

**AFFIN Bank Berhad**  
(Incorporated in Malaysia)

**FRS 134 INTERIM FINANCIAL REPORTING - 30 SEPTEMBER 2009**

**1) BASIS OF PREPARATION**

The unaudited condensed financial statements of the Group and the Bank have been prepared in accordance with the Malaysian Accounting Standards Board ('MASB') Approved Accounting Standards in Malaysia for Entities Other Than Private Entities, Bank Negara Malaysia Guidelines, Shariah requirement and the provisions of the Companies Act, 1965. The financial statements incorporate those activities relating to Islamic banking business which have been undertaken by Affin Islamic Bank Berhad, a wholly-owned subsidiary of the Bank.

The unaudited condensed interim financial statements for the quarter ended 30 September 2009 have been prepared under the historical cost convention, unless otherwise indicated in this summary of significant accounting policies.

The significant accounting policies and methods of computations applied in the interim financial statements are consistent with those applied in the annual financial statements for the year ended 31 December 2008.

**2) CHANGES IN ACCOUNTING POLICIES**

The financial policies and methods of computations applied for the condensed interim financial statements are consistent with those applied in the annual financial statements for year ended 31 December 2008.

The presentation of the comparative financial statements of the Bank have been restated to conform with the current period's presentation.

The Bank's present provisioning for bad and doubtful debts and financing is in conformity with the requirements of Bank Negara Malaysia's guidelines on the classification of non-performing loans and provision for sub-standard, bad and doubtful debts, BNM/GP3 which is consistent with those applied in the previous annual financial statements.

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**3) QUALIFICATION OF PRECEDING ANNUAL FINANCIAL STATEMENTS**

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

**4) SEASONAL OR CYCLICAL FACTORS**

The business operations of the Group and the Bank are not subject to material seasonal or cyclical fluctuation.

**5) EXCEPTIONAL ITEMS**

There was no exceptional items for the quarter ended 30 September 2009.

**6) CHANGES IN ACCOUNTING POLICIES AND PRIOR YEAR ADJUSTMENT**

There were no changes in accounting policies and prior year adjustment for the quarter ended 30 September 2009.

**7) CHANGES IN DEBTS AND EQUITY SECURITIES**

There were no purchases or disposal of quoted securities for the quarter ended 30 September 2009 other than in the ordinary course of business.

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**8) CASH AND SHORT-TERM FUNDS**

	<b>The Group</b>		<b>The Bank</b>	
	<b>Current Financial Quarter 30/9/2009 RM'000</b>	<b>Previous Financial Year-End 31/12/2008 RM'000</b>	<b>Current Financial Quarter 30/9/2009 RM'000</b>	<b>Previous Financial Year-End 31/12/2008 RM'000</b>
Cash and bank balances with banks and other financial institutions	<b>133,855</b>	151,636	<b>132,184</b>	148,638
Money at call and deposit placements maturing within one month	<b>6,720,268</b>	6,525,446	<b>4,091,288</b>	4,170,296
	<b>6,854,123</b>	6,677,082	<b>4,223,472</b>	4,318,934

**9) DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS**

	<b>The Group</b>		<b>The Bank</b>	
	<b>Current Financial Quarter 30/9/2009 RM'000</b>	<b>Previous Financial Year-End 31/12/2008 RM'000</b>	<b>Current Financial Quarter 30/9/2009 RM'000</b>	<b>Previous Financial Year-End 31/12/2008 RM'000</b>
Licensed banks	-	-	<b>335,144</b>	344,560
Licensed investment banks	<b>92,308</b>	110,216	<b>92,308</b>	110,216
	<b>92,308</b>	110,216	<b>427,452</b>	454,776

**10) SECURITIES PORTFOLIO**

**(i) Held-for-trading securities**

	<b>The Group</b>		<b>The Bank</b>	
	<b>Current Financial Quarter 30/9/2009 RM'000</b>	<b>Previous Financial Year-End 31/12/2008 RM'000</b>	<b>Current Financial Quarter 30/9/2009 RM'000</b>	<b>Previous Financial Year-End 31/12/2008 RM'000</b>
<b>At fair value</b>				
Negotiable Instruments of Deposit	-	70,000	-	70,000
Unquoted securities:				
Private debt securities in Malaysia	-	68,844	-	68,844
	-	138,844	-	138,844

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**10) SECURITIES PORTFOLIO (CONTINUED)**

**(ii) Available-for-sale securities**

	<b>The Group</b>		<b>The Bank</b>	
	<b>Current Financial Quarter 30/9/2009 RM'000</b>	<b>Previous Financial Year-End 31/12/2008 RM'000</b>	<b>Current Financial Quarter 30/9/2009 RM'000</b>	<b>Previous Financial Year-End 31/12/2008 RM'000</b>
<b>At fair value</b>				
Malaysian Government treasury bills	<b>115,232</b>	364,774	<b>33,326</b>	185,818
Malaysian Government securities	<b>1,323,766</b>	601,208	<b>1,323,766</b>	601,208
Malaysian Government investment certificates	<b>723,504</b>	80,212	<b>175,731</b>	-
Bank Negara Malaysia monetary notes	<b>256,929</b>	897,736	<b>256,929</b>	473,509
Negotiable Instruments of Deposit and Islamic Debt Certificates	<b>560,033</b>	639,690	<b>560,033</b>	609,720
Bankers' acceptances and Islamic accepted bills	<b>74,222</b>	320,824	<b>37,668</b>	292,072
Khazanah bonds	<b>24,762</b>	24,078	-	-
	<b>3,078,448</b>	2,928,522	<b>2,387,453</b>	2,162,327
Quoted securities:				
Shares in Malaysia	<b>69,501</b>	83,534	<b>59,129</b>	74,819
Private debt securities in Malaysia	<b>2,926</b>	2,867	<b>2,926</b>	2,866
Unquoted securities:				
Private debt securities				
- in Malaysia	<b>1,381,087</b>	1,088,436	<b>1,051,897</b>	797,605
- outside Malaysia	<b>334,265</b>	179,117	<b>306,052</b>	164,818
	<b>4,866,227</b>	4,282,476	<b>3,807,457</b>	3,202,435
Allowance for impairment of securities	<b>(75,836)</b>	(94,463)	<b>(69,091)</b>	(87,719)
	<b>4,790,391</b>	4,188,013	<b>3,738,366</b>	3,114,716

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**10) SECURITIES PORTFOLIO (CONTINUED)**

**(iii) Held-to-maturity securities**

	<b>The Group</b>		<b>The Bank</b>	
	<b>Current Financial Quarter 30/9/2009 RM'000</b>	<b>Previous Financial Year-End 31/12/2008 RM'000</b>	<b>Current Financial Quarter 30/9/2009 RM'000</b>	<b>Previous Financial Year-End 31/12/2008 RM'000</b>
<b>At amortised cost</b>				
Quoted securities:				
Private debt securities in Malaysia	<b>38,123</b>	38,123	<b>38,123</b>	38,123
Unquoted securities:				
Private debt securities in Malaysia	<b>487,956</b>	570,961	<b>487,787</b>	564,496
<b>At cost</b>				
Unquoted shares in Malaysia	<b>54,398</b>	54,398	<b>53,823</b>	53,823
	<b>580,477</b>	663,482	<b>579,733</b>	656,442
Allowance for impairment of securities	<b>(89,957)</b>	(100,469)	<b>(89,789)</b>	(100,301)
	<b>490,520</b>	563,013	<b>489,944</b>	556,141

**11) DIVIDENDS**

A proposed interim dividend of RM73.7 million (less income tax of 25%) for the financial period.

**12) SEGMENTAL REPORTING**

As per appendix 1.

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**13) LOANS, ADVANCES AND FINANCING**

	The Group		The Bank	
	Current Financial Quarter 30/9/2009 RM'000	Previous Financial Year-End 31/12/2008 RM'000	Current Financial Quarter 30/9/2009 RM'000	Previous Financial Year-End 31/12/2008 RM'000
(i) By type				
Overdrafts	2,024,779	2,059,761	1,821,415	1,866,129
Term loans/financing:				
- Housing loans/financing	4,773,516	4,620,336	2,503,506	2,498,428
- Hire purchase receivables	7,369,445	7,253,275	6,379,174	6,378,516
- Syndicated financing	1,433,012	1,295,542	554,573	399,200
- Other term loans/financing	6,546,468	5,025,473	5,844,257	4,418,687
Bills receivables	43,573	57,879	38,244	51,605
Trust receipts	288,461	299,477	231,851	215,713
Claims on customers under acceptances credits	560,656	583,103	452,991	495,011
Staff loans/financing (of which RM Nil to Directors)	157,476	154,879	143,640	143,099
Credit/charge cards	96,910	108,273	96,910	108,273
Revolving credits	2,139,969	2,360,592	2,043,938	2,251,106
Factoring	4,689	12,691	4,689	-
	<b>25,438,954</b>	<b>23,831,281</b>	<b>20,115,188</b>	<b>18,825,767</b>
<b>Less:</b>				
Unearned interest and income	(3,691,002)	(3,568,311)	(1,055,522)	(1,079,516)
Gross loans, advances and financing	<b>21,747,952</b>	<b>20,262,970</b>	<b>19,059,666</b>	<b>17,746,251</b>
<b>Less:</b>				
Allowance for bad and doubtful debts and financing:				
- General	(320,683)	(297,932)	(280,179)	(260,443)
- Specific	(392,367)	(448,783)	(379,756)	(431,746)
Total net loans, advances and financing	<b>21,034,902</b>	<b>19,516,255</b>	<b>18,399,731</b>	<b>17,054,062</b>

Included in term loans are housing loans sold to Cagamas with recourse amounting to RM148,618,000 (31 December 2008: RM11,088,000).

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**13) LOANS, ADVANCES AND FINANCING (CONTINUED)**

	<b>The Group</b>		<b>The Bank</b>	
	<b>Current Financial Quarter</b>	<b>Previous Financial Year-End</b>	<b>Current Financial Quarter</b>	<b>Previous Financial Year-End</b>
<b>(ii) By maturity structure</b>	<b>30/9/2009</b>	<b>31/12/2008</b>	<b>30/9/2009</b>	<b>31/12/2008</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Maturing within one year	<b>6,467,761</b>	6,111,357	<b>5,922,271</b>	5,612,661
One year to three years	<b>2,652,045</b>	2,615,044	<b>2,450,528</b>	2,422,488
Three years to five years	<b>2,952,293</b>	2,744,321	<b>2,722,875</b>	2,479,903
Over five years	<b>9,675,853</b>	8,792,248	<b>7,963,992</b>	7,231,199
	<b>21,747,952</b>	20,262,970	<b>19,059,666</b>	17,746,251

	<b>The Group</b>		<b>The Bank</b>	
	<b>Current Financial Quarter</b>	<b>Previous Financial Year-End</b>	<b>Current Financial Quarter</b>	<b>Previous Financial Year-End</b>
<b>(iii) By type of customer</b>	<b>30/9/2009</b>	<b>31/12/2008</b>	<b>30/9/2009</b>	<b>31/12/2008</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Domestic non-bank financial institutions:				
- Stockbroking companies	-	150	-	150
- Others	<b>1,523,580</b>	939,863	<b>1,336,733</b>	788,152
Domestic business enterprises:				
- Small medium enterprises	<b>6,615,235</b>	6,224,073	<b>6,186,657</b>	5,751,863
- Others	<b>3,677,453</b>	3,263,253	<b>3,386,733</b>	3,025,901
Government and statutory bodies	<b>93,135</b>	91,130	<b>81,123</b>	70,312
Individuals	<b>9,574,120</b>	9,422,285	<b>7,951,547</b>	7,954,986
Other domestic entities	<b>34,576</b>	54,841	<b>34,338</b>	53,660
Foreign entities	<b>229,853</b>	267,375	<b>82,535</b>	101,227
	<b>21,747,952</b>	20,262,970	<b>19,059,666</b>	17,746,251

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**13) LOANS, ADVANCES AND FINANCING (CONTINUED)**

	<b>The Group</b>		<b>The Bank</b>	
	<b>Current Financial Quarter</b>	<b>Previous Financial Year-End</b>	<b>Current Financial Quarter</b>	<b>Previous Financial Year-End</b>
<b>(iv) By interest/profit rate sensitivity</b>	<b>30/9/2009</b>	<b>31/12/2008</b>	<b>30/9/2009</b>	<b>31/12/2008</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Fixed rate:				
- Housing loans/financing	<b>372,581</b>	444,869	<b>171,298</b>	187,664
- Hire purchase receivables	<b>6,226,200</b>	6,118,148	<b>5,413,852</b>	5,406,058
- Other fixed rate loans/financing	<b>3,250,461</b>	2,971,623	<b>2,709,412</b>	2,264,424
Variable rate:				
- BLR - plus	<b>8,878,182</b>	8,341,476	<b>7,791,446</b>	7,519,197
- Cost - plus	<b>3,020,528</b>	2,386,854	<b>2,973,658</b>	2,368,908
	<b>21,747,952</b>	20,262,970	<b>19,059,666</b>	17,746,251

	<b>The Group</b>		<b>The Bank</b>	
	<b>Current Financial Quarter</b>	<b>Previous Financial Year-End</b>	<b>Current Financial Quarter</b>	<b>Previous Financial Year-End</b>
<b>(v) By sector</b>	<b>30/9/2009</b>	<b>31/12/2008</b>	<b>30/9/2009</b>	<b>31/12/2008</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Primary agriculture	<b>507,071</b>	478,189	<b>416,196</b>	388,522
Mining and quarrying	<b>269,020</b>	170,103	<b>268,809</b>	170,042
Manufacturing	<b>1,650,371</b>	1,518,557	<b>1,509,480</b>	1,371,103
Electricity, gas and water supply	<b>37,197</b>	10,754	<b>36,910</b>	10,412
Construction	<b>1,999,364</b>	1,872,525	<b>1,673,562</b>	1,569,976
Real estate	<b>1,278,087</b>	1,068,510	<b>1,236,580</b>	1,017,887
Wholesale and retail trade, restaurants and hotels	<b>1,173,637</b>	1,212,672	<b>1,106,603</b>	1,160,061
Transport, storage and communication	<b>898,516</b>	865,740	<b>868,627</b>	831,698
Finance, insurance and business activities	<b>3,441,397</b>	2,818,213	<b>3,183,322</b>	2,577,935
Education, health and others	<b>787,061</b>	568,687	<b>691,208</b>	466,307
Household	<b>9,665,129</b>	9,508,384	<b>8,028,121</b>	8,023,094
Others	<b>41,102</b>	170,636	<b>40,248</b>	159,214
	<b>21,747,952</b>	20,262,970	<b>19,059,666</b>	17,746,251

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**13) LOANS, ADVANCES AND FINANCING (CONTINUED)**

	The Group		The Bank	
	Current Financial Quarter 30/9/2009 RM'000	Previous Financial Year-End 31/12/2008 RM'000	Current Financial Quarter 30/9/2009 RM'000	Previous Financial Year-End 31/12/2008 RM'000
(vi) By purpose				
Purchase of securities	172,801	215,123	150,900	190,655
Purchase of transport vehicles	6,259,612	6,163,738	5,442,419	5,444,274
Purchase of landed property of which:				
- Residential	3,430,440	3,353,121	2,576,397	2,558,884
- Non-residential	1,570,253	1,456,315	1,392,178	1,276,496
Fixed assets other than land and building	238,827	113,071	234,115	111,692
Personal use	756,799	755,158	735,258	728,442
Credit card	96,912	108,273	96,912	108,273
Consumer durable	1,441	1,841	1,398	1,792
Construction	606,591	432,825	525,141	348,358
Merger and acquisition	17,028	29,522	17,028	29,522
Working capital	8,177,540	7,045,884	7,512,902	6,426,008
Others	419,708	588,099	375,018	521,855
	<b>21,747,952</b>	<b>20,262,970</b>	<b>19,059,666</b>	<b>17,746,251</b>

**(vii) Movements in non-performing loans, advances and financing**

	The Group		The Bank	
	Current Financial Quarter 30/9/2009 RM'000	Previous Financial Year-End 31/12/2008 RM'000	Current Financial Quarter 30/9/2009 RM'000	Previous Financial Year-End 31/12/2008 RM'000
Balance at beginning of the financial period	1,086,173	2,571,055	1,035,778	2,520,510
Amount vested from subsidiary	-	-	296	-
Classified as non-performing during the financial period	606,604	681,053	538,530	619,321
Reclassified as performing during the financial period	(284,752)	(478,188)	(255,102)	(439,745)
Amount recovered	(109,916)	(630,520)	(96,293)	(626,261)
Amount written-off	(229,780)	(1,057,227)	(216,485)	(1,038,047)
Balance at end of the financial period	1,068,329	1,086,173	1,006,724	1,035,778
<b>Less:</b>				
Specific allowance	(392,367)	(448,783)	(379,756)	(431,746)
Net non-performing loans, advances and financing	<b>675,962</b>	<b>637,390</b>	<b>626,968</b>	<b>604,032</b>
Ratio of net non-performing loans, advances and financing to gross loans, advances and financing less specific allowance	<b>3.17%</b>	3.22%	<b>3.36%</b>	3.49%

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**13) LOANS, ADVANCES AND FINANCING (CONTINUED)**

**(viii) Movements in allowance for bad and doubtful debts and financing**

	<b>The Group</b>		<b>The Bank</b>	
	<b>Current Financial Quarter 30/9/2009 RM'000</b>	<b>Previous Financial Year-End 31/12/2008 RM'000</b>	<b>Current Financial Quarter 30/9/2009 RM'000</b>	<b>Previous Financial Year-End 31/12/2008 RM'000</b>
<b>General allowance</b>				
Balance at beginning of the financial period	297,932	266,623	260,443	239,848
Amount vested from subsidiary	-	-	179	-
Allowance made during the financial period	22,798	31,599	19,557	20,595
Amount written-back	(47)	(290)	-	-
Balance at end of the financial period	<b>320,683</b>	297,932	<b>280,179</b>	260,443
As % of gross loans, advances and financing less specific allowance	<b>1.50%</b>	1.50%	<b>1.50%</b>	1.50%
<b>Specific allowance</b>				
Balance at beginning of the financial period	448,783	1,255,006	431,746	1,235,227
Amount vested from subsidiary	-	-	257	-
Allowance made during the financial period	201,235	363,522	191,175	345,959
Transferred from allowance for impairment of securities	9,843	-	9,843	-
Amount recovered	(38,046)	(114,718)	(37,110)	(113,329)
Amount written-off	(229,448)	(1,055,027)	(216,155)	(1,036,111)
Balance at end of the financial period	<b>392,367</b>	448,783	<b>379,756</b>	431,746

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**13) LOANS, ADVANCES AND FINANCING (CONTINUED)**

**(ix) Non-performing loans, advances and financing analysed by their economic sectors**

	<b>The Group</b>		<b>The Bank</b>	
	<b>Current Financial Quarter 30/9/2009 RM'000</b>	<b>Previous Financial Year-End 31/12/2008 RM'000</b>	<b>Current Financial Quarter 30/9/2009 RM'000</b>	<b>Previous Financial Year-End 31/12/2008 RM'000</b>
Primary agriculture	11,717	6,428	11,620	6,428
Mining and quarrying	4,023	4,753	4,023	4,753
Manufacturing	134,111	189,098	114,306	181,706
Electricity, gas and water supply	2,166	85	2,166	85
Construction	90,166	111,337	89,876	111,061
Real estate	49,186	47,430	49,186	47,430
Wholesale and retail trade, restaurants and hotels	113,362	43,083	111,545	41,324
Transport, storage and communication	7,214	46,539	7,214	46,539
Finance, insurance and business activities	39,487	52,874	38,916	42,310
Education, health and others	103,232	37,964	103,232	37,964
Household	513,439	540,808	474,414	510,504
Others	226	5,774	226	5,674
	<b>1,068,329</b>	<b>1,086,173</b>	<b>1,006,724</b>	<b>1,035,778</b>

**(x) Non-performing loans, advances and financing analysed by their economic purposes**

	<b>The Group</b>		<b>The Bank</b>	
	<b>Current Financial Quarter 30/9/2009 RM'000</b>	<b>Previous Financial Year-End 31/12/2008 RM'000</b>	<b>Current Financial Quarter 30/9/2009 RM'000</b>	<b>Previous Financial Year-End 31/12/2008 RM'000</b>
Purchase of securities	3,978	6,255	3,977	6,254
Purchase of transport vehicles	78,871	82,306	72,727	76,782
Purchase of landed property of which:				
- Residential	391,723	405,854	358,560	381,158
- Non-residential	118,712	73,948	115,360	70,275
Fixed assets other than land and building	5,000	27,492	4,404	27,492
Personal use	23,605	24,214	23,605	24,194
Credit card	1,203	3,804	1,203	3,804
Consumer durable	38	96	38	96
Construction	35,548	47,708	35,548	47,708
Working capital	385,241	331,848	368,748	326,868
Others	24,410	82,648	22,554	71,147
	<b>1,068,329</b>	<b>1,086,173</b>	<b>1,006,724</b>	<b>1,035,778</b>

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**14) OTHER ASSETS**

	<b>The Group</b>		<b>The Bank</b>	
	<b>Current Financial Quarter 30/9/2009 RM'000</b>	<b>Previous Financial Year-End 31/12/2008 RM'000</b>	<b>Current Financial Quarter 30/9/2009 RM'000</b>	<b>Previous Financial Year-End 31/12/2008 RM'000</b>
Other debtors, deposits and prepayments	29,408	95,040	28,848	94,257
Clearing accounts	145,998	173,371	95,206	127,909
Accrued interest/income receivable	62,138	55,699	55,956	55,955
Prepaid lease rental (a)	16,240	17,347	14,559	15,660
Foreclosed properties (b)	186,427	187,422	186,014	187,009
Derivative assets (c)	35,680	67,910	35,680	67,910
Others	1,382	2,147	1,378	2,144
	<b>477,273</b>	<b>598,936</b>	<b>417,641</b>	<b>550,844</b>

**(a) Prepaid lease rental**

<b>Cost</b>				
At beginning of the financial period	20,167	20,805	18,277	17,618
Disposals	(1,002)	(2,078)	(1,002)	(781)
Reclassification	-	1,440	-	1,440
At end of the financial period	<b>19,165</b>	<b>20,167</b>	<b>17,275</b>	<b>18,277</b>
<b>Less: Accumulated amortisation</b>				
At beginning of the financial period	2,820	3,115	2,617	2,160
Amortisation during the period	182	(760)	176	457
Disposals	(77)	465	(77)	-
At end of the financial period	<b>2,925</b>	<b>2,820</b>	<b>2,716</b>	<b>2,617</b>
<b>Net book value at end of financial period</b>	<b>16,240</b>	<b>17,347</b>	<b>14,559</b>	<b>15,660</b>

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**14) OTHER ASSETS (CONTINUED)**

	The Group		The Bank	
	Current Financial Quarter 30/9/2009 RM'000	Previous Financial Year-End 31/12/2008 RM'000	Current Financial Quarter 30/9/2009 RM'000	Previous Financial Year-End 31/12/2008 RM'000
<b>(b) Foreclosed properties</b>				
At beginning of the financial period	187,422	74,347	187,009	74,347
Amount arising during the financial period	3,613	134,248	3,613	133,835
Disposal during the financial period	(3,901)	(20,615)	(3,901)	(20,615)
	<u>187,134</u>	<u>187,980</u>	<u>186,721</u>	<u>187,567</u>
Foreclosed properties - diminution in value	(707)	(558)	(707)	(558)
At end of the financial period	<u>186,427</u>	<u>187,422</u>	<u>186,014</u>	<u>187,009</u>

**(c) Derivative assets**

	The Group and The Bank 30/9/2009		The Group and The Bank 31/12/2008	
	Contract/ notional amount RM'000	Assets RM'000	Contract/ notional amount RM'000	Assets RM'000
<u>At fair value</u>				
Foreign exchange derivatives:				
- Currency forwards	303,710	6,874	346,683	5,936
- Currency swaps	1,077,594	17,128	1,115,970	33,758
Interest rate derivatives:				
- Interest rate swap	350,820	11,678	400,820	28,216
	<u>1,732,124</u>	<u>35,680</u>	<u>1,863,473</u>	<u>67,910</u>

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**15) PROPERTY AND EQUIPMENT**

	<b>The Group</b>		<b>The Bank</b>	
	<b>Current Financial Quarter 30/9/2009 RM'000</b>	<b>Previous Financial Year-End 31/12/2008 RM'000</b>	<b>Current Financial Quarter 30/9/2009 RM'000</b>	<b>Previous Financial Year-End 31/12/2008 RM'000</b>
<b>Cost</b>				
At beginning of the financial period	<b>369,002</b>	450,425	<b>356,584</b>	440,934
Additions	<b>10,655</b>	37,224	<b>10,594</b>	33,561
Disposals	<b>(4,320)</b>	(29,210)	<b>(4,320)</b>	(28,729)
Write-off	<b>(2,922)</b>	(76,364)	<b>(2,575)</b>	(76,132)
Reclassification	<b>(4,893)</b>	(13,073)	<b>(4,917)</b>	(13,050)
At end of the financial period	<b>367,522</b>	369,002	<b>355,366</b>	356,584
<b>Less: Accumulated depreciation</b>				
At beginning of the financial period	<b>178,525</b>	238,188	<b>173,675</b>	233,500
Charge for the financial period	<b>16,400</b>	22,514	<b>15,822</b>	21,829
Disposals	<b>(1,022)</b>	(6,642)	<b>(1,022)</b>	(6,308)
Write-off	<b>(2,687)</b>	(75,535)	<b>(2,374)</b>	(75,332)
Reclassification	-	-	<b>(21)</b>	(14)
At end of the financial period	<b>191,216</b>	178,525	<b>186,080</b>	173,675
<b>Net book value as at financial period</b>	<b>176,306</b>	190,477	<b>169,286</b>	182,909

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**16) INTANGIBLE ASSETS**

<b>The Group</b>	<b>Goodwill RM'000</b>	<b>Computer Software RM'000</b>	<b>Total RM'000</b>
<b>Cost</b>			
At 1 January 2009	133,430	98,003	231,433
Additions	-	945	945
Reclassification	-	4,893	4,893
At 30 September 2009	<u>133,430</u>	<u>103,841</u>	<u>237,271</u>
<b>Less: Accumulated amortisation</b>			
At 1 January 2009	-	(51,359)	(51,359)
Amortised during the financial period	-	(15,332)	(15,332)
At 30 September 2009	<u>-</u>	<u>(66,691)</u>	<u>(66,691)</u>
<b>Net book value as at 30 September 2009</b>	<u><b>133,430</b></u>	<u><b>37,150</b></u>	<u><b>170,580</b></u>
<b>Cost</b>			
At 1 January 2008	133,430	79,772	213,202
Addition	-	6,999	6,999
Write-off	-	(402)	(402)
Reclassification	-	11,634	11,634
At 31 December 2008	<u>133,430</u>	<u>98,003</u>	<u>231,433</u>
<b>Less: Accumulated amortisation</b>			
At 1 January 2008	-	(34,007)	(34,007)
Amortised during the financial period	-	(17,737)	(17,737)
Write-off	-	385	385
At 31 December 2008	<u>-</u>	<u>(51,359)</u>	<u>(51,359)</u>
<b>Net book value as at 31 December 2008</b>	<u><b>133,430</b></u>	<u><b>46,644</b></u>	<u><b>180,074</b></u>

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**16) INTANGIBLE ASSETS (CONTINUED)**

<b>The Bank</b>	<b>Goodwill RM'000</b>	<b>Computer Software RM'000</b>	<b>Total RM'000</b>
<b>Cost</b>			
At 1 January 2009	137,323	95,313	232,636
Additions	-	945	945
Reclassification	-	4,893	4,893
At 30 September 2009	<u>137,323</u>	<u>101,151</u>	<u>238,474</u>
<b>Less: Accumulated amortisation</b>			
At 1 January 2009	-	(50,061)	(50,061)
Amortised during the financial period	-	(14,929)	(14,929)
At 30 September 2009	<u>-</u>	<u>(64,990)</u>	<u>(64,990)</u>
<b>Net book value as at 30 September 2009</b>	<u><b>137,323</b></u>	<u><b>36,161</b></u>	<u><b>173,484</b></u>
<b>Cost</b>			
At 1 January 2008	137,323	77,356	214,679
Additions	-	6,763	6,763
Write-off	-	(402)	(402)
Reclassification	-	11,596	11,596
At 31 December 2008	<u>137,323</u>	<u>95,313</u>	<u>232,636</u>
<b>Less: Accumulated amortisation</b>			
At 1 January 2008	-	(33,201)	(33,201)
Amortised during the financial period	-	(17,245)	(17,245)
Write-off	-	385	385
At 31 December 2008	<u>-</u>	<u>(50,061)</u>	<u>(50,061)</u>
<b>Net book value as at 31 December 2008</b>	<u><b>137,323</b></u>	<u><b>45,252</b></u>	<u><b>182,575</b></u>

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**17) DEPOSITS FROM CUSTOMERS**

**(i) By type of deposit**

	<b>The Group</b>		<b>The Bank</b>	
	<b>Current Financial Quarter</b>	<b>Previous Financial Year-End</b>	<b>Current Financial Quarter</b>	<b>Previous Financial Year-End</b>
	<b>30/9/2009</b>	<b>31/12/2008</b>	<b>30/9/2009</b>	<b>31/12/2008</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Demand deposits	<b>4,804,191</b>	3,921,796	<b>2,708,125</b>	2,570,852
Savings deposits	<b>902,778</b>	787,450	<b>712,510</b>	610,253
Fixed deposits	<b>15,447,724</b>	14,723,919	<b>13,550,091</b>	13,629,757
Special investment deposits	<b>824,706</b>	1,403,650	-	-
Money market deposits	<b>462,554</b>	1,654,643	<b>462,554</b>	1,654,643
Negotiable instruments of deposit ('NID')	<b>4,072,180</b>	2,736,331	<b>3,772,544</b>	2,514,063
	<b>26,514,133</b>	25,227,789	<b>21,205,824</b>	20,979,568

**(ii) Maturity structure of fixed deposit and NID are as follows:**

	<b>The Group</b>		<b>The Bank</b>	
	<b>Current Financial Quarter</b>	<b>Previous Financial Year-End</b>	<b>Current Financial Quarter</b>	<b>Previous Financial Year-End</b>
	<b>30/9/2009</b>	<b>31/12/2008</b>	<b>30/9/2009</b>	<b>31/12/2008</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Due within six months	<b>17,177,603</b>	15,710,102	<b>15,211,763</b>	14,541,859
Six months to one year	<b>2,226,324</b>	1,671,642	<b>2,000,146</b>	1,527,809
One year to three years	<b>92,603</b>	77,060	<b>88,188</b>	73,058
Three years to five years	<b>23,374</b>	1,446	<b>22,538</b>	1,094
	<b>19,519,904</b>	17,460,250	<b>17,322,635</b>	16,143,820

**(iii) By type of customer**

	<b>The Group</b>		<b>The Bank</b>	
	<b>Current Financial Quarter</b>	<b>Previous Financial Year-End</b>	<b>Current Financial Quarter</b>	<b>Previous Financial Year-End</b>
	<b>30/9/2009</b>	<b>31/12/2008</b>	<b>30/9/2009</b>	<b>31/12/2008</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Government and statutory bodies	<b>4,900,065</b>	4,414,394	<b>2,291,044</b>	2,385,711
Business enterprise	<b>8,826,456</b>	9,529,283	<b>7,443,956</b>	8,177,393
Individuals	<b>3,758,153</b>	3,467,846	<b>3,441,911</b>	3,183,438
Others	<b>9,029,459</b>	7,816,266	<b>8,028,913</b>	7,233,026
	<b>26,514,133</b>	25,227,789	<b>21,205,824</b>	20,979,568

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	<b>The Group</b>		<b>The Bank</b>	
	<b>Current Financial Quarter 30/9/2009 RM'000</b>	<b>Previous Financial Year-End 31/12/2008 RM'000</b>	<b>Current Financial Quarter 30/9/2009 RM'000</b>	<b>Previous Financial Year-End 31/12/2008 RM'000</b>
Licensed banks	<b>2,241,537</b>	993,437	<b>2,241,537</b>	993,437
Licensed investment banks	<b>394,420</b>	339,350	<b>394,420</b>	339,350
Bank Negara Malaysia	<b>15,325</b>	65,353	<b>15,325</b>	42,532
Other financial institutions	<b>1,205,878</b>	2,422,747	<b>931,030</b>	1,546,723
	<b>3,857,160</b>	3,820,887	<b>3,582,312</b>	2,922,042
<b>Maturity structure of deposits are as follows:</b>				
Due within six months	<b>3,851,193</b>	3,816,142	<b>3,576,345</b>	2,917,297
Six months to one year	<b>5,967</b>	4,745	<b>5,967</b>	4,745
	<b>3,857,160</b>	3,820,887	<b>3,582,312</b>	2,922,042

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**18) OTHER LIABILITIES**

	<b>The Group</b>		<b>The Bank</b>	
	<b>Current Financial Quarter 30/9/2009 RM'000</b>	<b>Previous Financial Year-End 31/12/2008 RM'000</b>	<b>Current Financial Quarter 30/9/2009 RM'000</b>	<b>Previous Financial Year-End 31/12/2008 RM'000</b>
Bank Negara Malaysia and Credit Guarantee Corporation Funding programmes	65,354	69,358	65,354	69,358
Margin and collateral deposits	49,652	43,916	48,214	42,375
Accrued interest/income payable	112,536	171,275	104,890	157,376
Sundry creditors	165,451	181,775	145,023	161,154
Profit equalisation reserve	776	-	-	-
Defined contribution plan (Note a)	9,200	9,171	8,885	8,951
Accrued employee benefits (Note b)	125	125	105	105
Derivative liabilities (Note c)	48,135	81,393	48,135	81,393
	<b>451,229</b>	<b>557,013</b>	<b>420,606</b>	<b>520,712</b>

(a) The Group and the Bank contributes to the Employee Provident Fund ('EPF'), the national defined contribution plan. Once the contributions have been paid, the Group and the Bank has no further payment obligations.

(b) This refers to the accruals for short-term employee benefits for leave entitlement. Under employment contract, employees earn their leave entitlement which they are entitled to carry forward and will lapse if not utilised in the following accounting period. Accruals are made for the estimated liability for unutilised annual leave.

(c) **Derivative liabilities**

	<b>The Group and the Bank 30/9/2009</b>		<b>The Group and the Bank 31/12/2008</b>	
	<b>Contract/ notional amount RM'000</b>	<b>Liabilities RM'000</b>	<b>Contract/ notional amount RM'000</b>	<b>Liabilities RM'000</b>
<b><u>At fair value</u></b>				
Foreign exchange derivatives:				
- Currency forwards	428,664	8,663	391,600	7,134
- Currency swaps	246,183	5,948	445,942	16,159
Interest rate derivatives:				
- Interest rate swap	1,011,007	33,524	1,198,939	58,100
	<b>1,685,854</b>	<b>48,135</b>	<b>2,036,481</b>	<b>81,393</b>

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**19) SUBSEQUENT MATERIAL EVENT**

There is no material subsequent event after the quarter ended 30 September 2009 that have financial impact.

**20) CHANGES IN THE COMPOSITION OF THE GROUP**

There is no change in the composition of the Group between now and 31 December 2008 audited account.

**21) RISK-WEIGHTED EXPOSURE OF THE GROUP**

As per appendix 2.

**22) FINANCIAL INSTRUMENTS WITH OFF BALANCE SHEET RISK**

Value of contract classified by remaining period to maturity (As per appendix 3).

**MARKET RISK**

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amounts subject to market risk. Exposure to market risk may be reduced through offsetting on and off-balance sheet positions. As at 30 September 2009, the notional amount of foreign exchange exposure which were not hedged and hence, exposed to market risk was RM2.7 million (31 December 2008: RM1.3 million), while the notional amount of interest rate contract was RM880.5 million (31 December 2008: RM868.5 million).

**CREDIT RISK**

Credit risk arises from the possibility that a counter-party may be unable to meet the term of a contract in which the Bank has a gain position. As at 30 September 2009, the amounts of foreign exchange and interest rate credit risk, measured in terms of the cost to replace the profitable contracts, were RM55.2 million (31 December 2008: RM91.6 million) and RM62.5 million (31 December 2008: RM86.2 million) respectively. This amount will increase or decrease over the life of contracts, mainly as a function of maturity dates and market rates or prices.

**23) INTEREST/PROFIT RATE RISK**

As per appendix 4.

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**24) CAPITAL ADEQUACY**

(i) The capital adequacy ratios are as follows:

	<b>The Group #</b>		<b>The Bank</b>	
	<b>Current Financial Quarter 30/9/2009 RM'000</b>	<b>Previous Financial Year-End 31/12/2008 RM'000</b>	<b>Current Financial Quarter 30/9/2009 RM'000</b>	<b>Previous Financial Year-End 31/12/2008 RM'000</b>
<b>Tier I capital</b>				
Paid-up share capital	1,439,285	1,439,285	1,439,285	1,439,285
Share premium	408,389	408,389	408,389	408,389
Retained profits	351,783	248,822	285,019	196,817
Statutory reserve	749,759	625,209	682,995	573,204
	<b>2,949,216</b>	2,721,705	<b>2,815,688</b>	2,617,695
<b>Less:</b>				
Goodwill	(137,323)	(137,323)	(137,323)	(137,323)
Deferred tax assets *	(61,777)	(54,389)	(53,935)	(50,285)
Total Tier I capital	<b>2,750,116</b>	2,529,993	<b>2,624,430</b>	2,430,087
<b>Tier II capital</b>				
Subordinated term loan	300,000	500,000	300,000	500,000
General allowance for bad and doubtful debts & financing	320,683	297,752	280,179	260,443
Total Tier II capital	<b>620,683</b>	797,752	<b>580,179</b>	760,443
<b>Less:</b>				
Investment in subsidiaries	(29,912)	(39,478)	(289,912)	(199,478)
<b>Capital base</b>	<b>3,340,887</b>	3,288,267	<b>2,914,697</b>	2,991,052
Core capital ratio	11.83%	10.06%	12.72%	10.79%
Risk-weighted capital ratio	14.37%	13.08%	14.13%	13.29%
Core capital ratio (net of proposed dividends)	11.51%	9.98%	12.36%	10.70%
Risk-weighted capital ratio (net of proposed dividends)	14.05%	12.99%	13.77%	13.19%

\* Deferred tax assets exclude deferred tax arising from investment fluctuation reserves.

# The Group comprises the Bank and the Bank's subsidiary, Affin Islamic Bank Berhad.

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**24) CAPITAL ADEQUACY (CONTINUED)**

(ii) Breakdown of gross risk-weighted assets in the various categories of risk-weights:

	<b>The Group</b>		<b>The Bank</b>	
	<b>@ Principal Current Financial Quarter 30/9/2009 RM'000</b>	<b>Principal Previous Financial Year-End 31/12/2008 RM'000</b>	<b>@ Principal Current Financial Quarter 30/9/2009 RM'000</b>	<b>Principal Previous Financial Year-End 31/12/2008 RM'000</b>
0%	9,221,549	9,616,235	5,932,170	5,577,527
10%	-	-	-	-
20%	3,099,234	3,496,374	2,457,120	2,974,388
35%	1,224,664	1,235,318	1,170,531	1,179,407
50%	2,519,778	2,913,252	2,357,438	2,741,636
75%	7,961,056	8,451,331	6,511,931	7,082,435
100%	10,255,792	12,483,071	9,518,597	11,560,658
150%	1,813,840	1,185,581	1,604,183	999,235
Total risk-weighted assets for credit risk	<b>36,095,913</b>	<b>39,381,162</b>	<b>29,551,970</b>	<b>32,115,286</b>
	<b>@ Risk-Weighted Current Financial Quarter 30/9/2009 RM'000</b>	<b>Risk-Weighted Previous Financial Year-End 31/12/2008 RM'000</b>	<b>@ Risk-Weighted Current Financial Quarter 30/9/2009 RM'000</b>	<b>Risk-Weighted Previous Financial Year-End 31/12/2008 RM'000</b>
0%	-	-	-	-
10%	-	-	-	-
20%	619,847	699,275	491,424	594,878
35%	428,632	432,361	409,686	412,792
50%	1,259,889	1,456,626	1,178,719	1,370,818
75%	5,970,793	6,338,499	4,883,948	5,311,826
100%	10,255,792	12,483,071	9,518,597	11,560,658
150%	2,720,760	1,778,371	2,406,275	1,498,853
Total risk-weighted assets for credit risk	<b>21,255,713</b>	<b>23,188,203</b>	<b>18,888,649</b>	<b>20,749,825</b>
Risk-weighted assets for market risk	<b>55,712</b>	<b>91,275</b>	<b>53,217</b>	<b>88,763</b>
Risk-weighted assets for operational risk	<b>1,936,136</b>	<b>1,861,683</b>	<b>1,688,596</b>	<b>1,673,945</b>
Total risk-weighted assets	<b>23,247,561</b>	<b>25,141,161</b>	<b>20,630,462</b>	<b>22,512,533</b>

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**24) CAPITAL ADEQUACY (CONTINUED)**

Pursuant to Bank Negara Malaysia's circular, 'Recognition of Deferred Tax Asset ('DTA') and Treatment of DTA for RWCR Purposes' dated 8 August 2003, deferred tax income/(expenses) is excluded from the calculation of Tier I capital and DTA is excluded from the calculation of risk-weighted assets.

@ The Group implemented the Basel II - Risk Weighted Assets Computation under the BNM's Risk Weighted Capital Adequacy Framework with effect from 1 January 2008. The Group has adopted the Standardised Approach for credit risk and market risk, and Basic Indicator Approach for operational risk computation.

**25) PURCHASE AND SALE OF QUOTED SECURITIES**

There were no purchases or disposals of quoted securities for the quarter ended 30 September 2009 other than in the ordinary course of business.

**26) STATUS OF CORPORATE PROPOSAL**

There were no corporate proposals announced but not completed during the period ended 30 September 2009.

**27) REVIEW OF PERFORMANCE OF THE COMPANY AND ITS PRINCIPAL SUBSIDIARIES**  
(Analysis of financial performance of current quarter comparing to previous year's corresponding quarter)

Overall the Group registered a profit before tax of RM118.9 million for the 3rd quarter of 2009 as compared the previous year's corresponding quarter profit of RM97.1 million, an increase of RM21.8 million. This was due to:

- i) higher net interest income by RM20.4 million.
- ii) higher Islamic Banking income by RM4.7 million.
- iii) higher other operating income by RM13.5 million.
- iv) lower impairment losses on securities by RM4.8 million.
- v) higher transfer from profit equalisation reserve by RM2.8 million.

The above was off-setted by:

- i) higher allowances for losses on loans by RM17.7 million, mainly due to higher net specific allowance made (RM8.5 million) and lower bad debt recovered (RM21.8 million). However off-setted by lower general allowance made (RM11.8 million) and lower bad debt written off (RM0.8 million).
- ii) higher other operating expenses by RM6.7 million.

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**28) COMMENT ON FINANCIAL RESULTS**

**(Analysis of financial performance of current quarter comparing to immediate preceding quarter)**

The Group's profit before tax for 3rd quarter of 2009 stood at RM118.9 million as compared to RM104.5 million reported in the 2nd quarter of 2009, an increase of RM14.4 million.

Increase in Profit Before Tax as compared to immediate preceding quarter due to:

- i) higher net interest income by RM5.8 million.
- ii) higher Islamic Banking income by RM2.3 million.
- iii) higher other operating income by RM5.2 million mainly due to higher securities income.
- iv) higher transfer from profit equalisation reserve by RM6.5 million.

The above was off-set by:

- i) higher other operating expenses by RM1.5 million.
- ii) higher allowances for losses on loans by RM3.9 million mainly due to lower bad debt recovered (RM3.2 million) and higher net specific allowance made (RM9.8 million). However off-set against lower bad debt written off (RM2.0 million) and lower general allowance (RM7.1 million).

**29) PROSPECT FOR THE CURRENT FINANCIAL YEAR**

For year 2009, AFFIN Bank continued with the implementation its transformation plan, notwithstanding difficult economic conditions in the current financial quarter arising from the financial crisis afflicting the United States and Europe.

Moving forward, the Bank remains committed to continuously provide quality and innovative products and services to meet the needs and requirements of customers and clients. Although the Bank expects Year 2009 to be challenging in the face of economic uncertainties, the banking sector remains robust and we are cautiously optimistic on the opportunities available.

The Bank takes a 'business as usual' approach and remains committed to the needs of its customers. Nevertheless, the bank will continue to be vigilant and careful with its lending policies while at the same time, the Group continues with its strategy on sustaining business growth, improving asset quality, enhancing, operational efficiency and raising the quality of its human capital.

Barring unforeseen circumstances, the Bank and its Group will again produce a satisfactory financial performance for the year.

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**30) VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT**

Profit before tax for the Group registered a favourable variance of RM13.7 million. The main contributing factors are as follows:

Net Interest Income

The net interest income showed an adverse variance of RM5.5 million.

Islamic banking income

Islamic banking income showed a favourable variance of RM11.4 million.

Other Operating Income

The non interest income showed a favourable variance of RM4.5 million.

Other Operating Expenses

Operating costs showed a favourable variance of RM37.4 million.

Loan Loss Provision

Loan loss provision showed an adverse variance of RM38.2 million.

Profit Equalisation Reserve

Profit equalisation reserve showed a favourable variance of RM0.7 million.

Impairment Losses on Securities

Impairment losses on securities showed a favourable variance of RM3.4 million.

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**31) INTEREST INCOME**

	Individual Quarter The Group		Cumulative Quarter The Group	
	Current Financial Quarter 30/9/2009 RM'000	Preceding Year Corresponding Quarter 30/9/2008 RM'000	Current Financial Quarter 30/9/2009 RM'000	Preceding Year Corresponding Quarter 30/9/2008 RM'000
Loans, advances and financing	267,732	286,435	810,556	824,879
- Interest income other than recoveries from NPLs	257,105	268,497	772,324	764,734
- Recoveries from NPLs	10,627	17,938	38,232	60,145
Money at call and deposit placements with financial institutions	18,031	39,590	60,500	141,835
Securities:				
- Held-for-trading	-	153	750	445
- Available-for-sale	28,709	18,250	70,789	51,895
- Held-to-maturity	7,401	3,718	13,923	12,681
Others	11,870	12,853	41,931	31,625
	333,743	360,999	998,449	1,063,360
Accretion of discount less amortisation of premium	194	10,758	12,422	31,206
Interest suspended	(6,494)	(4,618)	(16,749)	(14,273)
	327,443	367,139	994,122	1,080,293

	Individual Quarter The Bank		Cumulative Quarter The Bank	
	Current Financial Quarter 30/9/2009 RM'000	Preceding Year Corresponding Quarter 30/9/2008 RM'000	Current Financial Quarter 30/9/2009 RM'000	Preceding Year Corresponding Quarter 30/9/2008 RM'000
Loans, advances and financing	267,732	286,433	810,556	824,876
- Interest income other than recoveries from NPLs	257,105	268,497	772,324	764,734
- Recoveries from NPLs	10,627	17,936	38,232	60,142
Money at call and deposit placements with financial institutions	19,464	42,429	65,920	148,904
Securities:				
- Held-for-trading	-	153	750	445
- Available-for-sale	28,709	18,250	70,789	51,895
- Held-to-maturity	5,404	3,686	11,926	12,618
Others	12,533	13,358	43,530	33,374
	333,842	364,309	1,003,471	1,072,112
Accretion of discount less amortisation of premium	194	10,758	12,422	31,206
Interest suspended	(6,494)	(4,618)	(16,749)	(14,273)
	327,542	370,449	999,144	1,089,045

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**32) INTEREST EXPENSE**

	Individual Quarter The Group		Cumulative Quarter The Group	
	Current Financial Quarter 30/9/2009 RM'000	Preceding Year Corresponding Quarter 30/9/2008 RM'000	Current Financial Quarter 30/9/2009 RM'000	Preceding Year Corresponding Quarter 30/9/2008 RM'000
Deposits and placements of banks and other financial institutions	15,495	38,171	46,910	85,630
Deposits from customers	104,158	139,128	343,192	438,459
Subordinated term loan	2,280	7,562	10,754	22,589
Loan sold to Cagamas	1,879	323	3,546	4,527
Others	17,054	15,759	54,532	39,584
	<b>140,866</b>	<b>200,943</b>	<b>458,934</b>	<b>590,789</b>

	Individual Quarter The Bank		Cumulative Quarter The Bank	
	Current Financial Quarter 30/9/2009 RM'000	Preceding Year Corresponding Quarter 30/9/2008 RM'000	Current Financial Quarter 30/9/2009 RM'000	Preceding Year Corresponding Quarter 30/9/2008 RM'000
Deposits and placements of banks and other financial institutions	15,514	38,309	47,097	86,059
Deposits from customers	104,163	139,137	343,209	438,485
Subordinated term loan	2,280	7,562	10,754	22,589
Loan sold to Cagamas	1,879	323	3,546	4,527
Others	17,054	15,759	54,532	39,584
	<b>140,890</b>	<b>201,090</b>	<b>459,138</b>	<b>591,244</b>

**33) ISLAMIC BANKING INCOME**

	Individual Quarter The Group		Cumulative Quarter The Group	
	Current Financial Quarter 30/9/2009 RM'000	Preceding Year Corresponding Quarter 30/9/2008 RM'000	Current Financial Quarter 30/9/2009 RM'000	Preceding Year Corresponding Quarter 30/9/2008 RM'000
Income derived from investment of depositors' funds and others	59,279	67,101	182,414	207,242
Income derived from investment of shareholders' funds	3,790	2,886	9,985	8,725
Total distributable income	63,069	69,987	192,399	215,967
Income attributable to depositors	(20,950)	(32,582)	(72,392)	(108,020)
	<b>42,119</b>	<b>37,405</b>	<b>120,007</b>	<b>107,947</b>

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**34) OTHER OPERATING INCOME**

	Individual Quarter		Cumulative Quarter	
	The Group		The Group	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Quarter	Quarter	Quarter	Quarter
	30/9/2009	30/9/2008	30/9/2009	30/9/2008
	RM'000	RM'000	RM'000	RM'000
<b>Fee income</b>				
Commission	3,285	3,961	9,432	11,068
Service charges and fees	11,097	12,036	33,359	36,490
Guarantee fees	10,089	7,742	25,035	21,183
	<b>24,471</b>	<b>23,739</b>	<b>67,826</b>	<b>68,741</b>
<b>Securities income</b>				
Gains on sale/redemption of securities:				
- Held-for-trading	143	324	1,473	640
- Available-for-sale	3,441	3,683	4,005	14,118
- Held-to-maturity	82	-	1,633	12,235
Unrealised gains/(losses) on revaluation of held-for-trading securities	-	1,349	(70)	1,469
Gains/(losses) on derivatives:				
- realised	341	-	665	177
- unrealised	2,684	(13,386)	9,082	(6,075)
Gross dividends from Malaysia:				
- Available-for-sale securities	57	208	146	209
- Held-to-maturity securities	6,274	2,980	8,096	4,259
	<b>13,022</b>	<b>(4,842)</b>	<b>25,030</b>	<b>27,032</b>
<b>Other income</b>				
Foreign exchange gains/(losses):				
- realised	(17,254)	16,977	18,241	35,975
- unrealised	33,647	(5,195)	27,007	16,711
Rental income	424	367	1,159	1,123
Gain on sale of property and equipment	273	6,671	1,485	9,970
Gain on disposal of foreclosed properties	906	2,026	966	2,883
Other non-operating income	897	3,104	6,060	9,625
	<b>18,893</b>	<b>23,950</b>	<b>54,918</b>	<b>76,287</b>
	<b>56,386</b>	<b>42,847</b>	<b>147,774</b>	<b>172,060</b>

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**34) OTHER OPERATING INCOME (CONTINUED)**

	Individual Quarter		Cumulative Quarter	
	The Bank		The Bank	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Quarter	Quarter	Quarter	Quarter
	30/9/2009	30/9/2008	30/9/2009	30/9/2008
	RM'000	RM'000	RM'000	RM'000
<b>Fee income</b>				
Commission	3,285	3,961	9,432	11,068
Service charges and fees	11,097	12,036	33,359	36,490
Guarantee fees	10,089	7,742	25,035	21,183
	<b>24,471</b>	<b>23,739</b>	<b>67,826</b>	<b>68,741</b>
<b>Securities income</b>				
Gains on sale/redemption of securities:				
- Held-for-trading	143	324	1,473	640
- Available-for-sale	3,441	3,683	4,005	14,118
- Held-to-maturity	82	-	1,633	12,235
Unrealised gains/(losses) on revaluation of held-for-trading securities	-	1,349	(70)	1,469
Gains/(losses) on derivatives:				
- realised	341	-	665	177
- unrealised	2,684	(13,386)	9,082	(6,075)
Gross dividends from Malaysia:				
- Available-for-sale securities	57	208	146	209
- Held-to-maturity securities	6,274	2,980	15,855	4,259
	<b>13,022</b>	<b>(4,842)</b>	<b>32,789</b>	<b>27,032</b>
<b>Other income</b>				
Foreign exchange gains/(losses):				
- realised	(17,254)	16,977	18,241	35,975
- unrealised	33,647	(5,195)	27,007	16,711
Rental income	380	354	1,090	1,084
Gain on sale of property and equipment	273	6,356	1,485	9,655
Gain on disposal of foreclosed properties	906	2,026	966	2,883
Other non-operating income	656	2,254	4,477	7,043
	<b>18,608</b>	<b>22,772</b>	<b>53,266</b>	<b>73,351</b>
	<b>56,101</b>	<b>41,669</b>	<b>153,881</b>	<b>169,124</b>

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**35) OTHER OPERATING EXPENSES**

	Individual Quarter The Group		Cumulative Quarter The Group	
	Current Financial Quarter 30/9/2009 RM'000	Preceding Year Corresponding Quarter 30/9/2008 RM'000	Current Financial Quarter 30/9/2009 RM'000	Preceding Year Corresponding Quarter 30/9/2008 RM'000
Personnel costs	63,099	58,889	191,005	189,692
Establishment costs	42,812	37,078	125,554	111,067
Marketing expenses	8,752	11,195	23,491	27,662
Administrative and general expenses	12,669	13,396	36,516	39,109
	<b>127,332</b>	<b>120,558</b>	<b>376,566</b>	<b>367,530</b>

Personnel costs comprise the following:

	Individual Quarter The Group		Cumulative Quarter The Group	
	Current Financial Quarter 30/9/2009 RM'000	Preceding Year Corresponding Quarter 30/9/2008 RM'000	Current Financial Quarter 30/9/2009 RM'000	Preceding Year Corresponding Quarter 30/9/2008 RM'000
Wages, salaries and bonus	49,034	45,605	148,048	146,487
Defined contribution plan ('EPF')	7,795	7,415	23,150	21,937
Termination benefits	-	-	-	6,000
Other personnel costs	6,270	5,869	19,807	15,268
	<b>63,099</b>	<b>58,889</b>	<b>191,005</b>	<b>189,692</b>

Establishment costs comprise the following:

	Individual Quarter The Group		Cumulative Quarter The Group	
	Current Financial Quarter 30/9/2009 RM'000	Preceding Year Corresponding Quarter 30/9/2008 RM'000	Current Financial Quarter 30/9/2009 RM'000	Preceding Year Corresponding Quarter 30/9/2008 RM'000
Rental of premises	4,738	4,261	13,784	12,821
Equipment rental	312	599	832	1,950
Repair and maintenance	5,803	3,335	18,381	14,765
Depreciation	5,538	5,692	16,400	16,677
Amortisation of intangible assets	5,177	4,440	15,332	12,912
Lease rental - leasehold properties	59	49	182	401
IT consultancy fees	10,799	10,304	31,972	29,130
Dataline rental	2,147	2,164	6,821	3,815
Security services	2,288	2,081	6,484	6,156
Electricity, water and sewerage	2,062	1,908	5,958	5,173
Other establishment costs	3,889	2,245	9,408	7,267
	<b>42,812</b>	<b>37,078</b>	<b>125,554</b>	<b>111,067</b>

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**35) OTHER OPERATING EXPENSES (CONTINUED)**

Marketing expenses comprise the following:

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>The Group</b>		<b>The Group</b>	
	<b>Current</b>	Preceding Year	<b>Current</b>	Preceding Year
	<b>Financial</b>	Corresponding	<b>Financial</b>	Corresponding
	<b>Quarter</b>	Quarter	<b>Quarter</b>	Quarter
	<b>30/9/2009</b>	30/9/2008	<b>30/9/2009</b>	30/9/2008
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Dealers' handling charges	<b>6,859</b>	8,557	<b>17,491</b>	20,974
Business promotion and advertisement	<b>529</b>	394	<b>1,734</b>	1,447
Entertainment	<b>363</b>	1,068	<b>886</b>	1,576
Travelling and accommodation	<b>758</b>	848	<b>2,378</b>	2,462
Other marketing expenses	<b>243</b>	328	<b>1,002</b>	1,203
	<b>8,752</b>	11,195	<b>23,491</b>	27,662

Administration and general expenses comprise the following:

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>The Group</b>		<b>The Group</b>	
	<b>Current</b>	Preceding Year	<b>Current</b>	Preceding Year
	<b>Financial</b>	Corresponding	<b>Financial</b>	Corresponding
	<b>Quarter</b>	Quarter	<b>Quarter</b>	Quarter
	<b>30/9/2009</b>	30/9/2008	<b>30/9/2009</b>	30/9/2008
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Telecommunication expenses	<b>1,396</b>	1,394	<b>3,806</b>	4,057
Auditors' remuneration	<b>272</b>	214	<b>849</b>	663
Professional fees	<b>5,040</b>	4,941	<b>13,738</b>	12,922
Property and equipment written-off	<b>112</b>	449	<b>235</b>	639
Mail and courier charges	<b>892</b>	1,439	<b>3,154</b>	4,295
Stationery and consumables	<b>1,971</b>	2,023	<b>5,864</b>	5,379
Other administration and general expenses	<b>2,986</b>	2,936	<b>8,870</b>	11,154
	<b>12,669</b>	13,396	<b>36,516</b>	39,109

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**35) OTHER OPERATING EXPENSES (CONTINUED)**

	Individual Quarter		Cumulative Quarter	
	The Bank		The Bank	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Quarter	Quarter	Quarter	Quarter
	30/9/2009	30/9/2008	30/9/2009	30/9/2008
	RM'000	RM'000	RM'000	RM'000
Personnel costs	52,469	50,066	158,166	163,431
Establishment costs	37,211	32,481	109,056	97,742
Marketing expenses	7,597	9,671	20,163	22,970
Administrative and general expenses	10,738	11,032	31,429	32,290
	<b>108,015</b>	<b>103,250</b>	<b>318,814</b>	<b>316,433</b>

Personnel costs comprise the following:

	Individual Quarter		Cumulative Quarter	
	The Bank		The Bank	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Quarter	Quarter	Quarter	Quarter
	30/9/2009	30/9/2008	30/9/2009	30/9/2008
	RM'000	RM'000	RM'000	RM'000
Wages, salaries and bonus	40,891	38,643	122,806	125,771
Defined contribution plan ('EPF')	6,495	6,303	19,167	18,759
Termination benefits	-	-	-	6,000
Other personnel costs	5,083	5,120	16,193	12,901
	<b>52,469</b>	<b>50,066</b>	<b>158,166</b>	<b>163,431</b>

Establishment costs comprise the following:

	Individual Quarter		Cumulative Quarter	
	The Bank		The Bank	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Quarter	Quarter	Quarter	Quarter
	30/9/2009	30/9/2008	30/9/2009	30/9/2008
	RM'000	RM'000	RM'000	RM'000
Rental of premises	4,020	3,734	11,754	11,317
Equipment rental	298	527	796	1,737
Repair and maintenance	5,048	2,897	15,905	12,864
Depreciation	5,347	5,504	15,822	16,186
Amortisation of intangible assets	5,043	4,318	14,929	12,548
Lease rental - leasehold properties	57	62	176	395
IT consultancy fees	9,489	9,168	28,120	26,075
Dataline rental	1,886	1,966	5,997	3,463
Security services	1,951	1,800	5,517	5,385
Electricity, water and sewerage	1,776	1,670	5,142	4,565
Other establishment costs	2,296	835	4,898	3,207
	<b>37,211</b>	<b>32,481</b>	<b>109,056</b>	<b>97,742</b>

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**35) OTHER OPERATING EXPENSES (CONTINUED)**

Marketing expenses comprise the following:

	Individual Quarter The Bank		Cumulative Quarter The Bank	
	Current Financial Quarter 30/9/2009 RM'000	Preceding Year Corresponding Quarter 30/9/2008 RM'000	Current Financial Quarter 30/9/2009 RM'000	Preceding Year Corresponding Quarter 30/9/2008 RM'000
Dealers' handling charges	6,035	7,327	15,298	17,635
Business promotion and advertisement	502	297	1,588	1,101
Entertainment	289	950	748	1,369
Travelling and accommodation	573	811	1,781	1,914
Other marketing expenses	198	286	748	951
	<b>7,597</b>	<b>9,671</b>	<b>20,163</b>	<b>22,970</b>

Administration and general expenses comprise the following:

	Individual Quarter The Bank		Cumulative Quarter The Bank	
	Current Financial Quarter 30/9/2009 RM'000	Preceding Year Corresponding Quarter 30/9/2008 RM'000	Current Financial Quarter 30/9/2009 RM'000	Preceding Year Corresponding Quarter 30/9/2008 RM'000
Telecommunication expenses	1,213	1,220	3,254	3,580
Auditors' remuneration	220	163	693	505
Professional fees	4,056	3,824	11,413	9,813
Property and equipment written-off	112	449	201	609
Mail and courier charges	771	1,260	2,736	3,784
Stationery and consumables	1,635	1,606	4,985	4,388
Other administration and general expenses	2,731	2,510	8,147	9,611
	<b>10,738</b>	<b>11,032</b>	<b>31,429</b>	<b>32,290</b>

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**36) ALLOWANCES FOR LOSSES ON LOANS, ADVANCES AND FINANCING**

	Individual Quarter The Group		Cumulative Quarter The Group	
	Current Financial Quarter 30/9/2009 RM'000	Preceding Year Corresponding Quarter 30/9/2008 RM'000	Current Financial Quarter 30/9/2009 RM'000	Preceding Year Corresponding Quarter 30/9/2008 RM'000
Allowance for bad and doubtful debts on loans and financing:				
Specific allowance				
- made in the financial period	77,155	66,957	201,235	262,810
- written-back	(12,396)	(10,725)	(38,046)	(102,030)
General allowance				
- made in the financial period	3,895	15,686	22,798	23,027
- written-back	-	-	(47)	-
Bad debts and financing				
- recovered	(29,083)	(50,858)	(94,507)	(119,494)
- written-off	2,117	2,967	9,118	6,485
	<b>41,688</b>	<b>24,027</b>	<b>100,551</b>	<b>70,798</b>

	Individual Quarter The Bank		Cumulative Quarter The Bank	
	Current Financial Quarter 30/9/2009 RM'000	Preceding Year Corresponding Quarter 30/9/2008 RM'000	Current Financial Quarter 30/9/2009 RM'000	Preceding Year Corresponding Quarter 30/9/2008 RM'000
Allowance for bad and doubtful debts on loans and financing:				
Specific allowance				
- made in the financial period	69,961	60,115	191,175	252,955
- written-back	(12,047)	(10,496)	(37,110)	(101,047)
General allowance				
- made in the financial period	3,770	13,124	19,557	13,124
Bad debts and financing				
- recovered	(29,010)	(50,827)	(94,368)	(119,441)
- written-off	2,093	2,939	9,042	6,308
	<b>34,767</b>	<b>14,855</b>	<b>88,296</b>	<b>51,899</b>

**37) EARNINGS PER SHARE**

The earnings per share for the financial quarter have been calculated based on the net profit after taxation and zakat of the Group of RM241,599,000 (30 September 2008: RM231,537,000), and of the Bank of RM219,582,000 (30 September 2008: RM210,242,000) divided by the weighted average number of ordinary shares of RM1 each in issue during the financial quarter of 1,439,285,000 (30 September 2008: 1,439,285,000).

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**38) CONNECTED PARTIES TRANSACTIONS AND BALANCES**

The following credit exposure are based on Bank Negara Malaysia's revised Guidelines on Credit Transaction and Exposures with Connected Parties, which are effective 1 January 2008.

i)	The aggregate value of outstanding credit exposures with connected parties (RM'000)	1,530,533
ii)	The percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures	4.80%
iii)	The percentage of outstanding credit exposures with connected parties which is non-performing or in default	Nil

**39) SIGNIFICANT EVENT DURING THE YEAR**

**(a) SUBORDINATED TERM LOAN**

On 10 March 2009, the Bank prepaid its 10 years subordinated term loan of RM500 million with Employee Provident Fund ('EPF'). On the same day a new 10 year subordinated loan amounting to RM300 million was taken with the Bank's Holding Company.

The new subordinated loan has a prepayment option on the first prepayment date or any interest payment date subsequent to the first prepayment date, giving the Bank the right, subject to Bank Negara Malaysia ('BNM') approval, to prepay the loan in whole or in part.

**(b) TRANSFER OF BUSINESS**

Transfer of assets and liabilities of AFFIN Factors Sdn Bhd to AFFIN Bank Berhad.

On 30 June 2009, AFFIN Bank Berhad had entered into a Business Transfer Agreement with AFFIN Factors to acquire the assets and liabilities of the factoring business of AFFIN Factors.

The assets and liabilities of AFFIN Factors which were transferred to the Bank are as follows:

	The Bank at date of transfer of business RM'000
<u>Asset transferred</u>	
Cash and short-term funds	843
Factoring	5,912
Deferred Tax	45
	<u>6,800</u>
<u>Liability transferred</u>	
Other liabilities	145
Inter-company balances	6,655
	<u>6,800</u>