



NEWS RELEASE

AFFIN ENDED FY2011 WITH ANOTHER RECORD PRE TAX PROFIT OF RM 709.1 MILLION

KUALA LUMPUR, February 20, 2012 – AFFIN Holdings Berhad (AFFIN) delivered its best ever performance so far for the financial year ended 31 December 2011, registering another record profit before tax (PBT) of RM709.1 million compared with RM637.5 million in the previous financial year, which was a RM76.1 million or 11.2% increase. This was achieved on the back of a turnover of RM2.7 billion compared with RM2.3 billion in 2010. Profit after tax (PAT) achieved was RM508.0 million compared with RM488.6 million in 2010.

The Group registered a PBT of RM174.7 million in the 4th quarter 2011 against RM156.7 million in the corresponding quarter last year, marking an increase of 11.5%.

Highlights of AFFIN's financial performance for financial year ended 31 December 2011

	FYE 2011 (RM)	FYE 2010 (RM)	%
Revenue	2,660.2m	2,273.0m	17.0
Net Interest Income	869.6m	839.9m	3.5
Islamic Banking Income	198.9m	177.8m	11.9
Other Operating Income	313.1m	347.7m	(10.0)
Profit before Tax	709.1m	637.5m	11.2
Net Profit after Tax	508.0m	488.6m	4.0
EPS (sen)	33.99	32.70	3.9
Net Assets per Share (RM)	3.74	3.48	7.5

The Group's improved profit during the financial year was primarily due to increase in net interest income and Islamic banking income totalling RM50.9 million. Cumulatively, net interest income increased to RM869.6 million from RM839.9 million while Islamic Banking Income increased to RM198.9 million from RM177.8 million as compared to last year.

Earnings per share (EPS) improved to 33.99 sen compared with 32.70 sen in the previous year, while net assets per share grew to RM3.74 as at 31 December 2011 from RM3.48 last year. The return on equity (ROE) and return on assets (ROA) for the financial year 2011 were 9.4% and 1.0 % respectively.

YBhg. Gen (R) Tan Sri Dato' Seri Mohd Zahidi Bin Hj. Zainuddin, Chairman of AFFIN Holdings Berhad, said, "The results achieved in the financial year 2011 are encouraging, given that we are registering consistent growth and improvements in our operations. One of the contributing factors is that we have improved the quality of our customer service while undertaking efforts to keep the costs to a minimum."

Loan and deposit growth

AFFIN's gross loan outstanding increased by a growth rate of 14.4% for financial year 2011, while the Group's customer deposits grew by 18.9% from last year. The loan-to-deposit ratio was stable at 79.0% as at 31 December 2011 compared with 82.1% in the previous financial year.

Continued improvement in asset quality

AFFIN's gross impaired loans ratio improved to 2.8% from 3.6% as at end 2010 and was well within the industry average. The impaired loan loss reserve improved to 72.8% from 59.7% last year.

Capital adequacy

The core capital ratio and risk-weighted capital ratio were healthy at 10.9% and 12.8% respectively as at 31 December 2011.

Highlights of key operating units within AFFIN

The primary driver of the Group's improved earnings was AFFIN Bank Berhad (ABB) Group, registering a PBT of RM164.6 million for the quarter under review as compared to RM129.2 million for the same quarter last year. For the full financial year, ABB Group recorded a PBT of RM613.1 million compared to RM521.9 million registered in the previous financial year, representing a 17.5% increase. The strong performance was attributable to reduction in allowances for impairment of loans and securities of RM82.7 million and RM7.0 million respectively as well as higher net interest income and Islamic banking income.

AFFIN Islamic Bank Berhad, the subsidiary of ABB also performed admirably with a pre tax profit of RM74.9 million in the financial year, an improvement of RM28.4 million or 61.1% as compared to RM46.5 million achieved last year.

AFFIN Investment Bank Group registered a 2.1% increase in Profit Before Taxation at RM88.9 million (after provision for a one-off historical exceptional item of RM9.4 million). Investment Income increased by 30.0% from RM18.1 million in 2010 to RM23.5 million in 2011. This increase was however offset by lower brokerage income due to decline in the average gross brokerage yields. Net impaired loan ratio improved to 0.75% and loan loss coverage stood at 132.84%.

AFFIN Moneybrokers Sdn Bhd recorded a higher pre-tax profit of RM3.3 million compared with RM1.8 million last year, an increase of 83.3%.

For the financial year ended 31 December 2011, AXA AFFIN Life Insurance registered a pre tax loss of RM5.3 million as compared to a pre tax profit of RM2.8 million achieved last year, mainly due to higher deficit of Life Fund Revenue Accounts, lower gain on disposal of investment securities and higher overhead expenses.

AXA-AFFIN General Insurance reported a lower pre-tax profit of RM16.7 million for financial year 2011 as compared to a pre-tax profit of RM44.3 million last year as the increase in both earned premium and investment income were not sufficient to cushion the increase in net claims, overhead expenses and net commission incurred.

Group Prospects

“Despite the turbulent economic climate, we are optimistic of the Group’s performance for the new financial year given the strong results achieved in the financial year 2011. The Group looks forward to maintaining this improving trend and will continuously explore opportunities to further strengthen our presence in the financial services sector.” concluded YBhg Tan Sri Zahidi.

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

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