

*NEWS RELEASE*

## AFFIN RECORDS STRONGER PROFITS

**KUALA LUMPUR, November 18, 2008** – Resilient while managing with prudence and foresight, AFFIN Holdings Berhad (AFFIN) recorded a profit before tax of RM75.2 million for the third quarter ended 30 September 2008. The cumulative profit before tax for nine months was RM288.7 million as compared to the corresponding period for the last financial year of RM282.4 million.

For the nine-months under review, earnings per share was 3.61 sen as compared to the previous year's corresponding period of 4.67 sen while net assets per share was RM2.93 as at September 30, 2008 [September 30, 2007 : RM2.88]

YBhg. Gen (R) Tan Sri Dato' Seri Mohd Zahidi Bin Hj. Zainuddin, Chairman of AFFIN Holdings Berhad, said, "These are trying times and as an integrated financial Group of our nature, we are glad to have recorded an increase in the cumulative profit before tax compared to last year. Obviously market volatility would have a bearing on us as we move forward."

"However, we have managed these nine months with increases in our net interest income, Islamic banking income and further reductions in impairment loss on securities and finance cost. We will rise to the occasion and continue on this strategy."

"Notwithstanding the current landscape and keeping grounded to its core business, AFFIN Bank Berhad has successfully recorded a higher profit before tax of RM317.6 million for the period ended September 30, 2008 as compared to RM259.3 million for the preceding year's corresponding period. The Bank's encouraging growth for the first nine months of this year was due to increases in net interest income, Islamic banking income and other operating income along with reduction in loan loss provision" he added.

Due to a higher loan loss provision for its legacy non-performing loans aged five to seven years and the drop in other operating income in line with the prevailing bearish market condition, AFFIN Investment Bank Berhad registered a pre-tax loss of RM22.6 million for the nine months ended September 30, 2008.

The Group's insurance provider, AXA-AFFIN General Berhad posted a higher profit before tax of RM5.9 million for the quarter under review but its nine months profit before tax of RM23.6 million was lower as compared to RM43.5 million for the preceding year's corresponding period.

AFFIN Moneybrokers posted a higher profit before tax of RM1.7 million as compared to the preceding year's corresponding period of RM1.5 million.

"As a Group, we are looking forward to continue servicing our customers in these trying economic times and at the same time, we will increase our efforts to serve in the best interest of our shareholders," YBhg. Gen (R) Tan Sri Dato' Seri Mohd Zahidi 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 2008 the Group's unaudited paid-up capital stood at RM1.49 billion, while the Group's shareholders' funds was at RM4.4 billion.**

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