

## ***NEWS RELEASE***

### **AFFIN Maintains Growth Momentum**

**KUALA LUMPUR, November 19, 2012** – On track to realise positive growth in its current financial year, AFFIN Holdings Berhad's (AFFIN) continues to enhance shareholders' value with the notable gains it has delivered for the first nine months of the 2012 fiscal year. AFFIN reported an improved profit before tax (PBT) of RM621.3 million for the cumulative nine months period compared with RM534.5 million registered for the corresponding period previous year, signifying an increase of 16.3%. The Group's profit after tax also grew by 24.8% to RM 468.6 million from RM375.5 million recorded for the nine months period previous year. Cumulatively, AFFIN posted a total revenue of RM 2.2 billion compared with RM2.0 billion in the corresponding period previous year, marking a 14.1% increase.

The Group registered a slightly lower PBT of RM211.9 million for the third quarter of 2012 compared with the RM216.2 million recorded in the corresponding quarter of the previous financial year.

The Group's profit growth for the nine months period was mainly due to the increase in other operating income, net interest income and Islamic banking income as well as higher share of profit in the associate company, higher write back of allowances for impairment of securities net of higher overhead expenses and finance cost.

**Highlights of AFFIN's financial performance for the nine months ended 30 September 2012 are as follows: -**

RM' million

	9MTH 2012	9MTH 2011	%
Revenue	2,228.6	1,953.6	14.1
Net Interest Income	677.5	652.3	3.9
Islamic Banking Income	146.5	140.4	4.3
Other Operating Income	309.5	228.4	35.5
Profit before Tax	621.3	534.5	16.2
Net Profit after Tax	468.6	375.5	24.8
EPS (sen)	31.35	25.12	24.8
Net Assets per Share (RM)	4.05	3.74	8.3

For the nine months period ended 30 September 2012, earnings per share increased by 24.8% to 31.35 sen compared with 25.12 sen for the corresponding period previous year, Meanwhile, net assets per share was RM 4.05 as at 30 September 2012 (RM3.74 as at 31 December 2011).

The annualised returns on equity (ROE) and returns on assets (ROA) for the nine months under review were 10.7% and 1.2% respectively.

YBhg Gen (R) Tan Sri Dato' Seri Mohd Zahidi bin Hj. Zainuddin, Chairman of AFFIN, said, "Our results for the third quarter this year is encouraging, a reflection of the strategic initiatives that we have put in place for the financial year under review. Based on our nine months results, we are very confident of achieving our targets and another year of growth for the Group."

**Loan growth**

AFFIN reported a solid annualised growth rate of 11.1 % for its gross loan outstanding for the nine months period under review. Meanwhile, loan-to-deposit ratio remained firm at 81.1 % as at 30 September 2012 (81.6% as at 30 June 2012).

### **Asset quality**

The Group registered a 0.12% improvement in gross impaired loans ratio to 2.43% from 2.55% as at 30 June 2012. Meanwhile, impaired loan loss coverage stood at 70.7% compared with 68.3% as at end June 2012.

### **Capital adequacy**

The core capital ratio and risk-weighted capital ratios remained sturdy at 11.6% and 14.4 % as at 30 September 2012 respectively.

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

The primary driver of the Group's improved earnings was once again AFFIN Bank Berhad Group, registering a higher PBT of RM521.0 million for the nine months under review compared with RM448.5 million recorded in the same period previous year. The strong performance was attributable to an increase in other operating income, net interest income and Islamic banking income totalling RM 84.9 million.

AFFIN Investment Bank Berhad (AIBB) Group registered a PBT of RM69.3 million compared with RM80.4 million for the same period of the preceding year. The current year's PBT was achieved on the back of a higher operating income of RM63.5million compared to RM60.1 million for the same period last year where AIBB recorded significant improvements in its investment and fee income lines. The net recovery of losses on loan, advances, financing and securities of RM5.9 million however, was lower than the RM20.3 million recorded in the corresponding period in the preceding year.

AFFIN Fund Management Berhad, a wholly-owned subsidiary of AIBB, registered a higher PBT of RM7.4 million compared with RM5.6 million recorded in the corresponding period of the previous year where its Assets Under Management exceeded RM1 billion.

Cumulatively for the nine months period under review, AFFIN Moneybrokers Sdn Bhd recorded a lower PBT of RM2.2 million compared with RM2.8 million achieved for the same period previous year mainly due to lower net brokerage income and higher overhead expenses.

AXA AFFIN Life Insurance Berhad (AALIB) registered a lower loss before tax of RM0.5 million for the period ended September 2012 as compared with the loss before tax of RM5.2 million recorded in the same period the previous year. This was primarily due to improved performance of the Non-Participating Fund (NPF) as a result of the overall growth in the regular premium business. Included in AFFIN's share of results in AALIB of RM 0.7 million for the current financial period was an adjustment of RM 0.8 million on over-recognition of Group's share of loss in the AALIB for the previous financial year.

AXA AFFIN General Insurance Berhad (AAGIB), a 33.6% associate of AFFIN, performed well delivering a significant 791% jump in PBT to RM90.0 million from RM10.1 million for the same period of its previous financial year. This strong result was mainly due to an increase in earned premium as well as investment income of RM126.9 million and RM5.6 million respectively, net of higher net claims of RM48.2 million and net commission incurred of RM6.5 million. Also incorporated in AFFIN's share of results in AAGIB of RM25.2 million for nine months period ended 30 September 2012 was an adjustment of RM2.5 million on under-recognition of Group's share of profit in AAGIB for the previous financial year.

### **Group Prospects**

"We are fully cognisant of the current external economic environment, nevertheless, we are confident that the domestic economy still holds much upside for us. We trust that with our strong financial position, talented work force and commitment to meet challenges, we will continue our growth streak in order to deliver higher returns to our shareholders." 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 30 September 2012, the Group's unaudited paid-up capital stood at RM 1.5 billion, while the Group's shareholders' fund was at RM 6.1 billion.**

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