

AFFIN RECORDS RM252 MILLION IN PROFIT

KUALA LUMPUR, February 29, 2008 – AFFIN Holdings Berhad (AFFIN) delivered yet another year of positive growth as it recorded a profit after tax of RM251.77 million for the year ended December 31, 2007. This was a 10.95% improvement compared to the previous year's profit after tax of RM226.92 million.

During the year under review, earnings per share was 19.11 sen [2006: 18.48 sen] while net assets per share was RM2.85 [2006: RM2.78].

YBhg. Tan Sri Dato' Lodin Wok Kamaruddin, Managing Director, AFFIN Holdings Berhad, said, "The Group's bank related entities, namely AFFIN Bank Berhad, AFFIN Investment Bank Berhad and AFFIN Islamic Bank Berhad, continues to contribute positively to the Group's overall bottom-line in 2007."

"This is a clear reflection of the success of the Group's on-going commitment to transform the AFFIN brand into one of the more significant participants in the country if not the region's banking sector."

Despite having to meet Bank Negara Malaysia's request for additional specific allowance for NPLs age 5 to 7 years, which amounted to RM226.5 million, AFFIN Bank Berhad posted a profit after tax of RM232.45 million. This was an improvement of 16.72% compared to last year's profit of RM199.16 million.

"AFFIN Bank's performance was a result of its commitment to stay on course to further enhance operational efficiencies and reduce non-performing loans (NPL) ratio."

In tandem with its improved position, AFFIN Bank embarked on a rebranding initiative in 2007 to effectively position itself as a medium-sized bank of prominence based on the brand promise of "*Banking without Barriers*".

AFFIN Investment Bank Berhad, which is now a one-stop investment Group after undergoing a consolidation of AFFIN's stock broking, fund management and merchant banking entities, recorded a profit after tax of RM44.63 million for the year ended December 31, 2007.

AFFIN Islamic Bank Berhad (AFFIN Islamic), which was established in April 2006, registered an encouraging profit after tax of RM39.44 million. The Islamic banking segment of the AFFIN Group recently obtained the right to establish its own International Currencies Business Unit from Bank Negara Malaysia, which would ultimately pave the way for this segment to grow further in terms of product offerings and reach in the foreseeable future.

“Over the last two years, we have taken pro-active and decisive steps to streamline our businesses and re-align our core focus areas in order to remain relevant in the fast changing banking and financial landscape in our country.”

“On this score, we have recently received Bank Negara Malaysia’s approval for the formation of AFFIN Banking Group, in which our three core banking entities, namely AFFIN Bank Berhad, AFFIN Investment Bank Berhad and AFFIN Islamic Bank Berhad will be structured under AFFIN Capital Sdn Bhd, a wholly-owned subsidiary of AFFIN Holdings Berhad.”

“Once completed, this internal restructuring exercise would strategically position the AFFIN Group as a universal banking entity providing a comprehensive and seamless range of products and services. Further, we expect Bank of East Asia’s strategic stake in the AFFIN Group will also enable the bank to tap opportunities within the region,” YBhg. Tan Sri Dato’ Lodin 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 December 31, 2007 the Group’s paid-up capital stood at RM1.47 billion, while the Group’s shareholders’ funds was at RM4.24 billion.

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