

AFFIN Islamic Bank Berhad
(Incorporated in Malaysia)

FRS 134 INTERIM FINANCIAL REPORTING - 30 SEPTEMBER 2009

1) BASIS OF PREPARATION

The financial statements of the Bank have been prepared with the Malaysian Accounting Standards Board ('MASB') Approved Accounting Standards for Entities Other Than Private Entities, Bank Negara Malaysia ('BNM') Guidelines, Shariah requirements and the provisions of the Companies Act, 1965. The Bank has adopted the revised Guidelines on Financial Reporting for Licensed Islamic Banks ('BNM/GP8-i') issued by BNM in June 2005.

The financial statements of the Bank have been prepared under the historical cost convention, unless otherwise indicated in this summary of significant accounting policies.

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 December 2008. The explanatory notes to this interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the Bank since 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.

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 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.

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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.

8) CASH AND SHORT-TERM FUNDS

	The Bank/Economic Entity	
	Current	Previous
	Financial	Financial
	Quarter	Year-End
	30/9/2009	31/12/2008
	RM'000	RM'000
Cash and bank balances with banks and other financial institutions	1,682	3,000
Money at call and interbank placements with remaining maturity not exceeding one month	<u>2,639,497</u>	<u>2,355,150</u>
	<u>2,641,179</u>	<u>2,358,150</u>

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	The Bank/Economic Entity	
	Current	Previous
	Financial	Financial
	Quarter	Year-End
	30/9/2009	31/12/2008
	RM'000	RM'000
At fair value		
Malaysian Government treasury bills	81,905	178,956
Malaysian Government investment certificates	547,773	80,212
Negotiable Islamic Debt Certificates	-	29,970
Bankers' acceptances and Islamic accepted bills	36,554	28,753
Khazanah bonds	24,762	24,078
Bank Negara Malaysia Monetary Notes	-	424,227
	<u>690,994</u>	<u>766,196</u>
Unquoted securities:		
Private debt securities		
- in Malaysia	329,191	290,831
- outside Malaysia	28,213	14,299
	<u>1,048,398</u>	<u>1,071,326</u>

(ii) Held-to-maturity securities

	The Bank/Economic Entity	
	Current	Previous
	Financial	Financial
	Quarter	Year-End
	30/9/2009	31/12/2008
	RM'000	RM'000
At cost		
Unquoted securities:		
Shares in Malaysia	575	575
	<u>575</u>	<u>575</u>

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10) FINANCING, ADVANCES AND OTHER LOANS

	The Bank/Economic Entity	
	Current Financial Quarter 30/9/2009 RM'000	Previous Financial Year-End 31/12/2008 RM'000
(i) By type		
Cash line	203,364	193,632
Term financing:		
- House financing	2,270,010	2,121,908
- Hire purchase receivables	990,272	874,759
- Syndicated financing	878,439	896,342
- Other term financing	702,211	606,786
Bills receivables	5,329	6,275
Trust receipts	56,610	83,763
Claims on customers under acceptances credits	107,665	88,092
Staff financing (of which RM Nil to Directors)	13,836	11,780
Revolving credits	96,030	99,486
	5,323,766	4,982,823
Less:		
Unearned income	(2,635,480)	(2,488,795)
Gross financing, advances and other loans	2,688,286	2,494,028
Less:		
Allowance for bad and doubtful debts and financing:		
- General	(40,504)	(37,309)
- Specific	(12,611)	(6,780)
Total net financing, advances and other loans	2,635,171	2,449,939

	The Bank/Economic Entity	
	Current Financial Quarter 30/9/2009 RM'000	Previous Financial Year-End 31/12/2008 RM'000
(ii) By maturity structure		
Maturing within one year	545,490	476,005
One year to three years	201,517	192,556
Three years to five years	229,418	264,418
Over five years	1,711,861	1,561,049
	2,688,286	2,494,028

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10) FINANCING, ADVANCES AND OTHER LOANS (CONTINUED)

	The Bank/Economic Entity	
	Current Financial Quarter 30/9/2009 RM'000	Previous Financial Year-End 31/12/2008 RM'000
(iii) By contract		
Bai' Bithamin Ajil (deferred payment sale)	1,262,801	1,165,941
AITAB	812,348	712,090
Murabahah (cost-plus)	153,204	144,761
Others	459,933	471,236
	<u>2,688,286</u>	<u>2,494,028</u>

	The Bank/Economic Entity	
	Current Financial Quarter 30/9/2009 RM'000	Previous Financial Year-End 31/12/2008 RM'000
(iv) By type of customer		
Domestic non-bank financial institutions:		
- Others	186,847	151,711
Domestic business enterprises:		
- Small medium enterprises	428,578	459,519
- Others	290,720	227,352
Government and statutory bodies	12,012	20,818
Individuals	1,622,573	1,467,299
Other domestic entities	238	1,181
Foreign entities	147,318	166,148
	<u>2,688,286</u>	<u>2,494,028</u>

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10) FINANCING, ADVANCES AND OTHER LOANS (CONTINUED)

	The Bank/Economic Entity	
	Current Financial Quarter 30/9/2009 RM'000	Previous Financial Year-End 31/12/2008 RM'000
(iv) By profit rate sensitivity		
Fixed rate:		
- House financing	201,283	257,205
- Hire purchase receivables	812,348	712,090
- Other fixed rate financing	541,049	697,199
Variable rate:		
- BLR - plus	1,086,736	822,279
- Cost - plus	46,870	5,255
	2,688,286	2,494,028

	The Bank/Economic Entity	
	Current Financial Quarter 30/9/2009 RM'000	Previous Financial Year-End 31/12/2008 RM'000
(v) By sector		
Primary agriculture	90,875	89,667
Mining and quarrying	211	61
Manufacturing	140,891	147,260
Electricity, gas and water supply	287	342
Construction	325,802	302,547
Real estate	41,507	50,623
Wholesale and retail trade, restaurants and hotels	67,034	52,611
Transport, storage and communication	29,889	34,042
Finance, insurance and business activities	258,075	227,693
Education, health and others	95,853	102,380
Household	1,637,008	1,485,290
Others	854	1,512
	2,688,286	2,494,028

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10) FINANCING, ADVANCES AND OTHER LOANS (CONTINUED)

	The Bank/Economic Entity	
	Current Financial Quarter 30/9/2009 RM'000	Previous Financial Year-End 31/12/2008 RM'000
(vi) By purpose		
Purchase of securities	21,901	24,468
Purchase of transport vehicles	817,193	719,464
Purchase of landed property of which:		
- Residential	854,043	794,237
- Non-residential	178,075	179,819
Fixed assets other than land and building	4,712	1,379
Personal use	21,541	26,716
Consumer durable	43	49
Construction	81,450	84,467
Working capital	664,638	607,185
Others	44,690	56,244
	<u>2,688,286</u>	<u>2,494,028</u>

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

	The Bank/Economic Entity	
	Current Financial Quarter 30/9/2009 RM'000	Previous Financial Year-End 31/12/2008 RM'000
Balance at beginning of financial period	40,102	37,779
Classified as non-performing during the financial period	68,071	61,712
Reclassified as performing during the financial period	(29,649)	(38,442)
Amount recovered	(13,624)	(4,250)
Amount written-off	(3,295)	(16,697)
Balance at end of the financial period	<u>61,605</u>	<u>40,102</u>
Less: Specific allowance	(12,611)	(6,780)
Net non-performing financing, advances and other loans	<u>48,994</u>	<u>33,322</u>
Ratio of net non-performing financing, advances and other loans to gross financing, advances and other loans less specific allowance	<u>1.83%</u>	<u>1.34%</u>

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10) FINANCING, ADVANCES AND OTHER LOANS (CONTINUED)

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

	The Bank/Economic Entity	
	Current	Previous
	Financial	Financial
	Quarter	Year-End
	30/9/2009	31/12/2008
	RM'000	RM'000
General allowance		
Balance at beginning of the financial period	37,309	26,485
Allowance made during the financial period	3,195	10,824
Balance at end of the financial period	<u>40,504</u>	<u>37,309</u>
As % of gross financing, advances and other loans less specific allowance	<u>1.51%</u>	<u>1.50%</u>
Specific allowance		
Balance at beginning of the financial period	6,780	7,170
Allowance made during the financial period	10,060	17,562
Amount recovered	(935)	(1,379)
Amount written-off	(3,294)	(16,573)
Balance at end of the financial period	<u>12,611</u>	<u>6,780</u>

(ix) Non-performing financing, advances and other loans by sectors

	The Bank/Economic Entity	
	Current	Previous
	Financial	Financial
	Quarter	Year-End
	30/9/2009	31/12/2008
	RM'000	RM'000
Primary agriculture	97	-
Manufacturing	19,805	7,198
Construction	290	276
Wholesale and retail trade, restaurants and hotels	1,817	1,759
Finance, insurance and business activities	571	564
Household	39,025	30,305
	<u>61,605</u>	<u>40,102</u>

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10) FINANCING, ADVANCES AND OTHER LOANS (CONTINUED)

(x) Non-performing financing, advances and other loans by economic purposes

	The Bank/Economic Entity	
	Current	Previous
	Financial	Financial
	Quarter	Year-End
	30/9/2009	31/12/2008
	RM'000	RM'000
Purchase of securities	-	1
Purchase of transport vehicles	6,144	5,524
Purchase of landed property of which:		
- Residential	33,163	24,696
- Non-residential	3,352	3,673
Fixed assets other than land and building	596	-
Personal use	-	20
Working capital	16,493	4,686
Others	1,857	1,502
	61,605	40,102

11) OTHER ASSETS

	The Bank/Economic Entity	
	Current	Previous
	Financial	Financial
	Quarter	Year-End
	30/9/2009	31/12/2008
	RM'000	RM'000
Other debtors, deposits and prepayments	296	282
Clearing accounts	50,792	45,462
Accrued income receivable	8,745	6,427
Foreclosed properties (a)	414	414
	60,247	52,585

(a) Foreclosed properties

At beginning of the financial period	414	-
Amount arising during the financial period	-	414
At end of the financial period	414	414

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12) PROPERTY AND EQUIPMENT

	The Bank/Economic Entity	
	Current	Previous
	Financial	Financial
	Quarter	Year-End
	30/9/2009	31/12/2008
	RM'000	RM'000
Cost		
At beginning of the financial period	3,943	346
Additions	62	3,620
Reclassification	24	(23)
At end of the financial period	<u>4,029</u>	<u>3,943</u>
Less: Accumulated depreciation		
At beginning of the financial period	696	73
Charge for the financial period	529	609
Reclassification	21	14
At end of the financial period	<u>1,246</u>	<u>696</u>
Net book value as at financial period	<u>2,783</u>	<u>3,247</u>

13) INTANGIBLE ASSETS

	The Bank/Economic Entity	
	Current	Previous
	Financial	Financial
	Quarter	Year-End
	30/9/2009	31/12/2008
	RM'000	RM'000
Cost		
At beginning of the financial period	2,689	2,416
Additions	-	237
Reclassification from property and equipment	-	36
At end of the financial period	<u>2,689</u>	<u>2,689</u>
Less: Accumulated amortisation		
At beginning of the financial period	1,297	806
Amortised during the financial period	403	491
At end of the financial period	<u>1,700</u>	<u>1,297</u>
Net book value as at financial period	<u>989</u>	<u>1,392</u>

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	The Bank/Economic Entity	
	Current	Previous
	Financial	Financial
	Quarter	Year-End
	30/9/2009	31/12/2008
	RM'000	RM'000
<i>Non-Mudharabah</i>		
Demand deposits	2,096,770	1,353,717
Savings deposits	183,070	170,519
Negotiable instruments of deposit ('NID')	299,636	222,268
<i>Mudharabah</i>		
Demand deposits	6	-
Savings deposits	7,198	6,677
General investment deposits	1,898,777	1,095,288
Special investment deposits	824,706	1,403,650
	5,310,163	4,252,119

(ii) Maturity structure of general investment deposits and NID are as follows:

	The Bank/Economic Entity	
	Current	Previous
	Financial	Financial
	Quarter	Year-End
	30/9/2009	31/12/2008
	RM'000	RM'000
Due within six months	1,966,984	1,169,369
Six months to one year	226,178	143,833
One year to three years	4,415	4,002
Three years to five years	836	352
	2,198,413	1,317,556

(iii) By type of customer

	The Bank/Economic Entity	
	Current	Previous
	Financial	Financial
	Quarter	Year-End
	30/9/2009	31/12/2008
	RM'000	RM'000
Government and statutory bodies	2,609,021	2,028,683
Business enterprise	1,382,500	1,351,890
Individuals	316,242	284,408
Others	1,002,400	587,138
	5,310,163	4,252,119

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15) DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Bank/Economic Entity	
	Current	Previous
	Financial	Financial
	Quarter	Year-End
	30/9/2009	31/12/2008
	RM'000	RM'000
<i>Mudharabah</i>		
Licensed banks	345,662	349,832
Bank Negara Malaysia	-	22,821
Other financial institutions	274,848	888,552
	620,510	1,261,205
Maturity structure of deposits are as follows:		
Due within six months	593,540	1,123,614
One year to five years	10,413	121,051
Over five years	16,557	16,540
	620,510	1,261,205

16) OTHER LIABILITIES

	The Bank/Economic Entity	
	Current	Previous
	Financial	Financial
	Quarter	Year-End
	30/9/2009	31/12/2008
	RM'000	RM'000
Margin and collateral deposits	1,438	1,541
Accrued income payable	10,209	20,659
Sundry creditors	20,261	16,794
Profit equalisation reserve	776	-
Defined contribution plan	315	220
Accrued employee benefits	20	20
	33,019	39,234
Profit equalisation reserve		
At beginning of the financial period	-	-
Provided during the financial period	6,322	-
Written-back during financial period	(5,546)	-
At end of the financial period	776	-

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17) DIVIDENDS

There were no interim dividend declared.

18) SEGMENTAL REPORTING

As per appendix 1.

19) SUBSEQUENT MATERIAL EVENT

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

20) CHANGES IN THE COMPOSITION OF THE BANK

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

21) RISK-WEIGHTED EXPOSURE OF THE BANK

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 RM2.5 million (31 December 2008: RM1.8 million), while the notional amount of interest rate contract was RM Nil (31 December 2008: RM Nil).

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 RM Nil (31 December 2008: RM Nil) and RM Nil (31 December 2008: RM Nil) 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) PROFIT RATE RISK

As per appendix 4.

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24) CAPITAL ADEQUACY

(i) The capital adequacy ratios are as follows:

	The Bank/Economic Entity	
	Current	Previous
	Financial	Financial
	Quarter	Year-End
	30/9/2009	31/12/2008
	RM'000	RM'000
Tier I capital		
Paid-up share capital	260,000	160,000
Share premium	-	-
Retained profits	66,764	52,005
Statutory reserves	66,764	52,005
	<u>393,528</u>	<u>264,010</u>
Less:		
Deferred tax assets	(7,842)	(4,105)
Total Tier I capital	<u>385,686</u>	<u>259,905</u>
Tier II capital		
General allowance for bad and doubtful financing	40,504	37,309
Total Tier II capital	<u>40,504</u>	<u>37,309</u>
Capital base	<u>426,190</u>	<u>297,214</u>
Core capital ratio	13.77%	9.03%
Risk-weighted capital ratio	15.22%	10.33%
Core capital ratio (net of proposed dividends)	13.77%	9.03%
Risk-weighted capital ratio (net of proposed dividends)	15.22%	10.33%

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

	The Bank/Economic Entity	
	*Principal	Principal
	Current	Previous
	Financial	Financial
	Quarter	Year-End
	30/9/2009	31/12/2008
	RM'000	RM'000
0%	3,289,379	4,038,708
10%	-	-
20%	680,459	776,360
35%	54,135	55,911
50%	162,340	171,616
75%	1,449,125	1,368,896
100%	913,194	1,098,414
150%	209,658	186,345
Total risk-weighted assets for credit risk	<u>6,758,290</u>	<u>7,696,250</u>

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24) CAPITAL ADEQUACY (CONTINUED)

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

	The Bank/Economic Entity	
	* Risk-	Risk-
	Weighted	Weighted
	Current	Previous
	Financial	Financial
	Quarter	Year-End
	30/9/2009	31/12/2008
	RM'000	RM'000
0%	-	-
10%	-	-
20%	136,092	155,272
35%	18,947	19,569
50%	81,170	85,808
75%	1,086,844	1,026,672
100%	913,194	1,098,414
150%	314,487	279,518
Total risk-weighted assets for credit risk	2,550,733	2,665,252
Risk-weighted assets for market risk	2,495	2,512
Risk-weighted assets for operational risk	247,540	209,089
Total risk-weighted assets	2,800,768	2,876,853

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.

* Effective 1 January 2008, the Bank's capital ratios is being computed in accordance with the RWCAF (Basel II - Risk Weighted Assets Computation) or Capital Adequacy Framework for Islamic Banks (CAFIB).

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.

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27) REVIEW OF PERFORMANCE OF THE BANK

(Analysis of financial performance of current quarter comparing to previous year's corresponding quarter)

During the 3rd quarter of 2009, the Bank registered a profit before tax of RM16.7 million as compared to the preceding quarter of RM8.1 million, an increase of RM8.6 million or 106.2%.

This was due to:

- i) lower income attributable to depositors by RM12.9 million.
- ii) lower allowance for losses on financing by RM2.2 million.
- iii) higher income derived from investment of shareholders' funds by RM0.9 million.
- iv) higher transfer from profit equalisation reserve by RM2.8 million.

The above was off-set by:

- i) lower income derived from investment of depositors' funds and others by RM7.8 million.
- ii) higher operating expenses by RM2.4 million.

28) COMMENT ON FINANCIAL RESULTS

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

The Bank's profit before tax for 3rd quarter of 2009 stood at RM16.7 million as compared to RM12.3 million reported in the 2nd quarter of 2009, an increase of RM4.4 million or 35.8%.

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

- i) lower income attributable to depositors by RM1.7 million.
- ii) higher income derived from investment of shareholders' funds by RM0.4 million
- iii) higher transfer from profit equalisation reserve by RM6.5 million.

The above was off-set by:

- ii) higher allowance for losses on financing by RM3.7 million.
- iii) higher other operating expenses by RM0.5 million.

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29) PROSPECT FOR THE CURRENT FINANCIAL YEAR

As for AFFIN Islamic future plans, the Bank will continue looking to grow beyond the traditional role of Islamic banks by providing more innovative Shariah-based products and services, in particular equity-based financing structures encompassing Musharakah and Mudharabah contracts within the retail and business banking sectors while expanding into new areas to generate new wealth.

Moving forward, AFFIN Islamic remains committed to continuously provide quality and innovative products and services to meet the needs and requirements of its customers and clients. As a full fledged Islamic bank, customers are assured that all banking transactions are free from the elements of interests (riba), uncertainty (gharar), gambling (maisir) and other un-Islamic fundamentals as these are monitored by the Bank's Shariah Department and supervised by the Shariah Committee.

Although AFFIN Islamic 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. AFFIN Islamic shall take a 'business as usual' approach and remains committed to the needs of its customers. Nevertheless, AFFIN Islamic will continue to be vigilant and careful with its credit 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.

As a wholly-owned subsidiary of AFFIN Bank, AFFIN Islamic will continue to leverage on the parent bank's infrastructure including the over 80 branches across the country for better cost efficiency and reap group synergy.

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

30) VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

The Bank's profit before tax registered a favourable variance of RM5.6 million. The main contributing factors are as follows:

Net Interest Income and Other Operating Income

The net interest income and other operating income showed a favourable variance of RM4.4 million.

Other Operating Expenses

Operating costs showed a favourable variance of RM3.6 million.

Loan Loss Provisions

Loan loss provisions showed an adverse variance of RM3.1 million.

Profit Equalisation Reserve

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

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31) INCOME FROM ISLAMIC BANKING OPERATIONS

	Individual Quarter		Cumulative Quarter	
	The Bank/Economic Entity		The Bank/Economic Entity	
	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
Income derived from investment of depositors' funds and others	59,279	67,101	182,414	207,242
Income attributable to depositors	(22,995)	(35,925)	(79,392)	(116,838)
Income derived from investment of shareholders' funds	3,790	2,886	9,985	8,725
	40,074	34,062	113,007	99,129

32) INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS

	Individual Quarter		Cumulative Quarter	
	The Bank/Economic Entity		The Bank/Economic Entity	
	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
Income derived from investment of:				
- General investment deposits * (i)	33,314	40,848	111,529	132,262
- Other deposits (ii)	25,965	26,253	70,885	74,980
	59,279	67,101	182,414	207,242

* Includes the profit earned from investment of RPSIA in financing, advances and other loans of RM3,046,560 (30/9/2008: RM2,048,690).

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(CONTINUED)****(i) INCOME DERIVED FROM INVESTMENT OF GENERAL INVESTMENT DEPOSITS**

	Individual Quarter		Cumulative Quarter	
	The Bank/Economic Entity		The Bank/Economic Entity	
	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
Finance income and hibah				
Financing, advances and other loans	20,475	21,672	66,304	61,824
Available-for-sale securities	4,320	1,555	10,970	5,252
Money at call and deposits with other financial institutions	6,206	13,782	26,727	53,497
Total finance income and hibah	31,001	37,009	104,001	120,573
Accretion of discount less amortisation of premium	1,093	2,945	3,544	7,764
	32,094	39,954	107,545	128,337
Other operating income				
Fee income				
Commission	186	198	672	933
Service charges and fees	328	441	957	1,388
Guarantee fees	233	152	652	421
	747	791	2,281	2,742
Securities income				
Gain from sale of securities:				
- Held-for-trading	10	-	10	25
- Available-for-sale	255	3	255	31
	265	3	265	56
Other income				
Foreign exchange profit/(loss):				
- realised	(68)	(4,564)	(3,087)	(7,683)
- unrealised	216	4,605	4,265	8,581
Other non-operating income	60	59	260	229
	33,314	40,848	111,529	132,262

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(CONTINUED)****(ii) INCOME DERIVED FROM INVESTMENT OF OTHER DEPOSITS**

	Individual Quarter		Cumulative Quarter	
	The Bank/Economic Entity		The Bank/Economic Entity	
	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
Finance income and hibah				
Financing, advances and other loans	15,822	13,645	42,142	35,048
Available-for-sale securities	3,153	1,006	6,972	2,977
Money at call and deposits with other financial institutions	5,201	9,159	16,987	30,328
Total finance income and hibah	24,176	23,810	66,101	68,353
Accretion of discount less amortisation of premium	846	1,833	2,253	4,402
	25,022	25,643	68,354	72,755
Other operating income				
Fee income				
Commission	147	137	427	529
Service charges and fees	246	283	608	787
Guarantee fees	174	96	414	239
	567	516	1,449	1,555
Securities income				
Gain from sale of securities:				
- Held-for-trading	6	-	6	14
- Available-for-sale	162	2	162	17
	168	2	168	31
Other income				
Foreign exchange profit/(loss):				
- realised	(228)	(2,693)	(1,962)	(4,356)
- unrealised	386	2,745	2,711	4,865
Other non-operating income	50	40	165	130
	25,965	26,253	70,885	74,980

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33) INCOME DERIVED FROM INVESTMENT OF SHAREHOLDERS' FUNDS

	Individual Quarter		Cumulative Quarter	
	The Bank/Economic Entity		The Bank/Economic Entity	
	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
Finance income and hibah				
Financing, advances and other loans	2,306	1,513	5,936	4,078
Available-for-sale securities	455	110	982	346
Money at call and deposits with other financial institutions	768	992	2,393	3,529
Total finance income and hibah	3,529	2,615	9,311	7,953
Accretion of discount less amortisation of premium	123	204	317	512
	3,652	2,819	9,628	8,465
Other operating income				
Fee income				
Commission	22	15	60	62
Service charges and fees	36	32	86	92
Guarantee fees	25	11	58	28
	83	58	204	182
Securities income				
Gain from sale of securities:				
- Held-for-trading	1	-	1	2
- Available-for-sale	23	-	23	2
	24	-	24	4
Other income				
Foreign exchange profit/(loss):				
- realised	(37)	(307)	(276)	(507)
- unrealised	61	312	382	566
Other non-operating income	7	4	23	15
	3,790	2,886	9,985	8,725

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34) ALLOWANCES FOR LOSSES ON FINANCING

	Individual Quarter		Cumulative Quarter	
	The Bank/Economic Entity		The Bank/Economic Entity	
	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
Allowance for bad and doubtful financing, advances and other loans:				
Specific allowance				
- made in the financial period	7,194	6,842	10,060	9,854
- written-back	(348)	(224)	(935)	(973)
General allowance				
- made in the financial period	125	2,495	3,195	9,685
Bad debts on financing				
- recovered	(73)	(30)	(139)	(52)
- written-off	24	28	76	177
	6,922	9,111	12,257	18,691

35) INCOME ATTRIBUTABLE TO DEPOSITORS

	Individual Quarter		Cumulative Quarter	
	The Bank/Economic Entity		The Bank/Economic Entity	
	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
Deposits from customers:				
- Mudharabah	12,494	19,013	41,856	56,422
- Non-mudharabah	4,567	3,779	13,763	13,882
Deposits and placements of banks and other financial institutions:				
- Mudharabah	5,143	12,629	21,891	44,785
Others	791	504	1,882	1,749
	22,995	35,925	79,392	116,838

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	Individual Quarter		Cumulative Quarter	
	The Bank/Economic Entity		The Bank/Economic Entity	
	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	2,629	1,821	8,253	5,323
Defined contribution plan ('EPF')	423	300	1,320	876
Other personnel costs	7,577	6,393	22,593	19,178
	10,629	8,514	32,166	25,377

37) OTHER OVERHEADS AND EXPENDITURES

	Individual Quarter		Cumulative Quarter	
	The Bank/Economic Entity		The Bank/Economic Entity	
	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
Establishment costs				
Rental of premises	209	149	624	437
Equipment rental	1	4	4	4
Repair and maintenance	70	9	218	325
Depreciation of property and equipment	176	171	529	436
Amortisation of intangible assets	134	122	403	364
Dataline rental	1	-	2	1
Security services	69	57	211	141
Electricity, water and sewerage	46	32	128	74
Licence fee	38	36	116	110
Insurance and indemnities	85	55	265	194
Other establishment costs	4,778	3,955	13,953	11,275
	5,607	4,590	16,453	13,361

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	Individual Quarter		Cumulative Quarter	
	The Bank/Economic Entity		The Bank/Economic Entity	
	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
Marketing expenses				
Dealers' handling charges	824	1,229	2,193	3,338
Business promotion and advertisement	28	61	146	219
Entertainment	48	-	82	42
Travelling and accommodation	108	(70)	344	303
Other marketing expenses	149	294	538	760
	1,157	1,514	3,303	4,662

	Individual Quarter		Cumulative Quarter	
	The Bank/Economic Entity		The Bank/Economic Entity	
	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
Administration and general expenses				
Telecommunication expenses	32	19	148	60
Auditors' remuneration	52	40	113	121
Professional fees	979	1,091	2,278	3,068
Mail and courier charges	21	22	65	67
Stationery and consumables	192	216	422	466
Other administration and general expenses	637	842	1,911	2,691
	1,913	2,230	4,937	6,473
	8,677	8,334	24,693	24,496

38) EARNINGS PER SHARE

The earnings per share for the financial quarter ended 30 September 2009 have been calculated based on the net profit after taxation and zakat of the Bank of RM29,518,000 (30 September 2008: RM19,464,000), divided by the weighted average number of ordinary shares of RM1 each in issue during the financial quarter of 193,630,039 (30 September 2008: 160,000,002).

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39) 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)	192,466
ii) The percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures	3.94%
iii) The percentage of outstanding credit exposures with connected parties which is non-performing or in default	Nil

40) SIGNIFICANT EVENT DURING THE YEAR

On 31 March 2009 and 18 August 2009, AFFIN Islamic Bank Berhad ('AIBB') received capital injection of RM40 million and RM60 million respectively from its Holding company, AFFIN Bank Berhad ('ABB').