



## ***NEWS RELEASE***

### **AFFIN to Leverage on Strategic Alliances and Synergistic Partnerships in 2016**

**KUALA LUMPUR, April 18, 2016** – AFFIN Holdings Berhad continued to be profitable in the face of the multitude of challenges that impacted the financial services sector by delivering a profit before tax and zakat (PBT) of RM519.3 million for the financial year ended 31 December 2015. AFFIN Bank Berhad (ABB) Group delivered a PBT of RM461.2 million.

In line with ABB Group's efforts to extend its reach and improve brand visibility, the Group expanded its network with the opening of a new branch in Kota Damansara, bringing ABB Group's total number of branches nationwide to 106. Keeping in mind the importance of customer convenience, three additional off-site self-service machines were installed during the year, taking the total to 119.

Various consumer campaigns were carried out during the year in tandem with ABB Group's growing market presence. As part of AFFIN Group's efforts to prioritise strategic partnerships, the AFFINBANK BHPetrol 'Touch and Fuel' MasterCard® Contactless was relaunched. This co-branding promotion between ABB Group and BHPetrol offered customers improved benefits and privileges including petrol cash rebates of up to 10% on weekends at BHPetrol service stations nationwide.

Promotional activities undertaken in 2015 included the Chinese New Year G.O.A.T.S campaign which offered customers higher fixed deposit rates, the AffinGrow campaign for deposit accounts and unit trusts, the Current Account Drive campaign as well as the AffinGOLD 'Home Sweet Home' campaign which was tailor-made for senior citizen account holders.

In anticipation of the introduction of the 50 sen cheque processing fee by Bank Negara Malaysia, the 'Just Tap and Save' campaign as well as the ePayment - RIB campaign were introduced to encourage the usage of AffinOnline, its retail internet banking service. In addition, ABB Group also launched an ePayment campaign for AffinOnline, in order to encourage the use of online banking.

Through its agreement with Bursa Malaysia Berhad, ABB is now one of the first financial institutions to offer the market an electronic subscription and payment service for the application of Rights Issue, known as eRights, further adding to the convenience of ABB Group's ATM and internet banking facilities. Prior to this, all transactions and processing of Rights Issue exercises were carried out manually.

In addition, the Bank introduced a channel for customers to apply for an eSaver or eSaver-I account via its retail internet banking platform.

In partnership with five other Islamic banking institutions in Malaysia, AFFIN Islamic Bank launched the first multi-bank platform known as the Investment Account Platform (IAP) which facilitates the channelling of funds from individual and institutional investors to finance viable projects and ventures. The long-term goal for IAP is the facilitation of international fund intermediation.

To further improve its customer service and product offerings, ABB Group is continuously enhancing its technological capabilities to improve processes and security. ABB group is focused on improving its digital banking capabilities to offer seamless banking solutions to its retail and business customers.

ABB Group is also looking at expanding its physical presence in Malaysia by identifying new growth areas to establish its branches.

Affin Hwang Investment Bank Berhad (Affin Hwang IB) Group recorded its first full year PBT of RM84.2 million for the financial year ended 31 December 2015. Affin Hwang IB Group's PBT is before the fair value adjustment on held-to-maturity securities and amortisation of identifiable intangible assets arising from the acquisition of HwangDBS Investment Bank Berhad in 2014. The acquisition undertaken by AFFIN, together with the merger of businesses within its investment banking segment resulted in complementary and diversified businesses, with the asset management business of Affin Hwang Asset Management Berhad (Affin Hwang AM) providing a key stable income.

Despite the very challenging capital markets environment in 2015, Affin Hwang AM ended the year with RM35 billion in assets under administration and reported a PBT of RM64.3 million.

Affin Hwang AM garnered awards locally and regionally, including receiving the prestigious Best Asset Manager in Malaysia by Euromoney, Fund House of the Year in Malaysia by Asian Investor as well as the Best Islamic Asset Management Company in Asia by Islamic Finance News. In addition, the Affin Hwang Select Income fund was voted as the Best Fund – Mixed Asset MYR Conservative (5 Years) Malaysia by The Edge-Lipper and the Best Fund – MYR Allocation by Morningstar. Affin Hwang AM's fund managers were consistently ranked by The Asset in the Asset Asian Awards and Benchmark Research.

Capitalising on its increased capacity as part of an enlarged group offering a wider range of products and services, Affin Hwang AM looks to enlarge its assets under administration and client base by focusing on growth opportunities in the retail and high net worth segments.

Meanwhile, Affin Hwang IB also recorded a number of achievements in 2015 which included retaining its top spots in Bursa Malaysia for trading value and volume respectively. In addition, Bursa Malaysia via its 2016 Broker Awards, named Affin Hwang IB as the Best Investment Bank for both, the Equities and Institutional Equities categories. Affin Hwang IB was also named the Best Investment Bank for the overall Best REITs category and first runner up for the Investment Bank in the Shariah Equities category. Affin Hwang IB's research analysts continued to be consistently ranked by The Edge Malaysia in the annual Best Call Awards.

For Affin Hwang IB, the strategic alliance with Thanachart Securities Plc of Thailand (Thanachart) bodes well in terms of expanding its reach across Asian and global markets while consolidating its position as a leading brokerage house in Malaysia. The Thanachart alliance came on the back of the strategic alliance with Daiwa Securities Group of Japan that has contributed significantly towards international corporate access and equity trade flows as well as cross border capital market collaborations despite challenging market conditions in 2015.

AFFIN Moneybrokers Sdn Bhd recorded a PBT of RM2.3 million for the 2015 financial year as a result of lower net brokerage income net of lower overhead expenses.

AXA AFFIN Life Insurance Berhad (AALIB) ended the year under review with a loss after tax of RM29.2 million. AALIB's performance was mainly attributed to measures taken to strengthen policyholders' funds to support policyholders' future benefits, as well as lower gains on disposal of investment securities. AALIB recorded a substantial 15% growth in weighted new business premium in 2015 from strong growth of all its distribution channels.

AXA AFFIN General Insurance Berhad (AAGIB) registered a PBT of RM114.8 million in 2015, slightly lower than the previous year's RM120.4 million. AAGIB continues to rank 5th in the market with an increased market share from 6.65% to 7.64% while its gross written premium grew by a significant 17.7% to RM1.33 billion.

In line with AFFIN's commitment to delivering ongoing value to shareholders and as evidenced by its dividend policy of providing shareholders with a minimum 50% payout based on the Company's profit after tax, the Board is proposing a final single tier dividend of 5.0 sen per share, subject to the shareholders' approval. This will result in full year net dividend of 7.99 sen per share for the financial year, with a total dividend payout of RM155.2 million. This represents a 3.4 % yield based on the closing price at the end of the financial year.

While it is certain that 2016 will bring with it, its fair share of challenges, the AFFIN Group will focus on leveraging on synergistic partnerships on a Group-wide scale while capitalising on strategic external alliances.

**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, asset 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 2015, the Group's unaudited paid-up capital stood at RM1.9 billion, while the Group's shareholders' fund was at RM8.3 billion.**

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