

Company No.

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**ASIAN FINANCE BANK BERHAD**

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017

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

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017**

	Note	<b>Economic Entity and Bank</b>	
		<b>30-Sep-17</b>	31-Dec-16
		RM	RM
<b>Assets</b>			
Cash and short-term funds	2	362,808,963	210,124,388
Financial investments held-for-trading	3	-	20,140,038
Financial investments available-for-sale	4	212,014,640	266,448,176
Financial investments held-to-maturity	5	550,179,239	459,851,257
Financing and advances	6	1,285,506,488	1,456,983,213
Derivative assets	7	138,548	212,430
Other assets	8	10,254,200	3,603,242
Tax recoverable		5,416,157	5,416,157
Statutory deposits with Bank Negara Malaysia		33,373,822	30,373,822
Investment in jointly controlled entity		-	-
Deferred tax assets		349,226	349,226
Property, plant and equipment		845,342	1,021,876
Intangible assets		1,275,086	1,519,012
<b>Total assets</b>		<b>2,462,161,711</b>	<b>2,456,042,837</b>
<b>Liabilities</b>			
Deposits from customers	9	1,019,100,922	897,734,025
Deposits and placements of banks and other financial institutions	10	945,258,499	1,048,209,734
Derivative liabilities	7	356,857	558,050
Other liabilities	11	16,369,782	12,284,912
<b>Total liabilities</b>		<b>1,981,086,060</b>	<b>1,958,786,721</b>
<b>Equity</b>			
Ordinary share capital		532,530,020	532,530,020
Reserves		(51,454,369)	(35,273,904)
<b>Total equity</b>		<b>481,075,651</b>	<b>497,256,116</b>
<b>Total Liabilities and Equity</b>		<b>2,462,161,711</b>	<b>2,456,042,837</b>
<b>Commitments and contingencies</b>	19	<b>495,631,785</b>	<b>494,064,246</b>
<b>Capital Adequacy</b>	21		
		<b>Economic Entity and Bank</b>	
CET1 capital		26.422%	24.032%
Tier 1 capital		26.422%	24.032%
Total capital ratio		27.348%	24.829%

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**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017**

		<b>Economic Entity and Bank</b>				
		<b>3rd Quarter Ended</b>	<b>3rd Quarter Ended</b>	<b>Nine Months Ended</b>	<b>Nine Months Ended</b>	
<b>Note</b>		<b>30-Sep-17</b>	<b>30-Sep-16</b>	<b>30-Sep-17</b>	<b>30-Sep-16</b>	
		<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	
	Income derived from investment of depositors' funds	12	22,642,937	21,830,963	66,256,486	68,758,379
	Income derived from investment of shareholders' funds	13	7,366,068	7,242,008	22,723,128	22,268,584
	Allowances for impairment on financing and advances	14	(38,469)	75,947	(22,785,130)	(3,549,833)
	<b>Total distributable income</b>		<b>29,970,536</b>	<b>29,148,918</b>	<b>66,194,484</b>	<b>87,477,130</b>
	Income attributable to depositors	15	(19,410,675)	(18,737,715)	(55,978,012)	(57,729,246)
	Personnel expenses	16	(4,977,513)	(4,153,117)	(14,675,544)	(12,789,204)
	Other overheads and expenditures	17	(4,157,688)	(3,756,833)	(13,101,774)	(10,989,931)
	<b>(Loss) / profit before taxation</b>		<b>1,424,660</b>	<b>2,501,253</b>	<b>(17,560,846)</b>	<b>5,968,749</b>
	Taxation		-	(264,815)	-	(1,432,500)
	<b>Net (loss) / profit for the financial period</b>		<b>1,424,660</b>	<b>2,236,438</b>	<b>(17,560,846)</b>	<b>4,536,249</b>
	(Loss) / profit attributable to:					
	Owners of the Bank		1,424,660	2,236,438	(17,560,846)	4,536,249
	Non-controlling interest		-	-	-	-
			<b>1,424,660</b>	<b>2,236,438</b>	<b>(17,560,846)</b>	<b>4,536,249</b>
	Earnings per shares (sen)					
	Basic and diluted		1.06	1.67	(4.41)	1.14

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**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017 (CONTINUED)**

**Economic Entity and Bank**

		<b>3rd Quarter Ended 30-Sep-17 RM</b>	<b>3rd Quarter Ended 30-Sep-16 RM</b>	<b>Nine Months Ended 30-Sep-17 RM</b>	<b>Nine Months Ended 30-Sep-16 RM</b>
	<b>Note</b>				
<b>(Loss) / Profit for the financial period</b>		<b>1,424,660</b>	2,236,438	<b>(17,560,846)</b>	4,536,249
<b>Other comprehensive Income:</b>					
Financial investments available-for-sale					
- Unrealised net gain / (loss) on revaluation	18	<b>236,624</b>	1,228,117	<b>1,380,381</b>	2,736,791
Income tax relating to components of other comprehensive income		-	-	-	-
<b>Other comprehensive income for the financial period</b>		<b>236,624</b>	1,228,117	<b>1,380,381</b>	2,736,791
<b>Total comprehensive (loss) / income for the financial period</b>		<b>1,661,284</b>	3,464,555	<b>(16,180,465)</b>	7,273,040
Total comprehensive (loss) / income attributable to:					
Owners of the Bank		<b>1,661,284</b>	3,464,555	<b>(16,180,465)</b>	7,273,040
Non-controlling interest		-	-	-	-
		<b>1,661,284</b>	3,464,555	<b>(16,180,465)</b>	7,273,040

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**ASIAN FINANCE BANK BERHAD**  
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**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017**

	Share Capital RM	Accumulated Losses RM	Statutory Reserve RM	Regulatory Reserve RM	AFS Reserve RM	Total RM
<b><u>Economic Entity and Bank</u></b>						
<b><u>30-Sep-17</u></b>						
Balance as at 1 January 2017	532,530,020	(53,094,267)	13,363,710	5,233,721	(777,068)	497,256,116
Net loss for the financial period	-	(17,560,846)	-	-	-	(17,560,846)
Transfer from statutory reserve	-	13,363,710	(13,363,710)	-	-	-
Other comprehensive income:						
Financial investments available- for-sale - Unrealised net gain on revaluation	-	-	-	-	1,380,381	1,380,381
Income tax relating to components of other comprehensive income	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	1,380,381	1,380,381
<b>Balance as at 30 September 2017</b>	<b>532,530,020</b>	<b>(57,291,403)</b>	<b>-</b>	<b>5,233,721</b>	<b>603,313</b>	<b>481,075,651</b>

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**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017 (CONTINUED)**

	Share Capital RM	Accumulated Losses RM	Statutory Reserve RM	Regulatory Reserve RM	AFS Reserve RM	Total RM
<b><u>Economic Entity and Bank</u></b>						
<b>31-Dec-16</b>						
<b>Balance as at</b>						
<b>1 January 2016</b>	532,530,020	(49,685,510)	11,538,745	-	(1,569,330)	492,813,925
Net Profit for the financial year	-	3,649,929	-	-	-	3,649,929
Transfer to statutory reserve	-	(1,824,965)	1,824,965	-	-	-
Transfer to regulatory reserve	-	(5,233,721)	-	5,233,721	-	-
Other comprehensive income/(loss):						
Financial investments available- for-sale						
- Net amount transferred to profit or loss	-	-	-	-	826,446	826,446
- Unrealised net loss on revaluation	-	-	-	-	(44,979)	(44,979)
Income tax relating to components of other comprehensive income	-	-	-	-	10,795	10,795
<b>Total other comprehensive income for the year</b>	-	-	-	-	792,262	792,262
<b>Balance as at</b>						
<b>31 December 2016</b>	<u>532,530,020</u>	<u>(53,094,267)</u>	<u>13,363,710</u>	<u>5,233,721</u>	<u>(777,068)</u>	<u>497,256,116</u>

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**ASIAN FINANCE BANK BERHAD**  
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**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF CASH FLOW**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017**

	<b>Economic Entity and Bank</b>	
	<b>30-Sep-17</b>	<b>31-Dec-16</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) / Profit before taxation	(17,560,846)	5,016,890
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment (Note 17)	317,472	552,330
Amortisation of intangible assets (Note 17)	548,501	744,786
Loss on sale of property, plant and equipment	12,282	-
Profit income from:		
- Investment on financial investments held-for-trading	(195,043)	(117,889)
- Investment on financial investments available-for-sale	(7,206,063)	(14,395,698)
- Investment on financial investments held-to-maturity	(14,436,356)	(18,397,340)
Net (gain) / loss on sale of financial investments available-for-sale	(16,068)	900,221
Unrealised (gain) / loss from financial investments held-for-trading	(38,892)	38,892
Net accretion of discount less amortisation of premium	37,626	251,173
Allowances for losses on financing and advances (Note 14 (a) & (b))	22,790,334	11,706,070
Operating loss before working capital changes	<u>(15,747,053)</u>	<u>(13,700,565)</u>
<b>Adjustments for change in operating assets and liabilities:</b>		
Financing and advances	148,686,391	(9,619,525)
Derivative assets	73,882	566,150
Other assets	(5,856,478)	422,717
Statutory deposit with Bank Negara Malaysia	(3,000,000)	4,310,000
Deposits from customers	121,366,897	(133,952,579)
Deposits and placements of banks and other financial institutions	(102,951,235)	55,317,117
Derivative liabilities	(201,193)	(382,234)
Other liabilities	4,084,868	198,111
Cash generated from / (used in) operating activities	<u>146,456,079</u>	<u>(96,840,808)</u>
Taxation paid	(794,480)	(2,804,050)
Net cash generated from / (used in) operating activities	<u>145,661,599</u>	<u>(99,644,858)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(153,290)	(566,255)
Purchase of intangible assets	(304,574)	(421,158)
Net proceeds from:		
- Sale / (Purchase) of financial investments held-for-trading	20,373,973	(20,061,041)
- Sale of financial investments available-for-sale	63,036,049	115,222,782
- Purchase of financial investments held-to-maturity	(75,929,252)	(47,840,953)
- Sale of property, plant and equipment	70	-
Net cash generated / (used in) from investing activities	<u>7,022,976</u>	<u>46,333,375</u>
<b>ANALYSIS OF CASH AND CASH EQUIVALENT</b>		
Net increase / (decrease) in cash and cash equivalents	152,684,575	(53,311,483)
Cash and cash equivalents at beginning of financial period/year	210,124,388	263,435,871
Cash and cash equivalents at end of financial period/year (Note 2)	<u>362,808,963</u>	<u>210,124,388</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR NINE MONTHS ENDED 30 SEPTEMBER 2017**

-PART A - EXPLANATORY NOTES PURSUANT TO GUIDELINES ON FINANCIAL REPORTING  
FOR LICENSED ISLAMIC BANK ("BNM/RH/STD 033-4") ISSUED BY BANK NEGARA MALAYSIA

**1. General information**

a) Performance Review

The Economic Entity and the Bank registered a loss before tax of RM17.56m for the nine months period ended 30 September 2017.

The Economic Entity and the Bank's gross financing and advances stood at RM1.35b whilst total Deposit at RM1.96b.

b) Business Plan and Outlook for 2017

IMF projected global economic growth to increase by 3.6% in 2017 and 3.7 % in 2018. The projection was based on broad based strengthening of global economic activity contributed by emerging and advanced economy.

Growth in advanced economy projected at 2.2% in 2017 and 2.0% in 2018. In the US, growth was aided by stronger domestic demand on the back of improving business investment. While in the Euro area and Japan, private consumption, external demand and investment has made an impact in bolstering overall growth momentum in the first half of the year.

Growth in emerging market and developing economies is expected to continue improving by 4.6% in 2017 and 4.9% in 2018 anchored by higher domestic demand in China and continued recovery in key emerging market economies.

Bank Negara Malaysia (BNM) maintained its key policy rate at 3% in its latest Monetary Policy Meeting in September 2017. In its statement, BNM said that its current policy stance remains accommodative and in its review of Global economy expected a stronger spillover from the external economies which will be positive for the domestic economy. At the same time, inflation is expected to moderate and core inflation is expected to be contained which is expected to bode well for domestic consumption and spending. BNM projected Malaysia GDP to grow higher than 4.8% for 2017.

The Bank will continue to enhance its performance to ensure sustainability going forward. Strategies and approaches will continue to be reviewed to meet stakeholders' expectation, business and regulatory requirement. Appropriate risk mitigation will be put in place as the bank capitalise on positive development in the economy.



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**2. Cash and short-term funds**

<b>Economic Entity and Bank</b>	
<b>30-Sep-17</b>	31-Dec-16
RM	RM
Cash and balances with banks and other financial institutions	40,124,495
22,091,663	
Money at call and deposit placements maturing within one month	169,999,893
282,210,000	
Money at call and deposit placements maturing within one month to three months	-
58,507,300	
<b>362,808,963</b>	<b>210,124,388</b>

**3. Financial investments held-for-trading**

<b>Economic Entity and Bank</b>	
<b>30-Sep-17</b>	31-Dec-16
RM	RM
<b>At fair value</b>	
<b>Quoted securities:</b>	
<u>In Malaysia</u>	
Islamic Medium Term Notes	20,140,038
-	
-	<b>20,140,038</b>

**4. Financial investments available-for-sale**

<b>Economic Entity and Bank</b>	
<b>30-Sep-17</b>	31-Dec-16
RM	RM
<b>At fair value</b>	
<b>Quoted securities:</b>	
<u>In Malaysia</u>	
Islamic Medium Term Notes	251,300,985
196,964,503	
Corporate Sukuk	15,147,191
15,050,137	
<b>212,014,640</b>	<b>266,448,176</b>

**5. Financial investments held-to-maturity**

<b>Economic Entity and Bank</b>	
<b>30-Sep-17</b>	31-Dec-16
RM	RM
<b>At amortised cost</b>	
<b>Quoted securities:</b>	
<u>In Malaysia</u>	
Islamic Medium Term Notes	459,851,257
550,179,239	
<b>550,179,239</b>	<b>459,851,257</b>

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**ASIAN FINANCE BANK BERHAD**  
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**6. Financing and advances**

	<b>Economic Entity and Bank</b>	
	<b>30-Sep-17</b>	31-Dec-16
	RM	RM
<b>At amortised cost</b>		
Term financing		
- house financing	20,452,986	24,697,460
- other term financing	290,042,702	285,314,677
Trusts receipts	186,903	2,869,467
Staff financing	305,259	322,627
Revolving Credit	929,449,980	1,126,793,273
Others	108,222,004	67,207,370
Gross financing and advances	<u>1,348,659,834</u>	<u>1,507,204,874</u>
Less: Allowance for impaired financing and advances:		
- individual impairment allowance	(50,684,845)	(37,822,797)
- collective impairment allowance	(12,468,501)	(12,398,864)
Net financing and advances	<u>1,285,506,488</u>	<u>1,456,983,213</u>
 <b>(i) By type of customer</b>		
Domestic non-bank financial institution		
- Others	-	50,060,246
Domestic business enterprises		
- Small medium enterprise	710,003	7,024,162
- Government	252,259,366	270,273,839
- Others	1,065,311,200	1,154,073,803
Individuals	13,224,649	13,826,327
Foreign entities	17,154,616	11,946,497
	<u>1,348,659,834</u>	<u>1,507,204,874</u>
 <b>(ii) By contract</b>		
Ijarah	5,023,323	6,313,929
Qard	68,973	321,181
Bai'	1,343,567,538	1,500,569,764
	<u>1,348,659,834</u>	<u>1,507,204,874</u>

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**ASIAN FINANCE BANK BERHAD**  
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**6. Financing and advances (continued)**

	<b>Economic Entity and Bank</b>	
	<b>30-Sep-17</b>	31-Dec-16
	RM	RM
<b>(iii) By profit rate sensitivity</b>		
Fixed rate		
- Other fixed rate financing	<b>45,141,304</b>	62,232,814
Variable		
- Base Financing Rate	<b>360,862,918</b>	325,600,657
- Cost-plus	<b>942,586,639</b>	1,119,050,222
Non-profit sensitive	<b>68,973</b>	321,181
	<b><u>1,348,659,834</u></b>	<b><u>1,507,204,874</u></b>
<b>(iv) By contractual maturity</b>		
Maturity within one year	<b>989,465,296</b>	1,049,715,344
More than one year to three years	<b>112,461,618</b>	92,762,708
More than three years to five years	<b>111,689,047</b>	132,645,365
More than five years	<b>135,043,873</b>	232,081,457
	<b><u>1,348,659,834</u></b>	<b><u>1,507,204,874</u></b>
<b>(v) By geographical distribution</b>		
Malaysia	<b>1,339,322,352</b>	1,506,790,229
Singapore	<b>8,955,663</b>	-
United Kingdom	<b>381,819</b>	414,645
	<b><u>1,348,659,834</u></b>	<b><u>1,507,204,874</u></b>

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**6. Financing and advances (continued)**

	<b>Economic Entity and Bank</b>	
	<b>30-Sep-17</b>	31-Dec-16
	RM	RM
<b>(vi) By economic purpose</b>		
Purchase of landed property:		
- Residential	20,863,447	23,076,504
- Non-Residential	117,578,792	97,259,346
Working Capital	1,136,838,808	1,261,596,683
Personal Use	79,593	334,964
Purchase of transport vehicles	61,214	2,347
Others	73,237,980	124,935,030
	<b>1,348,659,834</b>	<b>1,507,204,874</b>
<b>(vii) By sector</b>		
Agriculture	273,893,581	294,428,962
Mining and quarrying	112,669,628	119,792,958
Manufacturing	169,350,474	201,371,451
Electricity, gas and water	90,169,548	110,081,776
Construction	155,781,453	166,516,602
Purchase of landed property	21,283,532	25,428,349
Wholesale & retail trade and restaurants & hotels	115,219,385	189,783,500
Transport, storage and communication	72,593,972	30,052,009
Finance, insurance and business services	337,557,454	369,404,793
Purchase of transport vehicles	61,214	2,347
Consumption credit	79,593	342,127
	<b>1,348,659,834</b>	<b>1,507,204,874</b>

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**ASIAN FINANCE BANK BERHAD**  
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**6. Financing and advances (continued)**

**(viii) Financing by types and Shariah contracts**

**Economic Entity and Bank**

30-Sep-17 Type	Bai'	Ijarah	Qard	Total financing and advances
	RM	RM	RM	RM
Term Financing	305,649,191	4,846,497	-	310,495,688
House Financing	18,279,746	2,173,240	-	20,452,986
Other term financing	287,369,445	2,673,257	-	290,042,702
Trust receipts	186,903	-	-	186,903
Staff financing	59,460	176,826	68,973	305,259
Revolving credit	929,449,980	-	-	929,449,980
Others	108,222,004	-	-	108,222,004
	<b>1,343,567,538</b>	<b>5,023,323</b>	<b>68,973</b>	<b>1,348,659,834</b>

**Economic Entity and Bank**

31-Dec-16 Type	Bai'	Ijarah	Qard	Total financing and advances
	RM	RM	RM	RM
Term Financing	303,697,306	6,313,929	902	310,012,137
House Financing	22,461,796	2,235,664	-	24,697,460
Other term financing	281,235,510	4,078,265	902	285,314,677
Trust receipts	2,869,467	-	-	2,869,467
Staff financing	2,348	-	320,279	322,627
Revolving credit	1,126,793,273	-	-	1,126,793,273
Others	67,207,370	-	-	67,207,370
	<b>1,500,569,764</b>	<b>6,313,929</b>	<b>321,181</b>	<b>1,507,204,874</b>

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**ASIAN FINANCE BANK BERHAD**  
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**6. Financing and advances (continued)**

	<b>Economic Entity and Bank</b>	
	<b>30-Sep-17</b>	31-Dec-16
	RM	RM
<b>(ix) Movement in the allowance for impaired advances and financing</b>		
<b>Individual Assessment Allowance</b>		
Balance beginning of financial year	37,822,797	10,062,217
Allowance made during the financial period/year (Note 14 (a))	35,399,445	10,494,429
Amount written back in respect of recoveries (Note 14 (a))	(12,678,748)	(106,396)
Reclassified from collective assessment allowance	-	17,372,547
Amount written off during the financial period as uncollectible	(9,858,649)	-
Balance as at end of financial period/year	<u>50,684,845</u>	<u>37,822,797</u>
<b>Collective Assessment Allowance</b>		
Balance beginning of financial year,	12,398,864	28,453,374
Allowance made during the financial period/year (Note 14 (b))	69,637	1,318,037
Reclassified from individual assessment allowance	-	(17,372,547)
Balance as at end of financial period/year	<u>12,468,501</u>	<u>12,398,864</u>
<b>Regulatory reserve</b>	5,233,721	5,233,721
As % of gross financing and advances less individual assessment allowances	<u>1.36%</u>	<u>1.20%</u>
<b>(x) Movement in impaired financing and advances</b>		
Balance beginning of financial year	124,935,030	13,096,988
Classified as impaired during the financial period	1,554,857	113,040,116
Reclassified as non-impaired	(37,889,430)	(1,017,008)
Amount recovered	(5,503,828)	(185,066)
Amount written off during the financial period as uncollectible	(9,858,649)	-
Balance as at end of financial period/year	<u>73,237,980</u>	<u>124,935,030</u>
Gross impaired financing and advances ratio	<u>5.43%</u>	<u>8.29%</u>

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**6. Financing and advances (continued)**

	<b>Economic Entity and Bank</b>	
	<b>30-Sep-17</b>	31-Dec-16
	RM	RM
<b>(xi) Impaired financing by sector</b>		
Mining and quarrying	70,390,652	74,921,378
Manufacturing	-	299,778
Construction	407,028	5,596,139
Wholesale & retail trade and restaurants & hotels	-	1,172,542
Finance, insurance and business services	-	37,238,143
Purchase of landed property	2,440,300	5,699,887
Consumption credit	-	7,163
	<b>73,237,980</b>	<b>124,935,030</b>
<b>(xii) Impaired financing by geographical distribution</b>		
Malaysia	<b>73,237,980</b>	<b>124,935,030</b>

**7. Derivative financial instruments**

The table below shows the fair values of derivative financial instruments, recorded as assets or liabilities, together with their notional amounts. The notional amount, recorded gross, is the amount of derivative's underlying asset, reference rate or index and is the basis upon which change in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the period/year end and are indicative of neither the market risks nor the credit risk.

	<b>Economic Entity and Bank</b>					
	<b>30-Sep-17</b>			31-Dec-16		
	Contract/ Notional amount RM	Fair value		Contract/ Notional amount RM	Fair value	
		Assets RM	Liabilities RM		Assets RM	Liabilities RM
<b><u>Trading derivatives</u></b>						
<b><u>Foreign exchange contracts:</u></b>						
Currency forward						
- Less than one year	108,009,655	138,548	(356,857)	209,997,225	212,430	(558,050)

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**8. Other assets**

	<b>Economic Entity and Bank</b>	
	<b>30-Sep-17</b>	31-Dec-16
	RM	RM
Prepayment and deposits	3,523,923	1,001,878
Other debtors	6,730,277	2,601,364
	<b>10,254,200</b>	<b>3,603,242</b>

**9. Deposits from customers**

	<b>Economic Entity and Bank</b>	
	<b>30-Sep-17</b>	31-Dec-16
	RM	RM
<b>(i) By type of deposit:</b>		
<u>Non-Mudharabah Funds:</u>		
Demand deposits	67,248,018	56,705,294
Savings deposits	1,986,789	1,650,497
Commodity Murabahah	941,607,295	825,399,206
	<b>1,010,842,102</b>	<b>883,754,997</b>
 <u>Mudharabah Funds:</u>		
Savings deposits	434,441	56,888
General investment deposits	7,824,379	13,922,140
	<b>8,258,820</b>	<b>13,979,028</b>
	<b>1,019,100,922</b>	<b>897,734,025</b>

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

Business enterprises	1,004,118,989	884,005,053
Individuals	14,981,933	13,728,972
	<b>1,019,100,922</b>	<b>897,734,025</b>



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**9. Deposits from customers (continued)**

	<u>Economic Entity and Bank</u>	
	<u>30-Sep-17</u> RM	31-Dec-16 RM
<b>(iii) The maturity structure of saving deposits, amount payable on demand and term deposits are as follows:</b>		
Due within six months	863,853,477	746,928,809
More than six months to one year	12,724,136	3,774,280
More than one year to three years	142,523,309	104,879,947
More than three years	-	42,150,989
	<u>1,019,100,922</u>	<u>897,734,025</u>
<b>(iv) By type of contract:</b>		
Mudharabah	8,258,820	13,979,028
Tawarruq	941,607,295	825,399,206
Wadiah	69,234,807	58,355,791
	<u>1,019,100,922</u>	<u>897,734,025</u>

**10. Deposits and placements of banks and other financial institutions**

	<u>Economic Entity and Bank</u>	
	<u>30-Sep-17</u> RM	31-Dec-16 RM
<b>(i) By type of deposit:</b>		
<u>Non-Mudharabah Funds:</u>		
Licensed Islamic banks	181,334,137	-
Other financial institutions	763,924,362	1,048,209,734
	<u>945,258,499</u>	<u>1,048,209,734</u>
<b>(ii) By type of contract:</b>		
Tawarruq	944,878,004	1,048,124,742
Wadiah	380,495	84,992
	<u>945,258,499</u>	<u>1,048,209,734</u>

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**11. Other liabilities**

<b>Economic Entity and Bank</b>	
<b>30-Sep-17</b>	31-Dec-16
RM	RM
Sundry creditors	8,236,494
Other provisions and accruals	4,048,418
<b>16,369,782</b>	<b>12,284,912</b>

**12. Income derived from investment of depositors' funds**

<b>Economic Entity and Bank</b>	
<b>3rd Quarter Ended</b>	3rd Quarter Ended
<b>30-Sep-17</b>	30-Sep-16
RM	RM
Income derived from investment of:	
(i) General investment deposit	282,940
(ii) Other deposits	21,548,023
<b>22,544,885</b>	<b>21,830,963</b>
(i) Income derived from investment of general investment deposits	
<u>Finance income and hibah:</u>	
Financing and advances	172,346
Financial assets held-for-trading	-
Financial investment available-for-sale	37,569
Financial investment held-to-maturity	48,922
Money at call and deposits with financial institutions	24,103
<b>98,052</b>	<b>282,940</b>
(ii) Income derived from investment of other deposits	
<u>Finance income and hibah:</u>	
Financing and advances	13,119,737
Financial assets held-for-trading	-
Financial investment available-for-sale	2,867,960
Financial investment held-to-maturity	3,742,278
Money at call and deposits with financial institutions	1,818,048
<b>22,544,885</b>	<b>21,548,023</b>

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**12. Income derived from investment of depositors' funds (continued)**

	<b>Economic Entity and Bank</b>	
	<b>Nine Months Ended 30-Sep-17 RM</b>	<b>Nine Months Ended 30-Sep-16 RM</b>
Income derived from investment of:		
(i) General investment deposit	<b>318,466</b>	877,096
(ii) Other deposits	<b>65,938,020</b>	67,881,283
	<b>66,256,486</b>	<b>68,758,379</b>
(i) Income derived from investment of general investment deposits		
<u>Finance income and hibah:</u>		
Financing and advances	<b>200,768</b>	550,396
Financial assets held-for-trading	<b>1,007</b>	-
Financial investment available-for-sale	<b>28,168</b>	109,746
Financial investment held-to-maturity	<b>55,309</b>	134,232
Money at call and deposits with financial institutions	<b>33,214</b>	82,722
	<b>318,466</b>	<b>877,096</b>
(ii) Income derived from investment of other deposits		
<u>Finance income and hibah:</u>		
Financing and advances	<b>41,496,093</b>	42,582,334
Financial assets held-for-trading	<b>185,160</b>	-
Financial investment available-for-sale	<b>5,757,582</b>	8,495,233
Financial investment held-to-maturity	<b>11,490,748</b>	10,394,089
Money at call and deposits with financial institutions	<b>7,008,437</b>	6,409,627
	<b>65,938,020</b>	<b>67,881,283</b>

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**13. Income derived from investment of shareholders' funds**

	<b>Economic Entity and Bank</b>			
	<b>3rd Quarter Ended</b>	<b>3rd Quarter Ended</b>	<b>Nine Months Ended</b>	<b>Nine Months Ended</b>
	<b>30-Sep-17</b>	<b>30-Sep-16</b>	<b>30-Sep-17</b>	<b>30-Sep-16</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<u>Finance income and hibah</u>				
Financing and advances	<b>3,351,495</b>	3,310,117	<b>10,317,615</b>	10,500,351
Financial investments				
held-for-trading	-	-	<b>47,767</b>	-
available-for-sale	<b>408,559</b>	721,693	<b>1,436,382</b>	2,094,494
held-to-maturity	<b>993,840</b>	939,905	<b>2,852,674</b>	2,562,516
Money at call and deposits with financial institutions	<b>685,379</b>	462,714	<b>1,731,837</b>	1,578,086
Total finance income and hibah	<b>5,439,273</b>	5,434,429	<b>16,386,275</b>	16,735,447
Other operating income (note 13 (a))	<b>1,926,795</b>	1,807,579	<b>6,336,853</b>	5,533,137
	<b>7,366,068</b>	7,242,008	<b>22,723,128</b>	22,268,584
Other operating income comprise of:				
(a) Fee and other income:				
Commission	<b>88,978</b>	349,924	<b>506,039</b>	793,726
Fees and other income	<b>1,904,439</b>	3,146,443	<b>6,049,123</b>	5,596,710
Net (loss) on derivatives foreign exchange contracts	<b>(66,622)</b>	(1,688,788)	<b>(218,309)</b>	(857,299)
Total other operating income	<b>1,926,795</b>	1,807,579	<b>6,336,853</b>	5,533,137

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**14. Allowance for impairment on financing and advances**

	<u>Economic Entity and Bank</u>	
	<b>3rd Quarter Ended 30-Sep-17 RM</b>	3rd Quarter Ended 30-Sep-16 RM
Allowance for impaired financing and advances:		
(a) Individual impairment allowance		
- made during the financial period	<b>12,682,653</b>	21,462
- written back during the financial period	<b>(12,643,478)</b>	(21,876)
(b) Collective impairment allowance		
- made during the financial period	<b>4,498</b>	(72,532)
- written back during the financial period	-	-
(c) Sundry debtors impairment allowance		
- made during the financial period	-	-
- written back during the financial period	-	(3,001)
(d) Amount witten off recovered during the financial period	<b>(5,204)</b>	-
	<b>38,469</b>	<b>(75,947)</b>
	<b>Nine Months Ended 30-Sep-17 RM</b>	Nine Months Ended 30-Sep-16 RM
Allowance for impaired financing and advances:		
(a) Individual impairment allowance (Note 6 (ix))		
- made during the financial period	<b>35,399,445</b>	449,959
- written back during the financial period	<b>(12,678,748)</b>	(105,971)
(b) Collective impairment allowance (Note 6 (ix))		
- made during the financial period	<b>69,637</b>	3,057,275
- written back during the financial period	-	-
(c) Sundry debtors impairment allowance		
- made during the financial period	-	280,832
- written back during the financial period	-	(132,262)
(d) Amount witten off recovered during the financial period	<b>(5,204)</b>	-
	<b>22,785,130</b>	<b>3,549,833</b>

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**15. Income attributable to depositors**

	<b>Economic Entity and Bank</b>	
	<b>3rd Quarter Ended 30-Sep-17 RM</b>	<b>3rd Quarter Ended 30-Sep-16 RM</b>
Deposits from customers:		
- Mudharabah funds	40,091	77,693
- Non-mudharabah funds	<b>8,666,957</b>	7,103,086
	<b>8,707,048</b>	<b>7,180,779</b>
Deposits and placements of banks and other financial institutions:		
- Mudharabah funds	-	-
- Non-mudharabah funds	<b>10,703,627</b>	11,556,936
	<b>10,703,627</b>	<b>11,556,936</b>
	<b>19,410,675</b>	<b>18,737,715</b>
	<b>Nine Months Ended 30-Sep-17 RM</b>	<b>Nine Months Ended 30-Sep-16 RM</b>
Deposits from customers:		
- Mudharabah funds	135,158	239,348
- Non-mudharabah funds	<b>25,354,524</b>	21,989,256
	<b>25,489,682</b>	<b>22,228,604</b>
Deposits and placements of banks and other financial institutions:		
- Mudharabah funds	-	-
- Non-mudharabah funds	<b>30,488,330</b>	35,500,642
	<b>30,488,330</b>	<b>35,500,642</b>
	<b>55,978,012</b>	<b>57,729,246</b>

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**16. Personnel expenses**

	<b>Economic Entity and Bank</b>	
	<b>3rd Quarter Ended 30-Sep-17 RM</b>	<b>3rd Quarter Ended 30-Sep-16 RM</b>
Salaries, allowances and bonuses	<b>4,153,891</b>	3,606,095
Contributions to Employee Provident Fund and SOCSO	<b>448,318</b>	402,824
Medical related expenses	<b>143,735</b>	59,046
Travelling and parking	<b>39,262</b>	9,331
Other staff related cost	<b>192,307</b>	75,821
	<b>4,977,513</b>	<b>4,153,117</b>
	<b>Nine Months Ended 30-Sep-17 RM</b>	<b>Nine Months Ended 30-Sep-16 RM</b>
Salaries, allowances and bonuses	<b>12,326,106</b>	10,996,676
Contributions to Employee Provident Fund and SOCSO	<b>1,315,870</b>	1,190,138
Medical related expenses	<b>402,055</b>	388,406
Travelling and parking	<b>88,028</b>	28,608
Other staff related cost	<b>543,485</b>	185,376
	<b>14,675,544</b>	<b>12,789,204</b>

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**17. Other overheads and expenditures**

	<b>Economic Entity and Bank</b>	
	<b>3rd Quarter Ended 30-Sep-17 RM</b>	<b>3rd Quarter Ended 30-Sep-16 RM</b>
<b><u>Establishment expenses</u></b>		
Depreciation of property, plant and equipment	<b>84,535</b>	140,467
Amortisation of intangible assets	<b>184,582</b>	183,415
Rental of premises	<b>487,852</b>	480,897
Software and hardware maintenance	<b>1,292,722</b>	1,375,137
Rental of equipment and network line	<b>31,952</b>	87,712
Security expenses	<b>103,813</b>	102,532
Others	<b>700,879</b>	625,134
	<b>2,886,335</b>	2,995,294
<b><u>Marketing expenses</u></b>		
Advertising and promotional activities	<b>6,057</b>	38,965
Entertainment expenses	<b>1,017</b>	2,212
Travelling expenses	<b>5,830</b>	41,761
	<b>12,904</b>	82,938
<b><u>Administration and general expenses</u></b>		
License and association fees and levies	<b>118,575</b>	108,468
Travelling, transport and accomodation expenses	<b>21,482</b>	20,149
Printing, stationery, postage and clearing charges	<b>75,641</b>	73,061
Telecommunication charges	<b>131,121</b>	81,368
Shariah Committee remunerations	<b>48,000</b>	64,000
Electricity and water	<b>52,666</b>	75,623
Directors related fees	<b>190,915</b>	121,500
Other professional fees	<b>362,912</b>	17,623
Auditors remuneration	<b>100,411</b>	67,500
Others	<b>156,726</b>	49,309
	<b>1,258,449</b>	678,601
	<b>4,157,688</b>	3,756,833



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**17. Other overheads and expenditures (continued)**

	<u>Economic Entity and Bank</u>	
	Nine Months Ended <b>30-Sep-17</b> RM	Nine Months Ended 30-Sep-16 RM
<u>Establishment expenses</u>		
Depreciation of property, plant and equipment	317,472	427,310
Amortisation of intangible assets	548,501	552,091
Rental of premises	1,458,827	1,434,850
Software and hardware maintenance	4,692,609	4,007,619
Rental of equipment and network line	162,452	282,914
Security expenses	307,557	295,276
Others	2,060,245	1,509,289
	<b>9,547,663</b>	<b>8,509,349</b>
<u>Marketing expenses</u>		
Advertising and promotional activities	61,170	108,591
Entertainment expenses	10,864	12,873
Travelling expenses	61,252	93,982
	<b>133,286</b>	<b>215,446</b>
<u>Administration and general expenses</u>		
License and association fees and levies	323,310	313,182
Travelling, transport and accommodation expenses	181,030	108,838
Printing, stationery, postage and clearing charges	265,610	253,276
Telecommunication charges	345,789	361,551
Shariah Committee remunerations	144,000	128,000
Electricity and water	210,179	233,600
Directors related fees	552,000	356,043
Other professional fees	579,628	76,938
Auditors remuneration	290,905	202,500
Others	528,374	231,208
	<b>3,420,825</b>	<b>2,265,136</b>
	<b>13,101,774</b>	<b>10,989,931</b>

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**18. Other comprehensive income**

	<b>Economic Entity and Bank</b>	
	<b>3rd Quarter Ended</b>	<b>3rd Quarter Ended</b>
	<b>30-Sep-17</b>	<b>30-Sep-16</b>
	<b>RM</b>	<b>RM</b>
Financial investment available-for-sale		
- Unrealised net gain/(loss) on revaluation	<b>236,624</b>	1,228,117
Income tax relating to components of other comprehensive income	-	-
	<b>236,624</b>	<b>1,228,117</b>
	<b>Nine Months Ended</b>	<b>Nine Months Ended</b>
	<b>30-Sep-17</b>	<b>30-Sep-16</b>
	<b>RM</b>	<b>RM</b>
Financial investment available-for-sale		
- Unrealised net gain/(loss) on revaluation	<b>1,380,381</b>	2,736,791
Income tax relating to components of other comprehensive income	-	-
	<b>1,380,381</b>	<b>2,736,791</b>

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**19. Commitments and contingencies**

In the normal course of business, the Economic Entity and the Bank make various commitments and incurs certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions.

<b>Economic Entity and Bank</b>	<b>Principal amount</b> RM	<b>Gross Positive Fair Value - Derivative Contract</b> RM	<b>Credit equivalent amount*</b> RM	<b>Risk weighted amount</b> RM
<b>30-Sep-17</b>				
Direct credit substitutes	24,550,875	-	24,550,875	24,425,438
Trade-related contingencies	28,995,589	-	5,799,118	5,799,118
Irrevocable commitments to extend credit:				
- one year or less	265,081,032	-	132,540,516	129,864,463
- over one year to five years	18,036,293	-	9,018,147	9,012,487
- over five years	50,958,341	-	25,479,171	25,460,816
Foreign exchange related contracts				
- one year or less	108,009,655	138,548	1,621,764	356,795
<b>Total</b>	<b>495,631,785</b>	<b>138,548</b>	<b>199,009,591</b>	<b>194,919,117</b>

	<b>Principal amount</b> RM	<b>Gross Positive Fair Value - Derivative Contract</b> RM	<b>Credit equivalent amount*</b> RM	<b>Risk weighted amount</b> RM
<b>31-Dec-16</b>				
Direct credit substitutes	24,772,375	-	24,772,375	24,646,938
Trade-related contingencies	24,638,085	-	4,927,617	4,927,617
Irrevocable commitments to extend credit:				
- one year or less	218,998,924	-	109,499,462	89,499,462
- over one year to five years	10,026,600	-	5,013,300	5,013,300
- over five years	5,631,037	-	2,815,518	2,737,264
Foreign exchange related contracts				
- one year or less	209,997,225	212,430	3,149,958	954,870
<b>Total</b>	<b>494,064,246</b>	<b>212,430</b>	<b>150,178,230</b>	<b>127,779,451</b>

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**20. Financial risk management**

**20.1 Credit risk management**

**(i) Financing and advances**

Financing and advances are summarised as follows:

	<b>Economic Entity and Bank</b>	
	<b>30-Sep-17</b>	31-Dec-16
	RM	RM
Neither past due nor impaired	<b>1,228,369,616</b>	1,282,522,598
Past due but not impaired	<b>47,052,238</b>	99,747,246
Impaired	<b>73,237,980</b>	124,935,030
Gross financing and advances	<b>1,348,659,834</b>	1,507,204,874
Less: Individual allowance	<b>(50,684,845)</b>	(37,822,797)
Collective allowance	<b>(12,468,501)</b>	(12,398,864)
Net financing and advances	<b>1,285,506,488</b>	1,456,983,213

**(a) Financing and advances neither past due nor impaired**

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

	<b>Economic Entity and Bank</b>	
	<b>30-Sep-17</b>	31-Dec-16
	RM	RM
<u>Internal Credit Rating (CRR)</u>		
CRR1 - CRR3	<b>76,477,331</b>	257,713,382
CRR4 - CRR6	<b>997,918,090</b>	864,883,355
CRR7 - CRR10	<b>145,309,608</b>	151,385,541
Non rated CRR	<b>8,664,587</b>	8,540,320
	<b>1,228,369,616</b>	1,282,522,598

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

**20.1 Credit risk management (continued)**

**(i) Financing and advances (continued)**

**(b) Financing and advances past due but not impaired**

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

	<b>Economic Entity and Bank</b>	
	<b>30-Sep-17</b>	31-Dec-16
	RM	RM
Past due up to 30 days	<b>46,512,792</b>	98,630,252
Past due 30 to 60 days	<b>248,663</b>	885,922
Past due 60 to 90 days	<b>290,783</b>	231,072
	<b>47,052,238</b>	<b>99,747,246</b>

**(c) Impaired financing and advances**

Financing and advances that are individually determined to be impaired are as follows:

	<b>Economic Entity and Bank</b>	
	<b>30-Sep-17</b>	31-Dec-16
	RM	RM
Gross impaired financing and advances	<b>73,237,980</b>	124,935,030
Less: Impairment allowance	<b>(50,684,845)</b>	(37,822,797)
Net impaired financing and advances	<b>22,553,135</b>	<b>87,112,233</b>

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

**Credit Risk Mitigation (CRM) Disclosures**

In mitigating its credit exposure, the Bank currently employs the cash collateral (one of the form of collaterals under Credit Risk Mitigants), which provides 0% risk weights. Other form of collaterals such as financing facility against charges over residential and commercial properties, pledged over shares, and supports in the form of debentures, assignments and guarantees are not taken into consideration as CRM and are therefore assigned with 100% risk weights.

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**ASIAN FINANCE BANK BERHAD**  
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**20. Financial risk management (continued)**

**20.1 Credit risk management (continued)**

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

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

<u>Economic Entity and Bank</u>	<u>Short term funds</u> RM	<u>Financial investments portfolios</u> RM	<u>Derivative assets</u> RM	<u>Other assets</u> RM
<b>30-Sep-17</b>				
<b>Neither past due nor impaired</b>				
AAA	289,718,925	221,889,226	-	-
AA and below	62,459,874	167,455,112	-	-
Unrated	8,496,156	372,849,541	138,548	10,254,200
	<u>360,674,955</u>	<u>762,193,879</u>	<u>138,548</u>	<u>10,254,200</u>
<b>Individually impaired</b>	-	-	-	-
	<u>360,674,955</u>	<u>762,193,879</u>	<u>138,548</u>	<u>10,254,200</u>
<b>31-Dec-16</b>				
<b>Neither past due nor impaired</b>				
AAA	171,209,514	267,490,977	-	-
AA and below	35,272,124	206,842,879	-	-
Unrated	46,300	272,105,615	212,430	3,603,242
	<u>206,527,938</u>	<u>746,439,471</u>	<u>212,430</u>	<u>3,603,242</u>
<b>Individually impaired</b>	-	-	-	-
	<u>206,527,938</u>	<u>746,439,471</u>	<u>212,430</u>	<u>3,603,242</u>

\*The unrated financial assets/investment portfolios are all government guaranteed securities.

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**ASIAN FINANCE BANK BERHAD**  
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**20. Financial risk management (continued)**

**20.2 Market risk**

**(i) Profit Rate Risk**

Economic Entity and Bank	←----- Non-trading book ----->						Non-profit sensitive	Trading book	Total	Effective profit rate
	Up to 1 months	1-3 months	3-12 months	1-5 years	Over 5 years					
	RM	RM	RM	RM	RM	RM	RM	RM	%	
<b>30-Sep-17</b>										
<b>Assets</b>										
Cash and short term funds	282,210,000	58,507,300	-	-	-	22,091,663	-	362,808,963	2.98	
Financial investments										
held-for-trading	-	-	-	-	-	-	-	-	4.12	
Financial investments										
available-for-sale	-	-	35,400,871	166,577,518	10,032,265	3,986	-	212,014,640	4.31	
Financial investments										
held-to-maturity	-	-	-	448,714,212	101,465,027	-	-	550,179,239	4.24	
Financing and advances										
- performing	704,741,214	237,821,322	46,902,760	224,150,665	61,805,903	(12,468,501)	-	1,262,953,363	4.78	
- non performing	-	-	-	-	-	22,553,125	-	22,553,125		
Derivative assets	138,548	-	-	-	-	-	-	138,548		
Other assets	-	-	-	-	-	10,254,200	-	10,254,200		
Tax recoverable	-	-	-	-	-	5,416,157	-	5,416,157		
Statutory deposits	-	-	-	-	-	33,373,822	-	33,373,822		
Deferred tax assets	-	-	-	-	-	349,226	-	349,226		
Property and equipment	-	-	-	-	-	845,342	-	845,342		
Intangible assets	-	-	-	-	-	1,275,086	-	1,275,086		
<b>Total assets</b>	<b>987,089,762</b>	<b>296,328,622</b>	<b>82,303,631</b>	<b>839,442,395</b>	<b>173,303,195</b>	<b>83,694,106</b>	<b>-</b>	<b>2,462,161,711</b>		

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**ASIAN FINANCE BANK BERHAD**  
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**20. Financial risk management (continued)**

**20.2 Market risk (continued)**

**(i) Profit Rate Risk (continued)**

Economic Entity and Bank	←----- Non-trading book ----->						Non-profit sensitive	Trading book	Total	Effective profit rate
	Up to 1 months	1-3 months	3-12 months	1-5 years	Over 5 years					
	RM	RM	RM	RM	RM	RM	RM	RM	%	
<b>30-Sep-17</b>										
<b>Liabilities</b>										
Deposits from customers	245,126,971	546,655,200	80,363,017	142,000,000	-	4,955,734	-	1,019,100,922	3.53	
Deposits and placements of banks and other financial institutions	130,527,202	712,477,002	94,827,205	-	-	7,427,090	-	945,258,499	3.78	
Derivative liabilities	356,857	-	-	-	-	-	-	356,857		
Other liabilities						16,369,782		16,369,782		
<b>Total liabilities</b>	<b>376,011,030</b>	<b>1,259,132,202</b>	<b>175,190,222</b>	<b>142,000,000</b>	<b>-</b>	<b>28,752,606</b>	<b>-</b>	<b>1,981,086,060</b>		
<b>Total shareholders equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>481,075,651</b>	<b>-</b>	<b>-</b>	<b>481,075,651</b>		
	<b>376,011,030</b>	<b>1,259,132,202</b>	<b>175,190,222</b>	<b>142,000,000</b>	<b>481,075,651</b>	<b>28,752,606</b>	<b>-</b>	<b>2,462,161,711</b>		
<b>Total profit-sensitivity gap</b>	<b>611,078,732</b>	<b>(962,803,580)</b>	<b>(92,886,591)</b>	<b>697,442,395</b>	<b>(307,772,456)</b>	<b>54,941,500</b>	<b>-</b>	<b>-</b>		



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**ASIAN FINANCE BANK BERHAD**  
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**20. Financial risk management (continued)**

**20.2 Market risk (continued)**

**(i) Profit Rate Risk (continued)**

Economic Entity and Bank	←----- Non-trading book ----->						Non-profit sensitive	Trading book	Total	Effective profit rate
	Up to 1 months	1-3 months	3-12 months	1-5 years	Over 5 years					
	RM	RM	RM	RM	RM	RM	RM	RM	%	
31-Dec-16										
<b>Assets</b>										
Cash and short term funds	169,999,893	-	-	-	-	40,124,495	-	210,124,388	3.03	
Financial investments										
held-for-trading	-	-	20,140,038	-	-	-	-	20,140,038	2.32	
Financial investments										
available-for-sale	-	15,159,594	25,118,866	226,167,353	-	2,363	-	266,448,176	4.01	
Financial investments										
held-to-maturity	51,008,219	-	5,008,581	253,000,560	150,833,897	-	-	459,851,257	4.29	
Financing and advances										
- performing	668,375,058	294,547,042	86,793,244	225,408,073	107,146,427	(12,398,864)	-	1,369,870,980	5.06	
- non performing	-	-	-	-	-	87,112,233	-	87,112,233		
Derivative assets	202,203	10,227	-	-	-	-	-	212,430		
Other assets	-	-	-	-	-	3,603,242	-	3,603,242		
Tax recoverable	-	-	-	-	-	5,416,157	-	5,416,157		
Statutory deposits	-	-	-	-	-	30,373,822	-	30,373,822		
Deferred tax assets	-	-	-	-	-	349,226	-	349,226		
Property and equipment	-	-	-	-	-	1,021,876	-	1,021,876		
Intangible assets	-	-	-	-	-	1,519,012	-	1,519,012		
<b>Total assets</b>	<b>889,585,373</b>	<b>309,716,863</b>	<b>137,060,729</b>	<b>704,575,986</b>	<b>257,980,324</b>	<b>157,123,562</b>	<b>-</b>	<b>2,456,042,837</b>		

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**ASIAN FINANCE BANK BERHAD**  
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**20. Financial risk management (continued)**

**20.2 Market risk (continued)**

**(i) Profit Rate Risk (continued)**

Economic Entity and Bank	←----- Non-trading book ----->						Non-profit sensitive	Trading book	Total	Effective profit rate
	Up to 1 months	1-3 months	3-12 months	1-5 years	Over 5 years					
	RM	RM	RM	RM	RM	RM	RM	RM	%	
31-Dec-16										
<b>Liabilities</b>										
Deposits from customers	221,015,819	453,349,856	72,020,221	146,485,307	-	4,862,822	-	897,734,025	3.59	
Deposits and placements of banks and other financial institutions	219,043,157	449,282,827	373,736,015	-	-	6,147,735	-	1,048,209,734	3.87	
Derivative liabilities	460,959	97,091	-	-	-	-	-	558,050		
Other liabilities	-	-	-	-	-	12,284,912	-	12,284,912		
Total liabilities	440,519,935	902,729,774	445,756,236	146,485,307	-	23,295,469	-	1,958,786,721		
Total shareholders equity	-	-	-	-	497,256,116	-	-	497,256,116		
	440,519,935	902,729,774	445,756,236	146,485,307	497,256,116	23,295,469	-	2,456,042,837		
<b>Total profit-sensitivity gap</b>	449,065,438	(593,012,911)	(308,695,507)	558,090,679	(239,275,792)	133,828,093	-	-		

**ASIAN FINANCE BANK BERHAD**  
**(Incorporated in Malaysia)**
**21. Capital adequacy**

	<b>Economic Entity and Bank</b>	
	<b>30-Sep-17</b>	31-Dec-16
	RM	RM
<u>CET1 Capital</u>		
Paid-up ordinary share capital	532,530,020	532,530,020
Accumulated losses	(57,291,403)	(53,094,267)
AFS revaluation reserve	603,313	(777,068)
Statutory reserve <sup>1</sup>	-	13,363,710
Regulatory reserve**	5,233,721	5,233,721
	<b>481,075,651</b>	<b>497,256,116</b>
Less : CET1 regulatory adjustments		
Deferred tax assets	(349,226)	(349,226)
Cumulative (gains)/losses of AFS financial instruments	(196,858)	562,352
Regulatory reserve attributable to financing**	(5,233,721)	(5,233,721)
Total CET1 capital	<b>475,295,846</b>	<b>492,235,521</b>
<u>Tier 1 Capital</u>		
Additional Tier 1 capital instruments	-	-
Less: Tier 1 regulatory adjustments	-	-
Total Tier 1 capital	<b>475,295,846</b>	<b>492,235,521</b>
<u>Tier II Capital</u>		
Collective impairment/allowance for bad and doubtful financing <sup>^</sup>	11,434,015	11,090,712
Regulatory reserve*	5,233,721	5,233,721
Total Tier II capital	<b>16,667,736</b>	<b>16,324,433</b>
Total capital base	<b>491,963,582</b>	<b>508,559,954</b>
Breakdown of risk weighted assets in various categories of risk weights are as follows:		
	2017	2016
	RM'000	RM'000
<u>Total risk weighted assets ("RWA")</u>		
- Credit risk	1,705,406	1,952,246
- Market risk	5,086	1,744
- Operational risk	88,398	94,281
Total RWA	<b>1,798,890</b>	<b>2,048,271</b>
<u>Capital ratios</u>		
CET1 capital	26.422%	24.032%
Tier 1 capital	26.422%	24.032%
Total capital ratio	<b>27.348%</b>	<b>24.829%</b>

<sup>^</sup> Excludes collective assessment impairment allowance attributable to financing and advances classified as impaired but not individually assessed for impairment pursuant to BNM's Guideline on "Classification and impairment Provisions for Loans/Financing" issued on 6 April 2015.

\*\* The regulatory reserve is maintained in aggregate with collective impairment allowance representing financing loss provision required to be maintained at a minimum level of 1.2% of total outstanding financing and advances less individual impairment allowance.

<sup>1</sup> The requirement to maintain a reserve fund has been removed pursuant to BNM's Guideline on "Capital Funds for Islamic Banks" issued 3 May 2017, following which the outstanding balance was transferred to retained earning/(loss).