived from investment of:-				
(i) General investment deposit	<b>1,066,251</b>	371,761	<b>1,534,007</b>	702,667
(ii) Other deposits	<b>8,305,082</b>	9,807,263	<b>16,390,864</b>	17,810,984
	<b>9,371,333</b>	10,179,024	<b>17,924,871</b>	18,513,651

(i) Income derived from investment of general investment deposits

Finance income and hibah:

Financing and advances	<b>513,365</b>	77,708	<b>684,124</b>	133,270
Securities available-for-sale	<b>75,544</b>	21,492	<b>87,953</b>	37,452
Securities held-to-maturity	<b>13,657</b>	-	<b>19,303</b>	-
Money at call and deposit with financial institutions	<b>452,741</b>	272,630	<b>726,474</b>	531,821
	<b>1,055,307</b>	371,830	<b>1,517,854</b>	702,543
Accretion of discount less amortisation of premium	<b>10,944</b>	(69)	<b>16,153</b>	124
	<b>1,066,251</b>	371,761	<b>1,534,007</b>	702,667

(ii) Income derived from investment of other deposits

Finance income and hibah:

	<b>2nd Quarter Ended 30.06.2009</b>	2nd Quarter Ended 30.06.2008	<b>Half Year Ended 30.06.2009</b>	Half Year Ended 30.06.2008
	RM	RM	RM	RM
Financing and advances	<b>4,358,073</b>	2,049,980	<b>7,309,873</b>	3,393,883
Securities available-for-sale	<b>725,282</b>	566,966	<b>939,783</b>	952,985
Securities held-to-maturity	<b>108,656</b>	-	<b>206,257</b>	-
Money at call and deposit with financial institutions	<b>3,030,526</b>	7,192,126	<b>7,762,370</b>	13,461,263
	<b>8,222,537</b>	9,809,072	<b>16,218,283</b>	17,808,131
Accretion of discount less amortisation of premium	<b>82,545</b>	(1,809)	<b>172,581</b>	2,853
	<b>8,305,082</b>	9,807,263	<b>16,390,864</b>	17,810,984

**ASIAN FINANCE BANK BERHAD**  
(Incorporated in Malaysia)

NOTES TO FINANCIAL STATEMENTS  
FOR HALF YEAR ENDED 30 JUNE 2009

-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

	<b>2nd Quarter Ended 30.06.2009</b>	2nd Quarter Ended 30.06.2008	<b>Half Year Ended 30.06.2009</b>	Half Year Ended 30.06.2008
	RM	RM	RM	RM
<b>Finance income and hibah:</b>				
Financing and advances	1,420,099	719,518	2,358,417	1,289,787
Securities available-for-sale	235,021	198,997	303,206	362,800
Securities held-to-maturity	35,520	-	66,545	-
Money at call and deposit with financial institutions	1,000,250	2,524,348	2,504,408	5,184,579
	<b>2,690,890</b>	3,442,863	<b>5,232,576</b>	6,837,166
Accretion of discount less amortisation of premium	27,060	(635)	55,680	1,343
Total finance income and hibah	<b>2,717,950</b>	3,442,228	<b>5,288,256</b>	6,838,509
Other operating income (note a)	<b>5,884,545</b>	523,604	<b>8,323,756</b>	1,766,565
	<b>8,602,495</b>	3,965,832	<b>13,612,012</b>	8,605,074
a) Other operating income :				
Commission	218,483	-	782,077	-
Service charges and fees	3,717,598	522,787	5,749,205	1,765,725
Other fee income	1,948,464	817	1,792,474	840
Total other operating income	<b>5,884,545</b>	523,604	<b>8,323,756</b>	1,766,565

14. ALLOWANCES FOR LOSSES ON FINANCING AND ADVANCES

	<b>2nd Quarter Ended 30.06.2009</b>	2nd Quarter Ended 30.06.2008	<b>Half Year Ended 30.06.2009</b>	Half Year Ended 30.06.2008
	RM	RM	RM	RM
<b>Allowance for bad and doubtful financing:</b>				
Specific allowance				
- Made during the financial period	-	-	-	-
General allowance				
- Made during the financial period	150,000	1,734,000	763,000	2,901,000

15. INCOME ATTRIBUTABLE TO DEPOSITORS

	<b>2nd Quarter Ended 30.06.2009</b>	2nd Quarter Ended 30.06.2008	<b>Half Year Ended 30.06.2009</b>	Half Year Ended 30.06.2008
	RM	RM	RM	RM
<b>Deposits from customers:</b>				
- Mudharabah funds	4,709,583	5,778,861	9,947,485	11,228,306
- Non-mudharabah funds	-	-	-	-
<b>Deposits and placements of banks and other financial institutions:</b>				
- Mudharabah funds	89,451	2,061,004	869,909	3,409,592
- Non-mudharabah funds	682,404	828,209	1,444,875	1,465,654
	<b>5,481,438</b>	8,668,074	<b>12,262,269</b>	16,103,552

**ASIAN FINANCE BANK BERHAD**  
(Incorporated in Malaysia)

## NOTES TO FINANCIAL STATEMENTS

FOR HALF YEAR ENDED 30 JUNE 2009

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

## 16. PERSONNEL EXPENSES

	<b>2nd Quarter Ended <u>30.06.2009</u> RM</b>	2nd Quarter Ended <u>30.06.2008</u> RM	<b>Half Year Ended <u>30.06.2009</u> RM</b>	Half Year Ended <u>30.06.2008</u> RM
Salaries, allowances and bonuses	4,191,748	4,016,134	7,890,741	6,753,565
Contributions to EPF and SOCSO	447,859	315,254	872,745	571,041
Medical related expenses	202,060	74,865	312,268	166,238
Travelling and parking	52,513	112,106	63,433	129,110
House rental	-	51,000	-	102,000
Other staff related cost	152,828	134,544	285,669	219,304
	<b>5,047,008</b>	4,703,903	<b>9,424,856</b>	7,941,258

## 17. OTHER OVERHEADS AND EXPENDITURES

	<b>2nd Quarter Ended <u>30.06.2009</u> RM</b>	2nd Quarter Ended <u>30.06.2008</u> RM	<b>Half Year Ended <u>30.06.2009</u> RM</b>	Half Year Ended <u>30.06.2008</u> RM
<b><u>ESTABLISHMENT EXPENSES</u></b>				
Depreciation	1,143,688	773,440	2,259,537	1,758,620
Rental of premises	256,247	174,020	627,028	498,771
Software and hardware maintenance	1,754,074	559,606	2,606,222	1,153,731
Rental of equipment and network line	202,470	149,537	311,426	513,470
Security expenses	71,874	49,005	122,855	105,921
Others	144,532	256,394	501,241	521,433
	<b>3,572,885</b>	1,962,002	<b>6,428,309</b>	4,551,946

**MARKETING EXPENSES**

Advertising and promotional activities	185,167	113,975	572,018	199,043
Entertainment expenses	1,592	14,290	2,203	16,501
Travelling expenses	143,205	23,078	244,279	24,687
Others	5,618	-	12,597	2,604
	<b>335,582</b>	151,343	<b>831,097</b>	242,835

**ADMINISTRATION AND GENERAL EXPENSES**

License association fees and levies	139,155	127,030	247,306	303,910
Travelling, transport and accomodation expenses	88,394	105,780	156,188	204,550
Printing, stationery, postage and clearing charges	77,931	73,678	169,685	103,813
Telecommunication charges	103,923	113,170	294,616	174,495
Shariah Committee remunerations	36,750	34,013	73,500	67,762
Electricity and water charges	71,133	39,899	158,156	90,508
Directors related fees	94,132	75,928	292,389	129,740
Other professional fees	61,650	47,063	75,613	114,306
Auditors remuneration	30,000	23,500	80,450	46,000
Donations	23,488	3,805	35,488	5,251
Others	89,032	1,015	240,362	1,580
	<b>815,588</b>	644,881	<b>1,823,753</b>	1,241,915
	<b>4,724,055</b>	2,758,226	<b>9,083,159</b>	6,036,696

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

NOTES TO FINANCIAL STATEMENTS

FOR HALF YEAR ENDED 30 JUNE 2009

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

## 18. COMMITMENTS AND CONTINGENCIES

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

Risk weighted exposures of the Bank are as follows:

	30.06.2009			31.12.2008		
	<u>Principal Amount</u>	<u>Credit Equivalent Amount*</u>	<u>Risk Weighted Amount</u>	<u>Principal Amount</u>	<u>Credit Equivalent Amount*</u>	<u>Risk Weighted Amount</u>
	RM	RM	RM	RM	RM	RM
Transaction-related contingent items	28,780,900	14,390,450	14,090,450	15,977,000	7,988,500	7,688,000
Short-term self-liquidating trade-related contingencies	-	-	-	-	-	-
Obligations under underwriting agreements	-	-	-	-	-	-
Housing financing sold directly and indirectly to Cagamas with recourse	-	-	-	-	-	-
Irrevocable commitments to extend credit:						
- one year or less	86,857,636	-	-	82,702,000	41,350,500	41,351,000
- over one year to five years	-	-	-	25,709,000	12,855,000	3,251,000
- over five years	36,256,116	-	-	-	-	-
Foreign exchange related contracts						
- one year or less	146,066,100	2,700,300	874,900	53,945,000	1,754,000	351,000
<b>Total</b>	<b>297,960,752</b>	<b>17,090,750</b>	<b>14,965,350</b>	<b>178,333,000</b>	<b>63,948,000</b>	<b>52,641,000</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 FINANCIAL STATEMENTS  
FOR HALF YEAR ENDED 30 JUNE 2009

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

19. PROFIT RATE RISK

The table below summarises the Bank's exposure to profit rate risk. The assets and liabilities at carrying amount are categorised by the earlier of contractual repricing or maturity dates.

<u>30.06.2009</u>	← Non-Trading Book →						Trading book	Total	Effective profit rate
	Up to 1 month	>1-3 months	>3-12 months	>1-5 years	Over 5 years	Non-profit sensitive			
	RM	RM	RM	RM	RM	RM	RM	RM	
<u>Assets</u>									
Cash and short term funds	3,376	-	-	-	-	658,671,145	-	658,674,521	2.20
Deposits and placements with financial institutions	-	50,000,000	-	-	-	-	-	50,000,000	3.21
								-	
Securities held-for-trading	-	-	-	-	-	-	10,389,777	10,389,777	-
Securities available-for-sale	-	-	-	37,312,880	27,826,412	-	-	65,139,292	4.05
Securities held-to-maturity	-	-	27,374,673	-	-	-	-	27,374,673	2.85
Financing and advances								-	
- performing	87,044,867	84,723,730	143,350,517	43,993,426	219,719,501	(10,688,841)	-	568,143,200	5.20
- non-performing	-	-	-	-	-	2,002,321	-	2,002,321	-
Other assets	-	-	-	-	-	4,045,355	-	4,045,355	-
Statutory deposits	-	-	-	-	-	919,289	-	919,289	-
Deferred taxation assets	-	-	-	-	-	8,254,737	-	8,254,737	-
Property, plant and equipment	-	-	-	-	-	5,252,825	-	5,252,825	-
Intangible assets	-	-	-	-	-	10,264,192	-	10,264,192	-
<b>Total assets</b>	<b>87,048,243</b>	<b>134,723,730</b>	<b>170,725,190</b>	<b>81,306,306</b>	<b>247,545,913</b>	<b>678,721,023</b>	<b>10,389,777</b>	<b>1,410,460,182</b>	

**ASIAN FINANCE BANK BERHAD**  
(Incorporated in Malaysia)

## NOTES TO FINANCIAL STATEMENTS

FOR HALF YEAR ENDED 30 JUNE 2009

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

## 19. PROFIT RATE RISK (CONTINUED)

←————— Non-Trading Book —————→

<u>30.06.2009</u>	Up to 1 month	>1-3 months	>3-12 months	>1-5 years	Over 5 years	Non-profit sensitive	Trading book	Total	Effective profit rate
	RM	RM	RM	RM	RM	RM	RM	RM	%
<u>Liabilities</u>									
Deposits from customers	373,999,773	54,278,206	440,184,198	969,728	-	-	-	869,431,905	2.24
Deposits and placements of banks and other financial institutions	132,001,587	74,134,404	641,895	-	-	-	-	206,777,886	1.84
Bills and acceptances payable	-	-	-	-	-	-	-	-	-
Taxation and zakat	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	8,641,983	-	8,641,983	-
<b>Total liabilities</b>	<b>506,001,360</b>	<b>128,412,610</b>	<b>440,826,093</b>	<b>969,728</b>	<b>-</b>	<b>8,641,983</b>	<b>-</b>	<b>1,084,851,774</b>	
Total shareholders equity	-	-	-	-	325,608,408	-	-	325,608,408	
	<b>506,001,360</b>	<b>128,412,610</b>	<b>440,826,093</b>	<b>969,728</b>	<b>325,608,408</b>	<b>8,641,983</b>	<b>-</b>	<b>1,410,460,182</b>	
<b>Total profit-sensitivity gap</b>	<b>(418,953,117)</b>	<b>6,311,120</b>	<b>(270,100,903)</b>	<b>80,336,578</b>	<b>(78,062,495)</b>	<b>670,079,040</b>	<b>10,389,777</b>	<b>-</b>	

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## NOTES TO FINANCIAL STATEMENTS

FOR HALF YEAR ENDED 30 JUNE 2009

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

## 19. PROFIT RATE RISK (CONTINUED)

31.12.2008	← Non-Trading Book →							Trading book	Total	Effective profit rate
	Up to 1 month	>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	1,422,220,000	-	-	-	-	8,477,127	-	1,430,697,127	3.53	
Deposits and placements with financial institutions	-	-	-	-	-	-	-	-	-	
Securities available-for-sale	-	-	-	23,584,322	37,876,835	-	-	61,461,157	5.35	
Securities held-to-maturity	-	-	-	16,875,260	-	-	-	16,875,260	3.99	
Financing and advances										
- performing	69,787,168	33,100,795	22,177,469	47,036,812	85,649,005	(9,925,843)	-	247,825,406	5.46	
- non-performing	-	-	-	-	-	2,002,321	-	2,002,321	-	
Other assets	-	-	-	-	-	39,097,494	-	39,097,494	-	
Deferred taxation assets	-	-	-	-	-	9,756,257	-	9,756,257	-	
Property, plant and equipment	-	-	-	-	-	5,349,243	-	5,349,243	-	
Intangible assets	-	-	-	-	-	11,561,849	-	11,561,849	-	
<b>Total assets</b>	<b>1,492,007,168</b>	<b>33,100,795</b>	<b>22,177,469</b>	<b>87,496,394</b>	<b>123,525,840</b>	<b>66,318,448</b>	<b>-</b>	<b>1,824,626,114</b>		

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## NOTES TO FINANCIAL STATEMENTS

FOR HALF YEAR ENDED 30 JUNE 2009

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

## 19. PROFIT RATE RISK (CONTINUED)

31.12.2008	← Non-Trading Book →						Non-profit sensitive	Trading book	Total	Effective profit rate
	Up to 1 month	>1-3 months	>3-12 months	>1-5 years	Over 5 years					
	RM	RM	RM	RM	RM	RM	RM	RM	%	
<u>Liabilities</u>										
Deposits from customers	845,796,483	108,206,645	10,303,908	3,800,000	-	-	-	968,107,036	3.73	
Deposits and placements of banks and other financial institutions	419,610,235	103,909,100	1,120,820	-	-	-	-	524,640,155	3.64	
Bills and acceptances payable	-	-	-	-	-	-	-	-	-	
Taxation and zakat	-	-	-	-	-	-	-	-	-	
Other liabilities	-	-	-	-	-	7,837,469	-	7,837,469	-	
Total liabilities	1,265,406,718	212,115,745	11,424,728	3,800,000	-	7,837,469	-	1,500,584,660		
Total shareholders equity	-	-	-	-	324,041,454	-	-	324,041,454		
	1,265,406,718	212,115,745	11,424,728	3,800,000	324,041,454	7,837,469	-	1,824,626,114		
Total profit-sensitivity gap	226,600,450	(179,014,950)	10,752,741	83,696,394	(200,515,614)	58,480,979	-	-		

Company No.	
716122	P

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

NOTES TO FINANCIAL STATEMENTS

FOR HALF YEAR ENDED 30 JUNE 2009

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

20. CAPITAL ADEQUACY

**30.06.2009**

**RM**

**Tier I Capital**

**Paid-up ordinary share capital**

**355,020,010**

**Accumulated losses**

**(24,634,964)**

**330,385,046**

**Less :**

**Deferred tax assets**

**(8,254,737)**

**Total Tier I capital**

**322,130,309**

**Tier II Capital**

**General allowance for bad and doubtful financing**

**8,686,520**

**Total Tier II capital**

**8,686,520**

**Total capital base**

**330,816,829**

**Capital ratios**

**Inclusive of market risk :**

**Core capital ratio (inclusive of market risk)**

**53.43%**

**Risk-weighted capital ratio (inclusive of market risk)**

**54.87%**

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 FINANCIAL STATEMENTS

FOR HALF YEAR ENDED 30 JUNE 2009

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

## 20. CAPITAL ADEQUACY (CONTINUED)

30.06.2009

Exposure Class	<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	10,020	10,020	-	-	-	-
Banks, MDBs and FDIs	55,208	55,208	11,042	-	11,042	883
Insurance Companies, Securities Firms & Fund Managers	-	-	-	-	-	-
Corporates	591,948	591,948	499,628	-	499,628	39,970
Regulatory Retail	14,168	14,168	10,626	-	10,626	850
Other Assets	10,390	10,390	10,390	-	10,390	831
<b>Total for On-Balance Sheet Exposures</b>	<b>681,734</b>	<b>681,734</b>	<b>531,686</b>	<b>-</b>	<b>531,686</b>	<b>42,535</b>
<i>Off-Balance Sheet Exposures</i>						
Off balance sheet exposures other than OTC derivatives or credit derivatives	297,882	17,091	14,965	-	14,965	1,197
<b>Total for Off-Balance Sheet Exposures</b>	<b>297,882</b>	<b>17,091</b>	<b>14,965</b>	<b>-</b>	<b>14,965</b>	<b>1,197</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>979,616</b>	<b>698,825</b>	<b>546,651</b>	<b>-</b>	<b>546,651</b>	<b>43,732</b>
<b><u>Market Risk</u></b>						
	<b>Long Position</b>	<b>Short Position</b>				
Equity Position Risk	10,389	-	(10,389)	10,389	-	10,389
Foreign Currency Risk	14,089	-	(14,089)	14,089	-	14,089
<b>Operational Risk</b>	-	-	-	31,736	-	31,736
<b>Total RWA and Capital Requirements</b>	<b>1,004,094</b>	<b>-</b>	<b>674,347</b>	<b>602,865</b>	<b>-</b>	<b>48,229</b>

**ASIAN FINANCE BANK BERHAD**  
(Incorporated in Malaysia)

NOTES TO FINANCIAL STATEMENTS  
FOR HALF YEAR ENDED 30 JUNE 2009

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

20. CAPITAL ADEQUACY (CONTINUED)

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

**30.06.2009**

Risk Weights	Exposures after Netting and Credit Risk Mitigation												Total Exposure	Total Risk Weighted Assets
	Sovereigns & Central Banks		Banks, MDBs and FDIs		Insurance Companies, Securities Firms & Fund Managers		Corporate		Regulatory Retail		Other Assets			
	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	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset		
<b>Performing Exposures</b>														
0%	10,020	-	-	-	300	-	9,911	-	-	-	-	-	20,231	-
20%	-	-	57,490	11,498	-	-	87,365	17,473	-	-	-	-	144,855	28,971
50%	-	-	-	-	-	-	25,034	12,517	-	-	-	-	25,034	12,517
75%	-	-	-	-	-	-	-	-	14,168	10,626	-	-	14,168	10,626
100%	-	-	-	-	-	-	484,147	484,147	-	-	10,390	10,390	494,537	494,537
<b>Total</b>	<b>10,020</b>	<b>-</b>	<b>57,490</b>	<b>11,498</b>	<b>300</b>	<b>-</b>	<b>606,457</b>	<b>514,137</b>	<b>14,168</b>	<b>10,626</b>	<b>10,390</b>	<b>10,390</b>	<b>698,825</b>	<b>546,651</b>
<b>Defaulted Exposures</b>														
50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Performing and Defaulted</b>	<b>10,020</b>	<b>-</b>	<b>57,490</b>	<b>11,498</b>	<b>300</b>	<b>-</b>	<b>606,457</b>	<b>514,137</b>	<b>14,168</b>	<b>10,626</b>	<b>10,390</b>	<b>10,390</b>	<b>698,825</b>	<b>546,651</b>

Company No.

716122	P
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**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

NOTES TO FINANCIAL STATEMENTS

FOR HALF YEAR ENDED 30 JUNE 2009

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

20. CAPITAL ADEQUACY (CONTINUED)

	<u>31.12.2008</u>
	RM
<u>Tier I Capital</u>	
Paid-up ordinary share capital	355,020,010
Accumulated losses	<u>(24,049,406)</u>
	330,970,604
Less :	
Deferred tax assets	<u>(9,756,257)</u>
Total Tier I capital	<u>321,214,347</u>
<u>Tier II Capital</u>	
General allowance for bad and doubtful financing	<u>7,965,782</u>
Total Tier II capital	<u>7,965,782</u>
Total capital base	<u><u>329,180,129</u></u>
<u>Capital ratios</u>	
Inclusive of market risk :	
Core capital ratio (inclusive of market risk)	92.13%
Risk-weighted capital ratio (inclusive of market risk)	<u>94.41%</u>

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 FINANCIAL STATEMENTS

FOR HALF YEAR ENDED 30 JUNE 2009

-PART A – EXPLANATORY NOTES PURSUANT TO GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKS

(BNM GP8-I) ISSUED BY BANK NEGARA MALAYSIA

## 20. CAPITAL ADEQUACY (CONTINUED)

31.12.2008

Exposure Class	<u>Gross Exposures</u> RM'000	<u>Net Exposures</u> RM'000	<u>Risk Weighted Assets</u> RM'000	<u>Risk Weighted Assets Absorbed by PSIA</u> RM'000	<u>Total Risk Weighted Assets after effects of PSIA</u> RM'000	<u>Capital Requirements</u> RM'000
<u>Credit Risk</u>						
<i>On-Balance Sheet Exposures</i>						
Corporates	324,049	324,049	225,058	-	225,058	18,005
Regulatory Retail	12,067	12,067	9,050	-	9,050	724
Total for On-Balance Sheet Exposures	336,116	336,116	234,108	-	234,108	18,729
<i>Off-Balance Sheet Exposures</i>						
Off balance sheet exposures other than OTC derivatives or credit derivatives	178,333	63,948	52,641	-	52,641	4,211
Total for Off-Balance Sheet Exposures	178,333	63,948	52,641	-	52,641	4,211
Total On and Off-Balance Sheet Exposures	514,449	400,064	286,749	-	286,749	22,940
<u>Market Risk</u>						
	Long Position	Short Position				
Interest Rate Risk	1,483,681	1,491,639	7,958	15,726	-	15,726
Foreign Currency Risk	1,094	(13,166)	(14,260)	13,163	-	13,163
Operational Risk	-	-	-	33,015	-	2,641
Total RWA and Capital Requirements	-	-	-	348,653	-	315,638

**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

## NOTES TO FINANCIAL STATEMENTS

FOR HALF YEAR ENDED 30 JUNE 2009

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

## 20. CAPITAL ADEQUACY (CONTINUED)

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

31.12.2008

Risk Weights	Exposures after Netting and Credit Risk Mitigation								Total Exposure after Netting & CRM	Total Risk Weighted Assets <i>Exposures after Netting &amp; CRM</i>
	Banks, MDBs and FDI's		Insurance Companies, Securities Firms & Fund Managers		Corporates		Regulatory Retail			
	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%	-	-	300	-	10,314	-	-	-	10,614	-
20%	1,754	351	-	-	104,012	20,802	-	-	105,766	21,153
50%	-	-	-	-	30,100	15,050	-	-	30,100	15,050
75%	-	-	-	-	-	-	12,067	9,050	12,067	9,050
100%	-	-	-	-	241,475	241,475	-	-	241,475	241,475
<b>Total</b>	<b>1,754</b>	<b>351</b>	<b>300</b>	<b>-</b>	<b>385,901</b>	<b>277,327</b>	<b>12,067</b>	<b>9,050</b>	<b>400,022</b>	<b>286,728</b>
Defaulted Exposures										
50%	-	-	-	-	42	21	-	-	42	21
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42</b>	<b>21</b>	<b>-</b>	<b>-</b>	<b>42</b>	<b>21</b>
<b>Total Performing and Defaulted</b>	<b>1,754</b>	<b>351</b>	<b>300</b>	<b>-</b>	<b>385,943</b>	<b>277,348</b>	<b>12,067</b>	<b>9,050</b>	<b>400,064</b>	<b>286,749</b>

Company No.

716122	P
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**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

NOTES TO FINANCIAL STATEMENTS

FOR HALF YEAR ENDED 30 JUNE 2009

--PART B – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134 (“FRS134”) ISSUED BY MALAYSIAN ACCOUNTING STANDARDS BOARD

21. BASIS OF PREPARATION

The unaudited condensed interim financial statements for the period ended 30 June 2009 have been prepared in accordance with FRS 134 : Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”), Guidelines on Financial Reporting for Licensed Islamic Banks (“BNM/GP8-I”) issued by Bank Negara Malaysia (BNM) and comply with the provisions of the Companies Act, 1965 as well as the principles of Shariah.

The interim financial statements should be read in conjunction with the financial statements ended 31 December 2008. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Bank since the year ended 31 December 2008.

22. ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the financial statements ended 31 December 2008.

23. AUDIT REPORT ON PRECEEDING ANNUAL FINANCIAL STATEMENTS

The auditors’ report on the financial statements for the financial year ended 31 December 2008 was not qualified.

24. SEASONAL OR CYCLICAL FACTORS AFFECTING OPERATIONS

The operations of the Bank were not materially affected by any seasonal or cyclical factors during the financial period ended 30 June 2009.

25. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no items of unusual nature, size or incidence affecting the assets, liabilities, equity, net income or cash flows of the Bank during the financial period ended 30 June 2009.

26. CHANGES IN ESTIMATES

There were no changes to the estimates of amounts reported in interim periods in previous financial year that have a material effect in the financial period ended 30 June 2009.

27. DEBT AND EQUITY SECURITIES

There were no issuances, cancellation, repurchases, resale or repayments of debt and equity securities during the financial period ended 30 June 2009.

28. DIVIDENDS PAID

There were no dividends paid during the financial period ended 30 June 2009.

Company No.

716122	P
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**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

NOTES TO FINANCIAL STATEMENTS

FOR HALF YEAR ENDED 30 JUNE 2009

--PART B – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134 (“FRS134”) ISSUED BY MALAYSIAN ACCOUNTING STANDARDS BOARD

29. SEGMENT INFORMATION

	<u>2nd Quarter Ended 30.06.2009</u>		<u>Half Year Ended 30.06.2009</u>		<u>Financial Year Ended 30.06.2009</u>
	<u>Operating Revenue</u> RM	<u>Profit/(Loss) Before Tax Expense</u> RM	<u>Operating Revenue</u> RM	<u>Profit/(Loss) Before Tax Expense</u> RM	<u>Total Assets</u> RM
Domestic banking	8,287,080	3,821,545	14,812,226	5,892,613	570,273,225
Investment and International banking	9,537,996	5,481,505	16,575,251	7,098,702	812,369,848
Asset Management	35,150	(96,224)	35,150	(237,717)	-
Others*	113,602	(6,635,499)	114,256	(12,749,999)	27,817,109
	<u>17,973,828</u>	<u>2,571,327</u>	<u>31,536,883</u>	<u>3,599</u>	<u>1,410,460,182</u>
	<u>2nd Quarter Ended 30.06.2008</u>		<u>Half Year Ended 30.06.2008</u>		<u>Financial Year Ended 31.12.2008</u>
	<u>Operating Revenue</u> RM	<u>Profit/(Loss) Before Tax Expense</u> RM	<u>Operating Revenue</u> RM	<u>Profit/(Loss) Before Tax Expense</u> RM	<u>Total Assets</u> RM
Domestic banking	3,064,872	641,848	5,527,985	(710,407)	254,597,522
Investment and International banking	11,078,151	928,616	21,588,855	4,422,802	1,510,623,476
Asset Management	-	-	-	-	-
Others*	1,833	(5,289,811)	1,885	(9,576,176)	59,405,116
	<u>14,144,856</u>	<u>(3,719,347)</u>	<u>27,118,725</u>	<u>(5,863,781)</u>	<u>1,824,626,114</u>

\*Others comprise of Business Support and Independent Support Units

Company No.

716122	P
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**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

NOTES TO FINANCIAL STATEMENTS

FOR HALF YEAR ENDED 30 JUNE 2009

--PART B – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134 (“FRS134”) ISSUED BY MALAYSIAN ACCOUNTING STANDARDS BOARD

30. CREDIT EXPOSURES ARISING FROM CREDIT TRANSACTIONS WITH CONNECTED PARTIES

**30 June 2009**

Outstanding credit exposures with connected parties (RM'000)	<u>79.927</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>12.53%</u>
Percentage of outstanding credit exposures with connected parties which is non-performing or in default	<u>0.00%</u>

The credit exposures above are derived based on Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties, which are effective on 1 January 2008.

31. VALUATION OF PROPERTY & EQUIPMENT

The property & equipment are stated at cost less accumulated depreciation and impairment losses. There were no changes in the valuation of property & equipment brought forward from previous audited financial statements for the financial year ended 31 December 2008.

32. SUBSEQUENT EVENTS

There were no material events subsequent to the end of current interim period that requires disclosure or adjustments to the unaudited condensed interim financial statements.