

## *NEWS RELEASE*

### AFFIN ENDS THE YEAR WITH A 23% RISE IN PROFIT BEFORE TAX

**KUALA LUMPUR, 25 February 2010** – Leveraging on its core strengths and as a one-stop financial services provider, AFFIN Holdings Berhad (AFFIN) ended its financial year on a strong note. Positive growth from its various financial services activities generated better results across its divisions.

For its financial year ended 31 December 2009, AFFIN posted a profit before tax of RM497.2 million, a 23% increase compared with its profit before tax of RM404.2 million achieved in the previous financial year. In tandem with the rise in its cumulative profit before tax, the Group also saw a good performance for its final quarter of the financial year ended 31 December 2009. AFFIN recorded a profit before tax of RM114.0 million in the quarter as compared to its preceding year's corresponding quarter of RM115.6 million. Increase in net interest income, other operating income and Islamic banking income contributed to the Group's steady performance.

AFFIN also surpassed all of its key performance indicators (KPIs) for the financial year under review. Earnings per share was at 24.9 sen as compared with its announced KPI of 22.7 sen. Return on equity was reported at 8.1%, surpassing its target of 7.5%, while return on assets was 1.0% as compared with its 0.9% target. Additionally, net non-performing loan ratio reported an improvement with 2.2%, exceeding its target of 2.3% for the financial period. Net assets per share was RM3.17 as at 31 December 2009.

YBhg. Gen (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin, Chairman of AFFIN Holdings Berhad, said, "AFFIN's financial performance this financial year was blessed with reasonable growth throughout the Group which in turn contributed positively towards our overall achievement.

“Driving the growth has been AFFIN Bank. Our investment arm indeed performed exceptionally well delivering a profit compared to their losses in the previous financial year. Our insurance businesses offer enormous potential and we look forward to strengthening these divisions in the coming financial year possibly through strategic investments and not just via organic growth.”

“We have recently entered into negotiations with an Indonesian bank to boost our presence regionally. We hope to be able to inform our shareholders and the relevant regulators on the developments in the foreseeable future,” concluded YBhg. Gen (R) Tan Sri Dato’ Seri Mohd Zahidi.

For its financial year ended 31 December 2009, AFFIN Bank Berhad reported a profit before tax of RM425.1 million. The main contributing factors were increase in net interest income, other operating income and Islamic banking income amounting to RM105.5 million. Unfortunately there was an increase in loan loss provision and overhead expenses for the year under review.

AFFIN Investment Bank Berhad saw an impressive jump in profit before tax of RM64.6 million as compared to a pretax loss of RM40.4 million for its preceding financial year. The significant improvement was mainly due to increase in other operating income, net interest income and write back of loan loss provisions. AFFIN Fund Management Berhad registered a profit before tax of RM3.8 million for the financial year under review.

Another improvement in the Group results was by AXA-AFFIN General Insurance Berhad with a profit before tax of RM25.5 million, a RM1.6 million increase as compared to its previous financial year mainly due to increase in earned premium.

Meanwhile, AXA-AFFIN Life Insurance Berhad reported a positive jump in profit before tax of RM700, 000 from its loss before tax of RM22.6 million in its previous financial year. This was primarily attributed to gain on disposal of securities and lower deficit transferred from its Life Fund Revenue Accounts.

**AFFIN Holdings Group is a major home-grown financial services conglomerate. The Group’s activities focus on commercial, Islamic and investment banking services, money broking, fund management and underwriting of life and general insurance business. The prominent shareholder of AFFIN Holdings is Lembaga Tabung Angkatan Tentera, the nation’s premier superannuation fund manager for the armed forces. As at 31 December 2009 the Group’s unaudited paid-up capital stood at RM1.5 billion, while the Group’s shareholders’ fund was at RM4.7 billion.**

-ends-

Issued on behalf of: <b>AFFIN Holdings Berhad</b> By: acorn communications sdn bhd For further information, please call: Natalia Ghani at 012 231 4782 or Reshvinder Kaur at 03 7958 8348 Or email <a href="mailto:acorncommunications@acornco.com.my">acorncommunications@acornco.com.my</a>
---