

AFFIN RECORDS IMPRESSIVE FOURTH QUARTER GROWTH

KUALA LUMPUR, February 26, 2007 – AFFIN Holdings Group (AFFIN) continues to prove its resilience in the local financial sector by registering a pre-tax profit of RM119.2 million in the fourth quarter ended December 31, 2006 which is a notable improvement from the pre-tax loss of RM9.4 million for the corresponding quarter ended December 31, 2005.

The Group also chalked an impressive growth for the current quarter's results in comparison to the preceding third quarter results of RM54.4 million. Cumulatively, the Group recorded a pre-tax profit of RM314.4 million for the year ended December 31, 2006.

During the quarter under review, earnings per share was 18.5 sen while net asset per share was RM 2.77.

YBhg Tan Sri Dato' Lodin Wok Kamaruddin, Managing Director, AFFIN Holdings Berhad, said, "Our fourth quarter results close this financial year on a bullish note. In spite of having to take into consideration higher impairment losses on securities and reduction in net interest income, we have been able to remain strong and profitable as a result of our strategies and stringent efforts to manage non-performing loans."

"The Group also places high emphasis on finding ways to improve and meet the challenges of the sector. This is demonstrated by improving operating income as well as reduction in overhead expenses and finance cost."

In spite of having to meet BNM's request on additional allowances for non performing loan (NPLs) based on 3 months-in-arrear classification and full provisions for NPLs aged 7 years and above, AFFIN Bank Berhad continued to perform admirably and this was reflected in its pre-tax profit of RM272.3 million

for the year ended December 31, 2006, denoting an increase of 18.7% or RM42.9 million as compared to RM229.4 million achieved last year. This is a clear testament to the Group's commitment and desire to excel.

This increase in profit can be attributed to the higher net interest income and income from Islamic Banking operations amounting to RM103.1 million from the enlarged loan base resulting from the merger with AFFIN-ACF Finance Berhad, lower loan provision of RM156.3 million and write-backs from profit equalisation reserve of RM5.2 million during the year.

Meanwhile, AFFIN Investment Bank Berhad reported a significantly higher pre-tax profit of RM18.2 million for the current financial quarter as opposed to RM2.0 million for the corresponding quarter in 2005. The group's pre-tax profit of RM81.0 million for the financial year ended December 31, 2006 is a significant increase of 38.9% or in real terms RM22.7 million as compared to the RM58.3 million registered last year.

“With the deregulation and liberalization of the domestic financial system, this further reiterates the importance of embracing a fresh approach to remain relevant to our customers. Moving forward, we will continue to focus on our fundamental strengths to achieve increased efficiency for quality growth. By undertaking strategic corporate initiatives, stakeholders can look forward to seeing the Group increasing its prominence and reach in the local financial sector and beyond.”

During the year under review, AFFIN Capital Holdings Sdn Bhd, the stock broking arm of AFFIN also reported a pre-tax profit of RM4.4 million while AFFIN Moneybrokers Sdn Bhd posted a pre-tax profit of RM1.6 million.

AFFIN Holdings Group is a major home-grown financial services conglomerate. The Group's primary activities focus on the provision of commercial and investment banking services, money broking, fund management and underwriting of general and life insurance business. The prominent shareholder of AFFIN Holding is Lembaga Tabung Angkatan Tentera, the nation's premier pension fund manager for the armed forces. As at December 31, 2006 the Group's paid-up capital stands at RM1.253 billion, while the Group's shareholders' funds as of December 31, 2006 stood at RM3.477 billion.

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