

## AFFIN PROFIT UP BY 49.8%

**KUALA LUMPUR, August 29, 2007** – With continued improved performance of its flagship bank as well as enhanced contribution from its investment banking group, AFFIN Holdings Berhad (AFFIN Holdings or the Group) is poised to record positive growth in its current financial year.

For its second quarter ended June 30, 2007, the Group recorded an unaudited pre-tax profit of RM108.9 million compared to the pre-tax profit of RM72.7 million recorded in the corresponding quarter last year. This marks a 49.8% or RM36.2 million increase in pre-tax profit quarter-on-quarter.

On a cumulative basis, the Group's unaudited pre-tax profit increased by 39.2% to RM197.7 million compared to a pre-tax profit of RM142.0 million registered in the first six months of the last financial year.

Earnings per share for the quarter under review was 5.68 sen, while net tangible assets per share was RM2.03.

YBhg. Tan Sri Dato' Lodin Wok Kamaruddin, Managing Director of AFFIN Holdings Berhad, said, "It has been a good first half of the year for us. We have seen double digit growth and our emphasis on strengthening contribution from Islamic banking is indeed bearing much fruit."

"Our earnings coupled with our aggressive management of non-performing loans and our improving operational efficiencies have been well accepted by the investment community to the extent that AFFIN Bank's credit rating has been upgraded by Rating Agency Malaysia Bhd and Fitch Ratings Singapore.

For the quarter ended June 30, 2007, AFFIN Bank recorded an unaudited pre-tax profit of RM105.8 million, which was an improvement of 33.4% or RM26.5 million compared to the preceding year's corresponding quarter. For the 6 months ended June 30, 2007, AFFIN Bank reported a higher pre tax profit of RM177.0 million as compared to RM143.4 million for the same period last year. This positive results was mainly due to the increase in Islamic banking income of RM20.7 million and other operating income of RM12.4 million. Additionally, lower impairment loss on securities and a lower non-performing loan provision by RM9.9 million and RM9.4 million respectively also positively impacted the Bank's bottom-line.

For the quarter under review, AFFIN Investment Bank Berhad (AFFIN Investment) posted a higher unaudited pre-tax profit of RM20.1 million compared to RM2.7 million reported in the preceding year's corresponding quarter. AFFIN Investment's unaudited pre-tax profit of RM43.3 million was RM28.9 million higher than the pretax profit of RM14.4 million achieved in the first six months of the last financial year.

The investment banking group's performance was mainly attributable to the increase in fee-based income and investment income of RM42.0 million and RM6.3 million respectively. Stockbroking operations also contributed RM19.2 million to AFFIN Investment's pre-tax profit for the period under review.

Due to the increase in net brokerage income, AFFIN Moneybrokers Sdn Bhd posted a higher pre-tax profit of RM517,000 for the financial quarter ended June 30, 2007 compared to RM275,000 for the same quarter last year. Cumulatively, the company recorded an unaudited pre-tax profit of RM1.0 million in the first six months of this financial year.

"We are confident the next six months will also bode well for us. With our very strong and skilled management team, we look forward to exploring opportunities to grow our brand appeal for our various divisions," YBhg. Tan Sri Dato' Lodin concluded.

**AFFIN Holdings Group is a major home-grown financial services conglomerate. The Group's activities focus on the provision of commercial, islamic 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 June 30, 2007 the Group's paid-up capital stands at RM1.280 billion, while the Group's shareholders' funds as of June 30, 2007 stood at RM3.641 billion.**

-ends-

Issued on behalf of: <b>AFFIN Holdings Berhad</b> By: acorn communications sdn bhd For further information, please contact Michael Poh at 012 395 5202 or Brenda James at 06 6203 3966 Or email: <a href="mailto:acornco@po.jaring.my">acornco@po.jaring.my</a>
---