

AFFIN Bank Berhad
(Incorporated in Malaysia)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION as at 30 September 2011

	The Group		The Bank	
	Current Financial Quarter 30/9/2011 RM'000	Previous Financial Year-End 31/12/2010 RM'000	Current Financial Quarter 30/9/2011 RM'000	Previous Financial Year-End 31/12/2010 RM'000
ASSETS				
Cash and short-term funds	8,354,262	8,629,563	4,972,474	6,102,307
Deposits and placements with banks and other financial institutions	565,997	192,335	1,159,481	559,533
Financial assets held-for-trading	-	149,853	-	149,853
Financial investments available-for-sale	5,863,289	5,766,053	4,342,625	4,428,260
Financial investments held-to-maturity	522,045	431,159	522,045	431,159
Loans, advances and financing	28,462,106	25,974,847	24,267,753	22,419,251
Other assets	298,305	246,202	257,102	233,619
Derivative financial assets	85,719	46,155	85,719	46,155
Tax recoverable	11,148	49,930	5,880	46,072
Deferred tax assets	-	4,291	-	-
Statutory deposits with Bank Negara Malaysia	1,019,280	245,130	1,019,280	245,130
Subsidiaries	-	-	287,429	287,429
Investment in jointly controlled entity	500	500	-	-
Amount due from subsidiaries	-	-	239,619	185,271
Amount due from jointly controlled entity	2,745	2,745	-	-
Property and equipment	177,319	170,722	168,369	162,760
Intangible assets	151,233	154,436	154,074	156,868
TOTAL ASSETS	45,513,948	42,063,921	37,481,850	35,453,667
LIABILITIES				
Deposits from customers	35,638,932	30,845,248	28,844,383	25,313,874
Deposits and placements of banks and other financial institutions	4,668,640	6,605,348	3,664,398	5,735,422
Bills and acceptances payable	161,383	110,161	161,383	110,161
Recourse obligation on loans sold to Cagamas Berhad	277,996	286,370	277,996	286,370
Other liabilities	459,213	521,276	411,427	464,622
Derivative financial liabilities	120,290	57,560	120,290	57,560
Provision for taxation	106	22	-	-
Amount due to subsidiaries	-	-	48,342	47,926
Deferred tax liabilities	15,325	24,932	15,248	24,932
Subordinated term loan	600,000	300,000	600,000	300,000
TOTAL LIABILITIES	41,941,885	38,750,917	34,143,467	32,340,867
EQUITY				
Share capital	1,439,285	1,439,285	1,439,285	1,439,285
Reserves	2,132,778	1,873,719	1,899,098	1,673,515
TOTAL EQUITY	3,572,063	3,313,004	3,338,383	3,112,800
TOTAL LIABILITIES AND EQUITY	45,513,948	42,063,921	37,481,850	35,453,667
COMMITMENTS AND CONTINGENCIES				
	21,759,380	18,844,780	19,620,961	16,821,892
Capital Adequacy				
Core capital ratio	10.27%	11.24%	10.97%	12.05%
Risk-weighted capital ratio	12.51%	12.67%	12.42%	12.40%

AFFIN Bank Berhad
(Incorporated in Malaysia)

CONDENSED INTERIM FINANCIAL STATEMENTS

UNAUDITED INCOME STATEMENT for the financial quarter ended 30 September 2011

	Individual Quarter		Cumulative Quarter	
	The Group		The Group	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Quarter	Quarter	Quarter	Quarter
	30/9/2011	30/9/2010	30/9/2011	30/9/2010
	RM'000	RM'000	RM'000	RM'000
Interest income	455,516	401,295	1,314,784	1,105,777
Interest expense	(268,234)	(205,129)	(738,405)	(541,029)
Net interest income	187,282	196,166	576,379	564,748
Islamic Banking income	50,779	45,247	146,665	133,287
	238,061	241,413	723,044	698,035
Other operating income	34,062	53,739	129,908	158,456
Net income	272,123	295,152	852,952	856,491
Other operating expense	(134,862)	(141,473)	(409,214)	(397,269)
Operating profit	137,261	153,679	443,738	459,222
Allowances for impairment on loans, advances and financing	31,650	(30,070)	5,859	(62,473)
Transfer (to)/from profit equalisation reserve	(70)	271	(204)	-
Impairment losses on securities	(907)	(3,881)	(907)	(4,012)
Profit before taxation and zakat	167,934	119,999	448,486	392,737
Taxation	(63,278)	(34,785)	(129,362)	(105,269)
Zakat	(5,492)	-	(5,492)	(4,626)
Net profit after taxation and zakat	99,164	85,214	313,632	282,842
Attributable to:				
Equity holders of the Group	99,164	85,214	313,632	282,842
Earnings per share				
- basic/fully diluted (sen)	6.9	5.9	21.8	19.7

AFFIN Bank Berhad
(Incorporated in Malaysia)

CONDENSED INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME *for the financial quarter ended 30 September 2011*
(continued)

	Individual Quarter		Cumulative Quarter	
	The Group		The Group	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Quarter	Quarter	Quarter	Quarter
	30/9/2011	30/9/2010	30/9/2011	30/9/2010
	RM'000	RM'000	RM'000	RM'000
Net profit after taxation and zakat	99,164	85,214	313,632	282,842
Other comprehensive income:				
Income and expense recognised directly in equity	19,153	(1,024)	23,325	7,645
Deferred tax on financial investments available-for-sale	(4,629)	279	(5,934)	(2,084)
Other comprehensive income for the financial period, net of tax	14,524	(745)	17,391	5,561
Total comprehensive income for the financial period	113,688	84,469	331,023	288,403
Equity holders of the Group:				
- Total comprehensive income	113,688	84,469	331,023	288,403

AFFIN Bank Berhad
(Incorporated in Malaysia)

CONDENSED INTERIM FINANCIAL STATEMENTS

UNAUDITED INCOME STATEMENT for the financial quarter ended 30 September 2011 (continued)

	Individual Quarter		Cumulative Quarter	
	The Bank		The Bank	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Quarter	Quarter	Quarter	Quarter
	30/9/2011	30/9/2010	30/9/2011	30/9/2010
	RM'000	RM'000	RM'000	RM'000
Interest income	461,272	404,276	1,328,057	1,113,878
Interest expense	(268,243)	(205,136)	(738,431)	(541,054)
Net interest income	193,029	199,140	589,626	572,824
Islamic Banking income	-	-	-	-
	193,029	199,140	589,626	572,824
Other operating income	33,847	53,506	128,183	157,887
Net income	226,876	252,646	717,809	730,711
Other operating expense	(112,342)	(117,669)	(340,499)	(328,037)
Operating profit	114,534	134,977	377,310	402,674
Allowances for impairment on loans, advances and financing	32,413	(19,393)	14,126	(44,377)
Impairment losses on securities	(907)	(3,881)	(907)	(4,012)
Profit before taxation and zakat	146,040	111,703	390,529	354,285
Taxation	(55,652)	(27,565)	(113,961)	(87,753)
Zakat	-	-	-	-
Net profit after taxation and zakat	90,388	84,138	276,568	266,532
Attributable to:				
Equity holders of the Bank	90,388	84,138	276,568	266,532
Earnings per share				
- basic/fully diluted (sen)	6.3	5.8	19.2	18.5

AFFIN Bank Berhad
(Incorporated in Malaysia)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME *for the financial quarter ended 30 September 2011*
(continued)

	Individual Quarter		Cumulative Quarter	
	The Bank		The Bank	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Quarter	Quarter	Quarter	Quarter
	30/9/2011	30/9/2010	30/9/2011	30/9/2010
	RM'000	RM'000	RM'000	RM'000
Net profit after taxation and zakat	90,388	84,138	276,568	266,532
Other comprehensive income:				
Income and expense recognised				
directly in equity	18,021	(6,802)	27,972	1,060
Deferred tax on financial investments				
available-for-sale	(4,505)	1,700	(6,993)	(266)
Other comprehensive income for the				
financial period, net of tax	13,516	(5,102)	20,979	794
Total comprehensive income for the				
 financial period	103,904	79,036	297,547	267,326
Equity holders of the Bank:				
- Total comprehensive income	103,904	79,036	297,547	267,326

AFFIN Bank Berhad

(Incorporated in Malaysia)

CONDENSED INTERIM FINANCIAL STATEMENTS**UNAUDITED STATEMENT OF CHANGES IN EQUITY for the financial quarter ended 30 September 2011**

	Non-distributable			Distributable		Total
	Share capital RM'000	Share premium RM'000	Statutory reserve RM'000	Investment fluctuation reserve RM'000	Retained profits RM'000	
The Group						
At 1 January 2011	1,439,285	408,389	888,910	54,249	522,171	3,313,004
Comprehensive income:						
Net profit for the financial period	-	-	-	-	313,632	313,632
Other Comprehensive income:						
Income and expense recognised directly in equity	-	-	-	23,325	-	23,325
Deferred tax on financial investments available-for-sale	-	-	-	(5,934)	-	(5,934)
Total comprehensive income	-	-	-	17,391	313,632	331,023
Dividend paid	-	-	-	-	(71,964)	(71,964)
Transfer to statutory reserve	-	-	86,746	-	(86,746)	-
At 30 September 2011	1,439,285	408,389	975,656	71,640	677,093	3,572,063
At 1 January 2010						
As previously reported	1,439,285	408,389	789,221	(1,880)	332,003	2,967,018
Adoption of FRS 139	-	-	-	43,770	19,593	63,363
	1,439,285	408,389	789,221	41,890	351,596	3,030,381
Comprehensive income:						
Net profit for the financial period	-	-	-	-	282,842	282,842
Other Comprehensive income:						
Income and expense recognised directly in equity	-	-	-	7,645	-	7,645
Deferred tax on financial investments available-for-sale	-	-	-	(2,084)	-	(2,084)
Total comprehensive income	-	-	-	5,561	282,842	288,403
Dividend paid	-	-	-	-	(53,973)	(53,973)
Transfer to statutory reserve	-	-	74,475	-	(74,475)	-
At 30 September 2010	1,439,285	408,389	863,696	47,451	505,990	3,264,811

AFFIN Bank Berhad

(Incorporated in Malaysia)

CONDENSED INTERIM FINANCIAL STATEMENTS**UNAUDITED STATEMENT OF CHANGES IN EQUITY** for the financial quarter ended 30 September 2011
(continued)

	Non-distributable			Distributable		Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserve RM'000	Investment fluctuation reserve RM'000	Retained profits RM'000	
The Bank						
At 1 January 2011	1,439,285	408,389	807,500	45,795	411,831	3,112,800
Comprehensive income:						
Net profit for the financial period	-	-	-	-	276,568	276,568
Other Comprehensive income:						
Income and expense recognised directly in equity	-	-	-	27,972	-	27,972
Deferred tax on financial investments available-for-sale	-	-	-	(6,993)	-	(6,993)
Total comprehensive income	-	-	-	20,979	276,568	297,547
Dividend paid	-	-	-	-	(71,964)	(71,964)
Transfer to statutory reserve	-	-	69,142	-	(69,142)	-
At 30 September 2011	1,439,285	408,389	876,642	66,774	547,293	3,338,383
At 1 January 2010						
As previously reported	1,439,285	408,389	720,824	(6,853)	249,121	2,810,766
Adoption of FRS 139	-	-	-	44,148	13,654	57,802
	1,439,285	408,389	720,824	37,295	262,775	2,868,568
Comprehensive income:						
Net profit for the financial period	-	-	-	-	266,532	266,532
Other Comprehensive income:						
Income and expense recognised directly in equity	-	-	-	1,060	-	1,060
Deferred tax on financial investments available-for-sale	-	-	-	(266)	-	(266)
Total comprehensive income	-	-	-	794	266,532	267,326
Dividend paid	-	-	-	-	(53,973)	(53,973)
Transfer to statutory reserve	-	-	66,633	-	(66,633)	-
At 30 September 2010	1,439,285	408,389	787,457	38,089	408,701	3,081,921

AFFIN Bank Berhad
(Incorporated in Malaysia)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS for the financial quarter ended 30 September 2011

	The Group		The Bank	
	30/9/2011 RM'000	30/9/2010 RM'000	30/9/2011 RM'000	30/9/2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation and zakat	448,486	392,737	390,529	354,285
Adjustments for items not involving the movement of cash and cash equivalents:				
Interest income:				
- financial assets held-for-trading	(50)	(218)	(50)	(218)
- financial investments available-for-sale	(110,724)	(87,965)	(110,574)	(87,818)
- financial investments held-to-maturity	(12,843)	(10,977)	(12,795)	(10,977)
Dividend income:				
- financial investments available-for-sale	(3)	(8)	(3)	(8)
- financial investments held-to-maturity	(3,658)	(2,901)	(3,658)	(2,901)
Accretion of discount less amortisation of premium:				
- financial investments available-for-sale	(18,826)	(19,566)	(18,826)	(19,566)
- financial investments held-to-maturity	(667)	(445)	(667)	(445)
Gain on sale:				
- financial assets held-for-trading	(535)	(1,036)	(535)	(1,036)
- financial investments available-for-sale	(12,176)	(12,537)	(12,176)	(12,440)
- financial investments held-to-maturity	(2,053)	(2,053)	(1,885)	(2,053)
Unrealised losses on revaluation:				
- trading	137	-	137	-
- derivatives	11,821	2,101	11,821	2,101
- foreign exchange	10,924	13,143	10,924	13,143
Allowance for impairment loss:				
- financial investments available-for-sale	907	4,012	907	4,012
Depreciation of property and equipment	14,151	15,376	13,405	14,803
Property and equipment written off	419	474	411	473
Foreclosed properties - diminution in value	400	2,440	400	2,421
(Gain)/loss on sale of property and equipment	(22)	17	(22)	17
Amortisation of intangible assets	6,995	13,973	6,585	13,362
Loss/(gain) on sale of foreclosed properties	590	(1,518)	590	(1,518)
Net individual impairment	69,249	99,022	65,752	91,839
Net collective impairment	47,792	13,939	42,361	2,918
Bad debt and financing written-off	12,870	11,163	12,745	11,045
Litigation losses arising from loans	40,000	78,000	40,000	78,000
Transfer to profit equalisation reserve	204	-	-	-
Interest expense - subordinated term loans	13,486	7,774	13,486	7,774
Operating profit before changes in working capital	516,874	514,947	448,862	457,213
<i>(Increase)/decrease in operating assets:</i>				
Deposits and placements with banks and other financial institutions	(373,662)	21,995	(599,948)	123,359
Financial assets held-for-trading	150,251	151,035	150,251	151,036
Interest income from financial assets held-for-trading	50	218	50	218
Foreign exchange transaction	(22,097)	(36,217)	(22,005)	(36,005)
Loans, advances and financing	(2,617,170)	(3,269,325)	(1,969,360)	(2,607,728)
Other assets	(142,183)	(10,813)	(113,561)	(1,345)
Derivative financial instruments	23,166	11,490	23,166	11,490
Statutory deposits with Bank Negara Malaysia	(774,150)	(38,140)	(774,150)	(38,140)
Amount due from subsidiaries	-	-	(53,932)	137,658
Amount due from jointly controlled entity	-	(588)	-	-

AFFIN Bank Berhad

(Incorporated in Malaysia)

CONDENSED INTERIM FINANCIAL STATEMENTS**UNAUDITED STATEMENT OF CASH FLOWS for the financial quarter ended 30 September 2011 (continued)**

	The Group		The Bank	
	30/9/2011	30/9/2010	30/9/2011	30/9/2010
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
(continued)				
<i>Increase/(decrease) in operating liabilities:</i>				
Deposits from customers	4,793,684	3,563,608	3,530,509	2,625,537
Deposits and placements of banks and other financial institutions	(1,936,708)	898,145	(2,071,024)	422,669
Bills and acceptances payable	51,222	20,263	51,222	20,263
Recourse obligation on loans sold to Cagamas Berhad	(8,374)	(8,131)	(8,374)	(8,131)
Other liabilities	(106,868)	(35,542)	(94,446)	(40,395)
Cash (used in)/generated from operations	(445,965)	1,782,945	(1,502,740)	1,217,699
Tax paid	(101,773)	(93,392)	(90,437)	(76,778)
Zakat paid	(2,107)	(3,010)	-	-
Net cash (used in)/generated from operating activities	(549,845)	1,686,543	(1,593,177)	1,140,921
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received:				
- financial investments available-for-sale	110,724	87,965	110,574	87,818
- financial investments held-to-maturity	12,843	10,977	12,795	10,977
Dividend income:				
- financial investments available-for-sale	3	8	3	8
- financial investments held-to-maturity	3,658	2,901	3,658	2,901
Dividend income from subsidiaries	-	-	-	-
Redemption of financial investments held-to-maturity net of purchase	(88,165)	1,639	(88,333)	1,639
Net (purchase)/sale of financial investments available-for-sale	(43,816)	(97,095)	143,702	(119,828)
Proceeds from disposal of:				
- property and equipment	2,167	967	2,167	967
- foreclosed properties	112,576	8,926	112,576	8,926
Purchase of property and equipment	(25,606)	(7,171)	(23,867)	(7,160)
Purchase of intangible assets	(1,497)	(806)	(1,496)	(806)
Net cash generated from/(used in) investing activities	82,887	8,311	271,779	(14,558)
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase in subordinated term loan	300,000	-	300,000	-
Interest paid on subordinated term loans	(12,245)	(7,760)	(12,245)	(7,760)
Payment of dividend	(71,964)	(53,973)	(71,964)	(53,973)
Net cash generated from/(used in) financing activities	215,791	(61,733)	215,791	(61,733)
Net (decrease)/increase in cash and cash equivalents	(251,167)	1,633,121	(1,105,607)	1,064,630
Net (decrease)/increase in foreign exchange	(24,134)	7,269	(24,226)	7,057
Cash and cash equivalents at beginning of the financial period	8,629,563	6,132,889	6,102,307	4,176,945
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	8,354,262	7,773,279	4,972,474	5,248,632

AFFIN Bank Berhad
(Incorporated in Malaysia)

FRS134 INTERIM FINANCIAL REPORTING - 30 SEPTEMBER 2011

1 BASIS OF PREPARATION

This unaudited condensed interim financial information for the 9 months ended 30 September 2011 has been prepared in accordance with FRS134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ('MASB') in Malaysia for Entities Other Than Private Entities, Bank Negara Malaysia ('BNM') Guidelines and the provisions of the Companies Act, 1965.

The financial statements of the Group and 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 information should be read in conjunction with the annual financial statements for the year ended 31 December 2010, which have been prepared in accordance with the Financial Reporting Standards. 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 Group and the Bank since the year ended 31 December 2010.

2 ACCOUNTING POLICIES

The consolidated financial statements include the financial statements of the Bank, subsidiaries and a jointly controlled entity, made up to the quarter ended 30 September 2011.

The presentation of the comparative financial statements of the Group and the Bank have been restated to conform with the current period's presentation. The new and revised Financial Reporting Standards ('FRS') which became effective for the financial period beginning 1 January 2011 are duly adopted by the Group and the Bank when preparing the financial report for the quarter ended 30 September 2011 are as follows:

FRS1	First-time adoption of financial reporting standards
FRS3	Business combinations
FRS7	Financial Instruments: Disclosures
FRS101	Presentation of Financial Statements
FRS121	The Effect of Changes in Foreign Exchange Rates
FRS128	Investment in associates
FRS131	Interest in Joint Ventures
FRS132	Financial Instruments: Presentation
FRS134	Interim Financial Reporting
FRS139	Financial Instruments: Recognition and Measurement

3 QUALIFICATION OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2010 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.

AFFIN Bank Berhad
(Incorporated in Malaysia)

FRS134 INTERIM FINANCIAL REPORTING - 30 SEPTEMBER 2011

5 EXCEPTIONAL ITEMS

There was no exceptional items for the quarter ended 30 September 2011.

6 CHANGES IN ACCOUNTING POLICIES AND ADJUSTMENT

Refer note 2.

7 CHANGES IN DEBTS AND EQUITY SECURITIES

There were no purchases or disposal of quoted securities for the quarter ended 30 September 2011 other than in the ordinary course of business.

8 DIVIDENDS

An interim dividend of 7.00 sen per share amounting to RM100.7 million.

9 SUBSEQUENT MATERIAL EVENT

There is no significant events during the quarter ended 30 September 2011.

10 CHANGES IN THE COMPOSITION OF THE GROUP

There is no change in the composition of the Group between now and 31 December 2010 audited account.

11 PURCHASE AND SALE OF QUOTED SECURITIES

There were no purchases or disposals of quoted securities for the quarter ended 30 September 2011 other than in the ordinary course of business.

12 STATUS OF CORPORATE PROPOSAL

There were no corporate proposals announced but not completed during the period ended 30 September 2011.

AFFIN Bank Berhad
(Incorporated in Malaysia)

FRS134 INTERIM FINANCIAL REPORTING - 30 SEPTEMBER 2011

13 LOANS, ADVANCES AND FINANCING

	The Group		The Bank	
	Current Financial Quarter 30/9/2011 RM'000	Previous Financial Year-End 31/12/2010 RM'000	Current Financial Quarter 30/9/2011 RM'000	Previous Financial Year-End 31/12/2010 RM'000
(i) By type				
Overdrafts	1,762,324	1,971,364	1,555,002	1,747,438
Term loans/financing				
- Housing loans/financing	4,395,988	3,885,327	3,192,516	2,831,771
- Hire purchase receivables	8,750,167	7,835,986	7,550,086	6,774,821
- Syndicated financing	2,535,608	1,371,964	2,321,870	1,254,969
- Other term loans/financing	8,239,578	7,784,898	7,068,381	6,850,106
Bills receivables	46,751	39,077	45,971	37,688
Trust receipts	291,859	266,050	257,110	222,092
Claims on customers under acceptances credits	653,469	659,074	557,047	601,137
Staff loans/financing (of which RM Nil to Directors)	149,022	151,146	140,212	143,110
Credit/charge cards	93,362	101,682	93,362	101,682
Revolving credits	2,177,369	2,476,644	2,024,047	2,334,181
Factoring	4,275	3,185	4,275	3,185
Gross loans, advances and financing	29,099,772	26,546,397	24,809,879	22,902,180
Less:				
Allowance for impairment				
- Individual	(204,789)	(175,849)	(167,567)	(139,709)
- Collective	(432,877)	(395,701)	(374,559)	(343,220)
Total net loans, advances and financing	28,462,106	25,974,847	24,267,753	22,419,251

Included in term loans are housing loans sold to Cagamas with recourse amounting to RM277,996,000 (31 December 2010: RM286,370,000).

AFFIN Bank Berhad
(Incorporated in Malaysia)

FRS134 INTERIM FINANCIAL REPORTING - 30 SEPTEMBER 2011

13 LOANS, ADVANCES AND FINANCING (continued)

	The Group		The Bank	
	Current Financial Quarter 30/9/2011 RM'000	Previous Financial Year-End 31/12/2010 RM'000	Current Financial Quarter 30/9/2011 RM'000	Previous Financial Year-End 31/12/2010 RM'000
(ii) By maturity structure				
Maturing within one year	5,600,818	6,552,073	5,001,490	5,989,754
One year to three years	3,256,311	2,748,818	3,071,480	2,581,046
Three years to five years	5,193,147	4,411,920	4,477,876	3,906,606
Over five years	15,049,496	12,833,586	12,259,033	10,424,774
	29,099,772	26,546,397	24,809,879	22,902,180

	The Group		The Bank	
	Current Financial Quarter 30/9/2011 RM'000	Previous Financial Year-End 31/12/2010 RM'000	Current Financial Quarter 30/9/2011 RM'000	Previous Financial Year-End 31/12/2010 RM'000
(iii) By type of customer				
Domestic non-bank financial institutions				
- Stockbroking companies	-	270	-	270
- Others	2,031,741	2,146,330	1,614,547	1,724,629
Domestic business enterprises				
- Small medium enterprises	7,294,182	6,789,502	6,746,019	6,311,415
- Others	6,688,581	5,785,703	5,894,302	5,265,662
Government and statutory bodies	77,712	75,394	59,161	75,394
Individuals	12,703,058	11,473,630	10,320,811	9,369,378
Other domestic entities	52,170	45,584	48,035	43,749
Foreign entities	252,328	229,984	127,004	111,683
	29,099,772	26,546,397	24,809,879	22,902,180

	The Group		The Bank	
	Current Financial Quarter 30/9/2011 RM'000	Previous Financial Year-End 31/12/2010 RM'000	Current Financial Quarter 30/9/2011 RM'000	Previous Financial Year-End 31/12/2010 RM'000
(iv) By interest/profit rate sensitivity				
Fixed rate				
- Housing loans/financing	284,528	286,138	189,337	183,375
- Hire purchase receivables	8,750,164	7,834,034	7,550,083	6,773,029
- Other fixed rate loans/financing	4,319,139	3,934,311	3,584,632	3,400,299
Variable rate				
- BLR - plus	10,823,159	10,210,602	8,899,642	8,596,943
- Cost - plus	4,922,782	4,281,312	4,586,185	3,948,534
	29,099,772	26,546,397	24,809,879	22,902,180

AFFIN Bank Berhad
(Incorporated in Malaysia)

FRS134 INTERIM FINANCIAL REPORTING - 30 SEPTEMBER 2011

13 LOANS, ADVANCES AND FINANCING (continued)

	The Group		The Bank	
	Current Financial Quarter	Previous Financial Year-End	Current Financial Quarter	Previous Financial Year-End
(v) By economic purpose	30/9/2011	31/12/2010	30/9/2011	31/12/2010
	RM'000	RM'000	RM'000	RM'000
Purchase of securities	147,758	268,145	136,528	254,706
Purchase of transport vehicles	8,977,794	7,869,187	7,778,022	6,807,263
Purchase of landed property of which:				
- Residential	4,427,601	3,982,258	3,198,700	2,913,043
- Non-residential	3,726,493	2,637,636	3,000,954	2,211,785
Fixed assets other than land and building	369,463	339,184	317,131	329,088
Personal use	822,641	721,877	784,187	689,560
Credit card	93,362	101,682	93,362	101,682
Consumer durable	984	1,067	956	1,033
Construction	1,537,420	772,577	1,377,440	648,490
Merger and acquisition	94,323	4,867	94,323	4,867
Working capital	8,702,852	9,635,096	7,836,819	8,739,309
Others	199,081	212,821	191,457	201,354
	29,099,772	26,546,397	24,809,879	22,902,180

	The Group		The Bank	
	Current Financial Quarter	Previous Financial Year-End	Current Financial Quarter	Previous Financial Year-End
(vi) By geographical distribution	30/9/2011	31/12/2010	30/9/2011	31/12/2010
	RM'000	RM'000	RM'000	RM'000
Perlis	70,797	27,648	68,008	25,762
Kedah	918,040	902,980	714,620	691,342
Pulau Pinang	1,454,729	1,271,331	1,357,280	1,176,306
Perak	919,192	853,633	729,694	689,294
Selangor	8,590,718	7,602,382	7,183,758	6,423,997
Wilayah Persekutuan	8,705,342	8,720,586	7,538,388	7,876,473
Negeri Sembilan	747,946	721,564	677,812	660,393
Melaka	682,999	663,856	648,203	623,077
Johor	2,580,287	2,027,324	2,423,713	1,889,371
Pahang	634,191	623,000	378,021	368,284
Terengganu	592,515	567,382	268,015	277,903
Kelantan	268,664	256,176	58,601	58,335
Sarawak	959,730	732,788	934,454	707,464
Sabah	1,197,638	1,173,362	1,159,237	1,137,077
Labuan	270,322	277,901	270,312	277,889
Abroad	506,662	124,484	399,763	19,213
	29,099,772	26,546,397	24,809,879	22,902,180

AFFIN Bank Berhad

(Incorporated in Malaysia)

FRS134 INTERIM FINANCIAL REPORTING - 30 SEPTEMBER 2011**13 LOANS, ADVANCES AND FINANCING (continued)****(vii) Movements of impaired loans**

	The Group		The Bank	
	Current Financial Quarter	Previous Financial Year-End	Current Financial Quarter	Previous Financial Year-End
	30/9/2011	31/12/2010	30/9/2011	31/12/2010
	RM'000	RM'000	RM'000	RM'000
At beginning of the financial period	971,123	774,886	818,522	714,430
Adoption of FRS139	-	264,897	-	194,513
	971,123	1,039,783	818,522	908,943
Classified as impaired	410,735	689,486	317,162	596,797
Reclassified as non-impaired	(264,882)	(313,791)	(206,728)	(271,704)
Amount recovered	(139,385)	(221,338)	(125,603)	(198,624)
Amount written-off	(46,171)	(223,017)	(45,904)	(216,890)
At end of the financial period	931,420	971,123	757,449	818,522

(viii) Movements allowance for impairment

	The Group		The Bank	
	Current Financial Quarter	Previous Financial Year-End	Current Financial Quarter	Previous Financial Year-End
	30/9/2011	31/12/2010	30/9/2011	31/12/2010
	RM'000	RM'000	RM'000	RM'000
Individual impairment				
At beginning of the financial period	175,849	-	139,709	-
Adoption of FRS139	-	175,953	-	152,725
	175,849	175,953	139,709	152,725
Provision for loan impairment	79,048	198,023	74,909	172,716
Amount recovered	(9,799)	(20,669)	(9,157)	(10,778)
Amount written-off	(31,608)	(170,906)	(31,608)	(169,730)
Unwind of discount of allowance	(8,701)	(6,552)	(6,286)	(5,224)
At end of the financial period	204,789	175,849	167,567	139,709
Collective impairment				
At beginning of the financial period	395,701	-	343,220	-
Adoption of FRS139	-	449,893	-	405,968
	395,701	449,893	343,220	405,968
Provision for loan impairment/(recovered)	47,792	(3,044)	42,361	(16,409)
Amount written-off	(11,022)	(51,148)	(11,022)	(46,339)
Exchange differences	406	-	-	-
At end of the financial period	432,877	395,701	374,559	343,220

AFFIN Bank Berhad
(Incorporated in Malaysia)

FRS134 INTERIM FINANCIAL REPORTING - 30 SEPTEMBER 2011

13 LOANS, ADVANCES AND FINANCING (continued)

(ix) Impaired loans by economic purposes

	The Group		The Bank	
	Current Financial Quarter 30/9/2011 RM'000	Previous Financial Year-End 31/12/2010 RM'000	Current Financial Quarter 30/9/2011 RM'000	Previous Financial Year-End 31/12/2010 RM'000
Purchase of securities	2,673	2,741	2,673	2,741
Purchase of transport vehicles	101,822	81,586	91,608	73,743
Purchase of landed property of which:				
- Residential	376,171	407,763	335,152	365,321
- Non-residential	39,413	44,744	38,880	44,119
Fixed assets other than land and building	3,443	3,633	2,995	3,185
Personal use	11,546	16,373	11,546	16,170
Credit card	605	636	605	636
Consumer durable	33	34	33	34
Construction	63,955	63,407	56	1,694
Working capital	324,932	349,989	267,074	310,666
Others	6,827	217	6,827	213
	931,420	971,123	757,449	818,522

(x) Impaired loans by geographical distribution

	The Group		The Bank	
	Current Financial Quarter 30/9/2011 RM'000	Previous Financial Year-End 31/12/2010 RM'000	Current Financial Quarter 30/9/2011 RM'000	Previous Financial Year-End 31/12/2010 RM'000
Perlis	323	840	323	840
Kedah	38,908	40,612	37,922	39,228
Pulau Pinang	25,566	30,120	23,485	27,892
Perak	18,740	16,202	16,132	14,559
Selangor	435,526	426,852	388,613	382,454
Wilayah Persekutuan	141,118	185,642	127,425	173,975
Negeri Sembilan	38,088	37,483	36,064	35,466
Melaka	15,723	15,854	15,525	15,356
Johor	69,155	88,097	66,242	85,252
Pahang	18,437	17,013	14,535	13,368
Terengganu	8,183	8,009	5,632	6,529
Kelantan	6,251	6,171	2,325	3,011
Sarawak	7,754	6,614	7,519	6,387
Sabah	15,954	14,387	15,692	14,160
Labuan	15	45	15	45
Abraud	91,679	77,182	-	-
	931,420	971,123	757,449	818,522

AFFIN Bank Berhad
(Incorporated in Malaysia)

FRS134 INTERIM FINANCIAL REPORTING - 30 SEPTEMBER 2011

14 DEPOSITS FROM CUSTOMERS

(i) By type of deposit

	The Group		The Bank	
	Current Financial Quarter	Previous Financial Year-End	Current Financial Quarter	Previous Financial Year-End
	30/9/2011	31/12/2010	30/9/2011	31/12/2010
	RM'000	RM'000	RM'000	RM'000
Demand deposits	5,230,324	5,063,155	3,704,926	3,565,188
Savings deposits	1,465,042	1,400,535	1,195,236	1,142,332
Fixed deposits	22,220,868	19,913,674	18,422,402	16,780,143
Special investment deposits	1,200,879	641,673	-	-
Money market deposits	626,819	706,697	626,819	706,697
Negotiable instruments of deposit ('NID')	4,895,000	3,119,514	4,895,000	3,119,514
	35,638,932	30,845,248	28,844,383	25,313,874

(ii) Maturity structure of fixed deposit and NID

	The Group		The Bank	
	Current Financial Quarter	Previous Financial Year-End	Current Financial Quarter	Previous Financial Year-End
	30/9/2011	31/12/2010	30/9/2011	31/12/2010
	RM'000	RM'000	RM'000	RM'000
Due within six months	24,178,622	19,879,571	20,801,235	17,139,965
Six months to one year	2,653,941	3,106,639	2,285,380	2,716,939
One year to three years	81,044	24,026	28,718	20,738
Three years to five years	202,261	22,952	202,069	22,015
	27,115,868	23,033,188	23,317,402	19,899,657

(iii) By type of customer

	The Group		The Bank	
	Current Financial Quarter	Previous Financial Year-End	Current Financial Quarter	Previous Financial Year-End
	30/9/2011	31/12/2010	30/9/2011	31/12/2010
	RM'000	RM'000	RM'000	RM'000
Government and statutory bodies	6,779,428	4,749,240	3,689,171	2,954,953
Business enterprise	10,002,128	9,744,742	8,117,510	8,158,218
Individuals	6,429,875	5,003,875	5,875,556	4,568,915
Others	12,427,501	11,347,391	11,162,146	9,631,788
	35,638,932	30,845,248	28,844,383	25,313,874

AFFIN Bank Berhad
(Incorporated in Malaysia)

FRS134 INTERIM FINANCIAL REPORTING - 30 SEPTEMBER 2011

15 INTEREST INCOME

	Individual Quarter		Cumulative Quarter	
	The Group		The Group	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Quarter	Quarter	Quarter	Quarter
	30/9/2011	30/9/2010	30/9/2011	30/9/2010
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing	351,295	317,891	1,020,756	872,557
Money at call and deposit placements with financial institutions	32,726	28,517	99,573	77,764
Financial assets/investments				
- Held-for-trading	-	9	50	218
- Available-for-sale	39,014	27,470	110,724	87,965
- Held-to-maturity	4,932	3,867	12,843	10,977
Interest rate derivatives	22,672	12,201	51,345	36,285
	450,639	389,955	1,295,291	1,085,766
Accretion of discount less amortisation of premium	4,877	11,340	19,493	20,011
	455,516	401,295	1,314,784	1,105,777

Interest income includes RM4,952,000 (30/9/2010: RM933,000) of unwinding of discounting on impaired financial assets in accordance with FRS139.

	Individual Quarter		Cumulative Quarter	
	The Bank		The Bank	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Quarter	Quarter	Quarter	Quarter
	30/9/2011	30/9/2010	30/9/2011	30/9/2010
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing	351,295	317,891	1,020,756	872,557
Money at call and deposit placements with financial institutions	37,595	30,759	110,416	83,611
Financial assets/investments				
- Held-for-trading	-	9	50	218
- Available-for-sale	39,014	27,471	110,574	87,818
- Held-to-maturity	4,931	3,867	12,795	10,977
Interest rate derivatives	22,672	12,201	51,345	36,285
Others	888	738	2,628	2,401
	456,395	392,936	1,308,564	1,093,867
Accretion of discount less amortisation of premium	4,877	11,340	19,493	20,011
	461,272	404,276	1,328,057	1,113,878

Interest income includes RM4,952,000 (30/9/2010: RM933,000) of unwinding of discounting on impaired financial assets in accordance with FRS139.

AFFIN Bank Berhad
(Incorporated in Malaysia)

FRS134 INTERIM FINANCIAL REPORTING - 30 SEPTEMBER 2011

16 INTEREST EXPENSE

	Individual Quarter		Cumulative Quarter	
	The Group		The Group	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Quarter	Quarter	Quarter	Quarter
	30/9/2011	30/9/2010	30/9/2011	30/9/2010
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	23,622	28,793	86,221	79,249
Deposits from customers	210,795	152,558	570,126	386,303
Subordinated term loan	6,418	2,835	13,486	7,774
Loan sold to Cagamas	3,485	3,623	10,560	10,970
Interest rate derivatives	23,441	16,254	57,007	50,744
Others	473	1,066	1,005	5,989
	268,234	205,129	738,405	541,029

	Individual Quarter		Cumulative Quarter	
	The Bank		The Bank	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Quarter	Quarter	Quarter	Quarter
	30/9/2011	30/9/2010	30/9/2011	30/9/2010
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	23,623	28,793	86,222	79,256
Deposits from customers	210,803	152,565	570,151	386,321
Subordinated term loan	6,418	2,835	13,486	7,774
Loan sold to Cagamas	3,485	3,623	10,560	10,970
Interest rate derivatives	23,441	16,254	57,007	50,744
Others	473	1,066	1,005	5,989
	268,243	205,136	738,431	541,054

AFFIN Bank Berhad

(Incorporated in Malaysia)

FRS134 INTERIM FINANCIAL REPORTING - 30 SEPTEMBER 2011**17 ISLAMIC BANKING INCOME**

	Individual Quarter		Cumulative Quarter	
	The Group		The Group	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Quarter	Quarter	Quarter	Quarter
	30/9/2011	30/9/2010	30/9/2011	30/9/2010
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	100,621	75,654	267,617	208,243
Income derived from investment of shareholders' funds	5,313	4,645	15,426	13,198
Total distributable income	105,934	80,299	283,043	221,441
Income attributable to depositors	(55,155)	(35,052)	(136,378)	(88,154)
	50,779	45,247	146,665	133,287

Income includes of RM2,841,000 (30/9/2010: RM1,210,000) of unwinding of discounting on impaired financial assets in accordance with FRS139.

AFFIN Bank Berhad
(Incorporated in Malaysia)

FRS134 INTERIM FINANCIAL REPORTING - 30 SEPTEMBER 2011

18 OTHER OPERATING INCOME

	Individual Quarter The Group		Cumulative Quarter The Group	
	Current Financial Quarter 30/9/2011 RM'000	Preceding Year Corresponding Quarter 30/9/2010 RM'000	Current Financial Quarter 30/9/2011 RM'000	Preceding Year Corresponding Quarter 30/9/2010 RM'000
Fee income				
Commission	3,217	3,166	9,607	8,933
Service charges and fees	11,733	13,352	37,886	35,511
Guarantee fees	8,896	7,613	19,605	21,565
	23,846	24,131	67,098	66,009
Income from financial instruments				
Gains/(losses) on arising on financial assets held-for-trading:				
- net gain on disposal	92	425	535	1,036
- unrealised gains/(losses)	(13)	(3)	(137)	-
	79	422	398	1,036
Gains/(losses) on derivatives:				
- realised	200	212	2,382	498
- unrealised	(12,564)	(2,248)	(11,821)	(2,101)
	(12,364)	(2,036)	(9,439)	(1,603)
Gains on arising on financial investments available-for-sale:				
- net gain on disposal	4,718	5,888	12,176	12,537
- gross dividend income	1	1	3	8
	4,719	5,889	12,179	12,545
Gains on arising on financial investments held-to-maturity:				
- net gain on disposal	-	-	2,053	2,053
- gross dividend income	6	2,006	3,658	2,901
	6	2,006	5,711	4,954
Other income				
Foreign exchange gains/(losses):				
- realised	17,678	29,964	53,166	68,883
- unrealised	(2,960)	(14,436)	(10,924)	(13,143)
Rental income	459	568	1,731	1,438
(Loss)/gain on sale of property and equipment	(25)	(102)	22	(17)
(Loss)/gain on disposal of foreclosed properties	(603)	911	(590)	1,518
Other non-operating income	3,227	6,422	10,556	16,836
	17,776	23,327	53,961	75,515
	34,062	53,739	129,908	158,456

AFFIN Bank Berhad

(Incorporated in Malaysia)

FRS134 INTERIM FINANCIAL REPORTING - 30 SEPTEMBER 2011**18 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
	30/9/2011	30/9/2010	30/9/2011	30/9/2010
	RM'000	RM'000	RM'000	RM'000
Fee income				
Commission	3,217	3,166	9,607	8,933
Service charges and fees	11,733	13,352	37,886	35,511
Guarantee fees	8,896	7,613	19,605	21,565
	23,846	24,131	67,098	66,009
Income from financial instruments				
Gains/(losses) on arising on financial assets held-for-trading:				
- net gain on disposal	92	425	535	1,036
- unrealised gains/(losses)	(13)	(3)	(137)	-
	79	422	398	1,036
Gains/(losses) on derivatives:				
- realised	200	212	2,382	498
- unrealised	(12,564)	(2,248)	(11,821)	(2,101)
	(12,364)	(2,036)	(9,439)	(1,603)
Gains on arising on financial investments available-for-sale:				
- net gain on disposal	4,718	5,888	12,176	12,440
- gross dividend income	1	1	3	8
	4,719	5,889	12,179	12,448
Gains on arising on financial investments held-to-maturity:				
- net gain on disposal	-	-	1,885	2,053
- gross dividend income	6	2,006	3,658	2,901
	6	2,006	5,543	4,954
Other income				
Foreign exchange gains/(losses):				
- realised	17,678	29,964	53,166	68,883
- unrealised	(2,960)	(14,436)	(10,924)	(13,143)
Rental income	446	555	1,691	1,398
(Loss)/gain on sale of property and equipment	(25)	(102)	22	(17)
(Loss)/gain on disposal of foreclosed properties	(603)	911	(590)	1,518
Other non-operating income	3,025	6,202	9,039	16,404
	17,561	23,094	52,404	75,043
	33,847	53,506	128,183	157,887

AFFIN Bank Berhad
(Incorporated in Malaysia)

FRS134 INTERIM FINANCIAL REPORTING - 30 SEPTEMBER 2011

19 OTHER OPERATING EXPENSES

	Individual Quarter The Group		Cumulative Quarter The Group	
	Current Financial Quarter 30/9/2011 RM'000	Preceding Year Corresponding Quarter 30/9/2010 RM'000	Current Financial Quarter 30/9/2011 RM'000	Preceding Year Corresponding Quarter 30/9/2010 RM'000
Personnel costs	74,703	82,968	228,756	224,105
Establishment costs	42,139	41,995	122,860	127,182
Marketing expenses	4,330	3,051	11,180	7,530
Administrative and general expenses	13,690	13,459	46,418	38,452
	134,862	141,473	409,214	397,269

Personnel costs comprise the following:

	Individual Quarter The Group		Cumulative Quarter The Group	
	Current Financial Quarter 30/9/2011 RM'000	Preceding Year Corresponding Quarter 30/9/2010 RM'000	Current Financial Quarter 30/9/2011 RM'000	Preceding Year Corresponding Quarter 30/9/2010 RM'000
Wages, salaries and bonuses	57,747	65,385	176,086	174,747
Defined contribution plan ('EPF')	9,148	9,415	26,684	26,670
Other personnel costs	7,808	8,168	25,986	22,688
	74,703	82,968	228,756	224,105

Establishment costs comprise the following:

	Individual Quarter The Group		Cumulative Quarter The Group	
	Current Financial Quarter 30/9/2011 RM'000	Preceding Year Corresponding Quarter 30/9/2010 RM'000	Current Financial Quarter 30/9/2011 RM'000	Preceding Year Corresponding Quarter 30/9/2010 RM'000
Rental of premises	5,054	4,753	14,973	14,154
Equipment rental	233	202	677	552
Repair and maintenance	7,018	6,362	20,088	17,969
Depreciation	4,721	4,961	14,151	15,376
Amortisation of intangible assets	2,280	3,431	6,995	13,973
IT consultancy fees	14,621	13,868	42,838	40,802
Dataline rental	925	1,398	2,248	4,181
Security services	2,561	2,259	7,481	6,796
Electricity, water and sewerage	2,218	2,199	6,197	6,040
Other establishment costs	2,508	2,562	7,212	7,339
	42,139	41,995	122,860	127,182

AFFIN Bank Berhad
(Incorporated in Malaysia)

FRS134 INTERIM FINANCIAL REPORTING - 30 SEPTEMBER 2011

19 OTHER OPERATING EXPENSES (continued)

Marketing expenses comprise the following:

	Individual Quarter		Cumulative Quarter	
	The Group		The Group	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Quarter	Quarter	Quarter	Quarter
	30/9/2011	30/9/2010	30/9/2011	30/9/2010
	RM'000	RM'000	RM'000	RM'000
Business promotion and advertisement	2,347	1,483	5,388	3,043
Entertainment	573	452	1,899	1,064
Travelling and accommodation	1,018	856	2,639	2,451
Other marketing expenses	392	260	1,254	972
	4,330	3,051	11,180	7,530

Administration and general expenses comprise the following:

	Individual Quarter		Cumulative Quarter	
	The Group		The Group	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Quarter	Quarter	Quarter	Quarter
	30/9/2011	30/9/2010	30/9/2011	30/9/2010
	RM'000	RM'000	RM'000	RM'000
Telecommunication expenses	1,287	1,215	3,645	3,549
Auditors' remuneration	403	223	1,173	901
Professional fees	3,741	5,461	11,513	14,943
Property and equipment written-off	66	417	419	474
Mail and courier charges	790	870	2,794	3,415
Stationery and consumables	2,189	1,415	6,946	4,647
Other administration and general expenses	5,214	3,858	19,928	10,523
	13,690	13,459	46,418	38,452

AFFIN Bank Berhad

(Incorporated in Malaysia)

FRS134 INTERIM FINANCIAL REPORTING - 30 SEPTEMBER 2011**19 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
	30/9/2011	30/9/2010	30/9/2011	30/9/2010
	RM'000	RM'000	RM'000	RM'000
Personnel costs	61,009	67,991	187,144	182,000
Establishment costs	36,231	35,843	105,058	108,506
Marketing expenses	3,546	2,642	9,248	6,139
Administrative and general expenses	11,556	11,193	39,049	31,392
	112,342	117,669	340,499	328,037

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
	30/9/2011	30/9/2010	30/9/2011	30/9/2010
	RM'000	RM'000	RM'000	RM'000
Wages, salaries and bonus	47,101	53,519	144,194	142,136
Defined contribution plan ('EPF')	7,412	7,722	21,733	21,683
Other personnel costs	6,496	6,750	21,217	18,181
	61,009	67,991	187,144	182,000

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
	30/9/2011	30/9/2010	30/9/2011	30/9/2010
	RM'000	RM'000	RM'000	RM'000
Rental of premises	4,267	4,004	12,611	11,903
Equipment rental	224	196	656	534
Repair and maintenance	6,096	5,338	17,118	15,182
Depreciation	4,463	4,770	13,405	14,803
Amortisation of intangible assets	2,196	3,227	6,585	13,362
IT consultancy fees	12,722	12,032	37,231	35,306
Dataline rental	807	1,188	1,952	3,589
Security services	2,107	1,897	6,160	5,686
Electricity, water and sewerage	1,893	1,860	5,274	5,118
Other establishment costs	1,456	1,331	4,066	3,023
	36,231	35,843	105,058	108,506

AFFIN Bank Berhad
(Incorporated in Malaysia)

FRS134 INTERIM FINANCIAL REPORTING - 30 SEPTEMBER 2011

19 OTHER OPERATING EXPENSES (continued)

Marketing expenses 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
	30/9/2011	30/9/2010	30/9/2011	30/9/2010
	RM'000	RM'000	RM'000	RM'000
Business promotion and advertisement	1,955	1,378	4,595	2,807
Entertainment	470	395	1,619	905
Travelling and accommodation	808	646	2,089	1,694
Other marketing expenses	313	223	945	733
	3,546	2,642	9,248	6,139

Administration and general expenses 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
	30/9/2011	30/9/2010	30/9/2011	30/9/2010
	RM'000	RM'000	RM'000	RM'000
Telecommunication expenses	1,093	1,039	3,091	3,021
Auditors' remuneration	285	179	939	662
Professional fees	2,884	4,154	8,367	11,070
Property and equipment written-off	66	416	411	473
Mail and courier charges	672	723	2,403	2,897
Stationery and consumables	1,767	1,135	5,421	3,645
Other administration and general expenses	4,789	3,547	18,417	9,624
	11,556	11,193	39,049	31,392

AFFIN Bank Berhad
(Incorporated in Malaysia)

FRS134 INTERIM FINANCIAL REPORTING - 30 SEPTEMBER 2011

20 ALLOWANCES FOR IMPAIRMENT ON LOANS, ADVANCES AND FINANCING

	Individual Quarter The Group		Cumulative Quarter The Group	
	Current Financial Quarter 30/9/2011 RM'000	Preceding Year Corresponding Quarter 30/9/2010 RM'000	Current Financial Quarter 30/9/2011 RM'000	Preceding Year Corresponding Quarter 30/9/2010 RM'000
Individual impairment				
- made in the financial period	57,935	48,049	79,048	112,685
- written-back	(2,897)	(3,545)	(9,799)	(13,663)
Collective impairment				
- made/(written-back)	9,400	(24,877)	47,792	13,939
Bad debts and financing				
- recovered	(99,596)	(42,328)	(175,770)	(139,651)
- written-off	3,508	4,771	12,870	11,163
Litigation losses arising from loans	-	48,000	40,000	78,000
	(31,650)	30,070	(5,859)	62,473

	Individual Quarter The Bank		Cumulative Quarter The Bank	
	Current Financial Quarter 30/9/2011 RM'000	Preceding Year Corresponding Quarter 30/9/2010 RM'000	Current Financial Quarter 30/9/2011 RM'000	Preceding Year Corresponding Quarter 30/9/2010 RM'000
Individual impairment				
- made in the financial period	57,543	38,035	74,909	102,534
- written-back	(2,879)	(2,636)	(9,157)	(10,695)
Collective impairment				
- made/(written-back)	8,808	(26,519)	42,361	2,918
Bad debts and financing				
- recovered	(99,334)	(42,238)	(174,984)	(139,425)
- written-off	3,449	4,751	12,745	11,045
Litigation losses arising from loans	-	48,000	40,000	78,000
	(32,413)	19,393	(14,126)	44,377

AFFIN Bank Berhad
(Incorporated in Malaysia)

FRS134 INTERIM FINANCIAL REPORTING - 30 SEPTEMBER 2011

21 COMMITMENTS AND CONTINGENCIES

	Current financial quarter ended 30/9/2011				Previous financial year ended 31/12/2010			
	Positive fair value of		* Credit Equivalent	Risk- weighted Amount	Positive fair value of		* Credit Equivalent	Risk- weighted Amount
	Principal Amount RM'000	derivative contracts RM'000			Principal Amount RM'000	derivative contracts RM'000		
The Group								
Direct credit substitutes	377,997	-	377,997	365,023	408,608	-	408,608	299,520
Transaction-related contingent items	2,134,871	-	1,067,436	915,313	2,387,456	-	1,193,728	1,022,073
Short-term self-liquidating trade-related contingencies	1,583,455	-	316,691	247,757	1,232,752	-	246,551	140,554
Irrevocable commitments to extend credit:								
- maturity less than one year	7,713,956	-	1,542,791	1,203,474	6,062,519	-	-	-
- maturity more than one year	3,410,242	-	682,048	610,106	4,247,549	-	-	-
Foreign exchange related contracts:								
- less than one year	3,432,420	67,710	95,062	44,339	2,215,359	25,842	50,821	19,952
- one year to less than five years	70,000	1,828	5,512	1,856	201,120	10,570	19,678	8,217
Interest rate related contracts:								
- less than one year	132,196	-	228	104	93,784	-	14	3
- one year to less than five years	1,846,859	3,065	49,593	12,891	956,256	2,664	32,602	7,936
- more than five years	444,335	13,116	44,027	9,469	445,273	7,079	38,490	8,842
Unutilised credit card lines	613,049	-	122,610	91,874	594,104	-	118,821	89,026
	21,759,380	85,719	4,303,995	3,502,206	18,844,780	46,155	2,109,313	1,596,123

* The credit equivalent amount and risk-weighted amount is arrived at using the credit conversion factor as per Bank Negara Malaysia Guidelines.

	Current financial quarter ended 30/9/2011				Previous financial year ended 31/12/2010			
	Positive fair value of		* Credit Equivalent	Risk- weighted Amount	Positive fair value of		* Credit Equivalent	Risk- weighted Amount
	Principal Amount RM'000	derivative contracts RM'000			Principal Amount RM'000	derivative contracts RM'000		
The Bank								
Direct credit substitutes	370,040	-	370,040	358,696	382,080	-	382,080	280,656
Transaction-related contingent items	1,974,636	-	987,318	840,290	2,189,031	-	1,094,516	928,260
Short-term self-liquidating trade-related contingencies	1,104,157	-	220,831	220,057	546,276	-	109,255	109,027
Irrevocable commitments to extend credit:								
- maturity less than one year	6,678,849	-	1,335,770	1,083,082	5,360,954	-	-	-
- maturity more than one year	2,954,420	-	590,884	525,221	3,837,655	-	-	-
Foreign exchange related contracts:								
- less than one year	3,432,420	67,710	95,062	44,339	2,215,359	25,842	50,821	19,952
- one year to less than five years	70,000	1,828	5,512	1,856	201,120	10,570	19,678	8,217
Interest rate related contracts:								
- less than one year	132,196	-	228	104	93,784	-	14	3
- one year to less than five years	1,846,859	3,065	49,593	12,891	956,256	2,664	32,602	7,936
- more than five years	444,335	13,116	44,027	9,469	445,273	7,079	38,490	8,842
Unutilised credit card lines	613,049	-	122,610	91,874	594,104	-	118,821	89,026
	19,620,961	85,719	3,821,875	3,187,879	16,821,892	46,155	1,846,277	1,451,919

* The credit equivalent amount and risk-weighted amount is arrived at using the credit conversion factor as per Bank Negara Malaysia Guidelines.

AFFIN Bank Berhad
(Incorporated in Malaysia)

FRS134 INTERIM FINANCIAL REPORTING - 30 SEPTEMBER 2011

22 CAPITAL MANAGEMENT

The Group and the Bank's objectives when managing capital, are:

- To comply with the capital requirements set by the regulators of the banking markets where the entities within the Group and the Bank operates;
- To safeguard the Group and the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

The Group and the Bank maintain a ratio of total regulatory capital to its risk-weighted assets above a minimum level agreed with the management which takes into account the risk profile of the Group and the Bank.

The table in Note 23 below summarises the composition of regulatory capital and the ratios of the Group and the Bank for the quarter ended 30 September 2011.

23 CAPITAL ADEQUACY

The capital adequacy ratios are as follows:

	The Group #		The Bank	
	Current Financial Quarter 30/9/2011 RM'000	Previous Financial Year-End 31/12/2010 RM'000	Current Financial Quarter 30/9/2011 RM'000	Previous Financial Year-End 31/12/2010 RM'000
Tier I capital				
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	652,245	499,179	547,293	411,831
Statutory reserve	975,656	888,910	876,642	807,500
	3,475,575	3,235,763	3,271,609	3,067,005
Less:				
Goodwill	(137,323)	(137,323)	(137,323)	(137,323)
Deferred tax assets *	(7,455)	-	(7,010)	-
Total Tier I capital	3,330,797	3,098,440	3,127,276	2,929,682
Tier II capital				
Subordinated term loan	600,000	300,000	600,000	300,000
Collective impairment ^	171,671	153,538	127,940	111,304
Total Tier II capital	771,671	453,538	727,940	411,304
Less:				
Investment in capital instruments of other banking institutions	(40,174)	(39,858)	(40,174)	(39,858)
Investment in subsidiaries	(27,429)	(27,429)	(287,429)	(287,429)
Capital base	4,034,865	3,484,691	3,527,613	3,013,699

AFFIN Bank Berhad

(Incorporated in Malaysia)

FRS134 INTERIM FINANCIAL REPORTING - 30 SEPTEMBER 2011**23 CAPITAL ADEQUACY (continued)**

	The Group #		The Bank	
	Current Financial Quarter 30/9/2011 RM'000	Previous Financial Year-End 31/12/2010 RM'000	Current Financial Quarter 30/9/2011 RM'000	Previous Financial Year-End 31/12/2010 RM'000
Core capital ratio	10.59%	11.51%	11.33%	12.35%
Risk-weighted capital ratio	12.83%	12.94%	12.78%	12.71%
Core capital ratio (net of proposed dividends)	10.27%	11.24%	10.97%	12.05%
Risk-weighted capital ratio (net of proposed dividends)	12.51%	12.67%	12.42%	12.40%

* 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.

^ Qualifying collective impairment is restricted to allowances on unimpaired portion of the loans, advances and financing.

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

	The Group		The Bank	
	Principal Current Financial Quarter 30/9/2011 RM'000	Principal Previous Financial Year-End 31/12/2010 RM'000	Principal Current Financial Quarter 30/9/2011 RM'000	Principal Previous Financial Year-End 31/12/2010 RM'000
0%	12,307,698	12,320,649	7,971,899	8,752,339
10%	-	-	-	-
20%	3,990,512	3,099,600	3,426,631	2,737,454
35%	1,674,089	1,406,021	1,601,136	1,348,467
50%	2,638,922	2,476,573	2,495,021	2,312,343
75%	11,038,851	9,997,337	8,945,810	8,070,017
100%	16,146,336	12,973,742	14,605,904	11,860,949
150%	1,404,355	1,297,452	1,253,263	1,173,586
Total risk-weighted assets for credit risk	49,200,763	43,571,374	40,299,664	36,255,155

AFFIN Bank Berhad
(Incorporated in Malaysia)

FRS134 INTERIM FINANCIAL REPORTING - 30 SEPTEMBER 2011

23 CAPITAL ADEQUACY (continued)

	The Group		The Bank	
	Risk-Weighted Current Financial Quarter 30/9/2011 RM'000	Risk-Weighted Previous Financial Year-End 31/12/2010 RM'000	Risk-Weighted Current Financial Quarter 30/9/2011 RM'000	Risk-Weighted Previous Financial Year-End 31/12/2010 RM'000
0%	-	-	-	-
10%	-	-	-	-
20%	798,102	619,920	685,326	547,491
35%	585,931	492,107	560,398	471,963
50%	1,319,461	1,238,286	1,247,511	1,156,172
75%	8,279,138	7,498,003	6,709,358	6,052,513
100%	16,146,336	12,973,742	14,605,904	11,860,949
150%	2,106,534	1,946,178	1,879,895	1,760,378
Total risk-weighted assets for credit risk	29,235,502	24,768,236	25,688,391	21,849,466
Risk-weighted assets for market risk	109,584	96,572	104,855	91,973
Risk-weighted assets for operational risk	2,102,805	2,062,578	1,799,481	1,776,655
Total risk-weighted assets	31,447,891	26,927,386	27,592,727	23,718,094

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.

AFFIN Bank Berhad

(Incorporated in Malaysia)

FRS134 INTERIM FINANCIAL REPORTING - 30 SEPTEMBER 2011

24 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 RM167.9 million for the 3rd quarter of 2011 as compared the previous year's corresponding quarter profit of RM120.0 million, an increase of RM47.9 million. This was due to:

- i) lower allowances for impairment on loans, advances and financing by RM61.7 million.
- ii) higher Islamic Banking income by RM5.5 million.
- iii) lower other operating expenses by RM6.6 million.
- iv) lower impairment losses on securities by RM3.0 million.

The above was off-setted by:

- i) lower net interest income by RM8.9 million.
- ii) lower other operating income by RM19.7 million.
- iii) higher profit equalisation reserve by RM0.3 million.

25 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 2011 stood at RM167.9 million as compared to RM157.1 million reported in the 2nd quarter of 2011, an increase of RM10.8 million.

Increase in profit before tax as compared to immediate preceding quarter due to:

- i) lower allowances for impairment on loans, advances and financing by RM30.5 million.
- ii) higher Islamic Banking income by RM2.8 million.
- iii) lower other operating expenses by RM1.3 million.

The above was off-setted by:

- i) lower net interest income by RM12.7 million.
- ii) lower other operating income by RM10.2 million.
- iii) higher impairment losses on securities by RM0.9 million.

AFFIN Bank Berhad
(Incorporated in Malaysia)

FRS134 INTERIM FINANCIAL REPORTING - 30 SEPTEMBER 2011

26 PROSPECT FOR THE CURRENT FINANCIAL YEAR

Building on the momentum created in 2010, the Bank will continue to focus on "sustainable business growth" in both Business Banking as well as Consumer Banking segment.

For Business Banking, the Bank will be leveraging on business opportunities arising from the 10th Malaysia Plan as well as the Economic Transformation Programs ('ETP') while Consumer Banking will be developing specific products and packages that suit a particular market segments.

27 VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

Profit before tax for the Group registered an adverse variance of RM39.9 million. The main contributing factors are as follows:

Net interest income

The net interest income showed an adverse variance of RM60.2 million.

Islamic banking income

Islamic banking income showed a favourable variance of RM0.6 million.

Other operating income

The non interest income showed an adverse variance of RM23.9 million.

Other operating expenses

Operating costs showed a favourable variance of RM52.5 million.

Allowance for impairment on loans, advances and financing

Allowance for impairment on loans, advances and financing showed an adverse variance of RM8.3 million.

Impairment losses on securities

Impairment losses on securities showed an adverse variance of RM0.4 million.

Profit equalisation reserve

Profit equalisation reserve showed an adverse variance of RM0.2 million.