

## **NEWS RELEASE**

### **AFFIN's Third Quarter PBT Jumps 44.9%**

**KUALA LUMPUR, November 18, 2011** – AFFIN Holdings Berhad (AFFIN) continues to deliver impressive gains for its 2011 financial year. In its third quarter ended 30 September 2011, AFFIN reported a higher profit before tax of RM216.2 million. This marked an impressive 44.9% increase compared with RM149.2 million registered in the corresponding quarter of the previous financial year. The Group's nine-month cumulative profit before tax was also 11.2% higher at RM534.5 million compared with RM480.8 million for the same period last year. Revenue grew by 13.8% to RM680.1 million for the quarter under review compared with RM597.8 million recorded in the same quarter last financial year. Cumulatively, AFFIN posted total revenue of RM2.0 billion compared with RM1.7 billion in the corresponding period last year, marking a 18.0% increase.

#### **Highlights of AFFIN's financial performance for the nine months ended 30 September 2011:**

	<b>9MTH 2011 (RM)</b>	<b>9MTH 2010 (RM)</b>	<b>%</b>
<b>Revenue</b>	<b>1,950.4m</b>	<b>1,652.5m</b>	<b>18.0</b>
<b>Net Interest Income</b>	<b>646.0m</b>	<b>630.9m</b>	<b>2.4</b>
<b>Islamic Banking Income</b>	<b>146.7m</b>	<b>133.3m</b>	<b>10.1</b>
<b>Other Operating Income</b>	<b>228.4m</b>	<b>247.8m</b>	<b>(7.8)</b>
<b>Profit before Tax</b>	<b>534.5m</b>	<b>480.8m</b>	<b>11.2</b>
<b>Net Profit after Tax</b>	<b>375.5m</b>	<b>362.1m</b>	<b>3.7</b>
<b>EPS (sen)</b>	<b>25.12</b>	<b>24.23</b>	<b>3.7</b>
<b>Net Assets per Share</b>	<b>3.74</b>	<b>3.46</b>	<b>8.1</b>

The Group's improved profit for the nine months ended 30 September 2011 was attributed to the net interest income and Islamic banking income growing by RM15.1 million and RM13.4 million respectively as well as the write back of allowance for loan impairment of RM 24.2 million as compared to a charge of RM 61.9 million in the previous year. The net interest income increased to RM646.0 million as compared to RM630.9 million for the same period last year, marking a 2.4% increase.

The annualised returns on equity (ROE) and returns on assets (ROA) for the nine months were 9.3% and 1.0% respectively.

The Board has proposed a gross interim dividend of 12.0 sen per share (less tax) for the financial year ending 31 December 2011.

### **Highlights of 3QFY2011 performance against 3QFY2010**

Earnings per share (EPS) for the quarter under review was 9.05 sen, an increase of 17.5% compared with the previous year's corresponding quarter of 7.70 sen. As at 30 September 2011, net assets per share was RM3.74 [31 December 2010: RM3.48].

YBhg. Gen (R) Tan Sri Dato' Seri Mohd Zahidi bin Hj. Zainuddin, Chairman of AFFIN said, "We have certainly delivered a strong 3<sup>rd</sup> quarter results exceeding our expectations and we are on track to register another good year with positive growth. This is testament to the Group's strength and diversity of our business model in the financial services sector."

### **Loan and deposit growth**

AFFIN's gross loan increased by a strong annualised growth rate of 12.9% for the nine month period. The Group's customer deposits expanded by 16.9% as compared to the previous financial year. The loan-to-deposit ratio was stable at 77.0% as at 30 September 2011 compared with 80.6% as at 30 June 2011.

## **Continued improvement in asset quality**

AFFIN's gross impaired loans ratio and net impaired loan ratio improved from 3.29% to 3.19% and 1.64% to 1.49% respectively in the third quarter 2011, well within the industry average. The impaired loan loss reserve stood at 69.7% as at 30 September 2011 as compared to 65.6% in the second quarter of 2011.

## **Capital adequacy**

The core capital ratio and risk-weighted capital ratio were healthy at 11.26% and 13.28% respectively as at 30 September 2011.

## **Highlights of key operating units within AFFIN**

AFFIN Bank Berhad continues to be the main contributor to the Group's earnings, recording a higher cumulative pretax profit of RM448.5 million compared with RM392.7 million for the same period last year. This was mainly attributable to higher net interest income and Islamic banking income as well as a write-back of allowance for loan impairment.

AFFIN Investment Bank Berhad (AIBB) recorded a profit before tax of RM41.5 million for the quarter under review, an impressive 92.1% growth from the preceding quarter, with positive contribution from brokerage income and investment income. For the nine months ended 30 September 2011, AIBB registered a 17.0% increase in profit before tax of RM80.4 million compared to the same period last year of RM68.7 million. The better performance was recorded on the back of higher fee income, brokerage income and investment income, as well as write-back of losses on loans, advances, financing and securities.

For the nine months ended 30 September 2011, AFFIN Moneybrokers Sdn Bhd recorded an increased pretax profit of RM2.8 million compared with RM1.3 million for the same period last year.

AXA-AFFIN Life Insurance Berhad registered a lower pretax loss of RM4.7 million for the nine months ended 30 September 2011 compared with a pretax loss of RM8.6 million for the same period last year, marking a 45.3% improvement. This was mainly attributable to the recognition of lower pretax deficit from Life Fund Revenue Accounts, net of lower gain on disposal of investment securities and higher overhead expenses.

As for AXA-AFFIN General Insurance Berhad, the company reported a lower pretax profit of RM10.1 million compared with RM28.6 million achieved last year. The increase in earned premium and investment income of RM61.1 million and RM6.0 million respectively were not sufficient to offset the increase in net claims, overhead expenses and net commission incurred.

## **Group Prospects**

“With the stage set for the Group to achieve greater heights of success, we are optimistic of the Group’s ability to achieve yet another impressive performance in the next quarter,” YBhg. Gen (R) Tan Sri Dato’ Seri Mohd Zahidi bin Hj. Zainuddin concluded.

**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 30 September 2011, the Group’s unaudited paid-up capital stood at RM1.5 billion, while the Group’s shareholders’ fund was at RM5.6 billion.**

-ends-

Issued on behalf of: <b>AFFIN Holdings Berhad</b> By: <b>acorn communications sdn bhd</b> For more information, please contact <b>Natalia Ghani</b> at <b>012 231 4782</b> or <b>Elizabeth Foo</b> at <b>03 7958 8348</b> E-mail: <a href="mailto:acorncommunications@acornco.com.my">acorncommunications@acornco.com.my</a>
--