



media release

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29 MAY 2020

AFFIN Bank Group reports a PBT of RM174.3 million for first quarter ended 31 March 2020

Highlights of Group results for first quarter 2020

Overall Group Performance

AFFIN Bank Group (“the Group”) recorded a Profit Before Tax (“PBT”) of RM174.3 million for the first quarter ended 31 March 2020, as compared to RM185.0 million for the same quarter of previous year. PBT was slightly lower due to higher allowance for impairments as a pre-cautionary measure due to potential economic impact of the present COVID-19 environment. Loan loss reserve (including Regulatory Reserve) stood at 96.14% as at the end of 1Q2020 (1Q2019 : 97.39%).

Earnings per share (“EPS”) for 1Q2020 was 6.22 sen (1Q2019: 6.94 sen). Net assets per share was RM4.62 as at 31 March 2020 (31 December 2019: RM4.81) while the Group’s shareholders equity stood at RM9.2 billion (31 December 2019: RM9.4 billion).

Encik Wan Razly Abdullah Bin Wan Ali, Group Chief Executive Officer of Affin Bank Berhad (“AFFINBANK”) said, “With the present COVID-19 environment, the Group is providing temporary financial relief to support our customers which are impacted to get them through this difficult period. We are providing our SME and Corporate Customer comprehensive financial advice on their financials commitments during this phase.

“The first quarter has seen us strengthening our businesses infrastructure. We are committed to deliver superior products and services to our customers despite the challenging operating environment. With the present Conditional Movement Control Order (“CMCO”), we are using robust digital platforms to continue providing relevant customer services to all key stakeholders. We are accelerating our digital readiness and encourage our customers to use our new Retail and Corporate Internet Banking platforms to manage their banking transactions online. We are on a fast-track transformation journey to provide our customers an elevated platform and improved Customer Experience”.



Summary of Group results for first quarter ended 31 March 2020

	3-Months Ended		YoY Variance	
	31/03/2020 RM '000	31/03/2019 RM'000	RM'000	%
Net Interest Income	173,432	188,383	(14,951)	(7.9)
Income from Islamic Banking business	119,671	97,395	22,276	22.9
Other operating income	337,272	186,738	150,534	80.6
Net Income	630,375	472,516	157,859	33.4
Other operating expenses	(332,049)	(304,322)	27,727	9.1
Operating profit before allowances	298,326	168,194	130,132	77.3
Writeback of /(allowances for) credit impairment losses and other assets	(118,108)	9,860	(127,968)	(>100%)
Operating Profit	180,218	178,054	2,164	1.2
Profit before Tax	174,289	184,976	(10,687)	(5.8)
Net Profit	129,105	143,745	(14,640)	(10.2)
Profit attributable to equity holders of the Bank	123,569	137,231	13,662	10.0
Earnings per share (EPS) - Sen	6.22	6.94	(0.72)	(10.4)

Net Interest Income

Net interest income reduced by RM15.0 million or 7.9% in line with the reduction in Financial Investments by RM692.2 million and gross loans, advances and financing by RM477.5 million in 1Q2020.

Other Operating Income

The Group posted a higher other operating income of RM337.3 million, an increase of RM150.5 million or 80.6% QoQ amid the challenging external environment. The net gains on financial instruments and fee-based income were higher by RM136.1 million and RM14.5 million respectively.

Operating expenses

The Group's operating expenses increased by 9.1% or RM27.7 million mainly due to higher personnel costs. Nevertheless, the cost to income ratio improved significantly to 52.7% from 64.4% in 1Q2019.

Loan Growth

For 1Q2020, the Group's total gross loans, advances and financing reduced 6.2% YoY to RM45.5 billion due to the restructuring of loan portfolio, focusing on Consumer and SME Banking business. SME banking has grown 2.4% YoY to RM4.2 billion.



Asset Quality

As at 1Q2020, the Gross Impaired Loan (“GIL”) ratio for the Group reduced to 3.11% from 3.31% as at 1Q2019. Meanwhile, the Loan Loss Reserve was stable at 96.14%.

Deposit & Liquidity Position

In line with the reduction in gross loans, advances and financing, the Group’s customer deposits has also been rebalanced by 16% YoY to RM48 billion as at 1Q2020, shifting away from high cost fixed deposit and focusing on retail deposits. The Bank has recorded steady growth in CASA of 3.4% YoY to RM9.1 billion.

The Loan-to-Fund ratio was stable at 82.5% as at 1Q2020 as compared to 79.4% as at 1Q2019. Meanwhile the Loan-to-Fund and Equity ratio stood at 71.4% (1Q2019: 70.4%).

As at 1Q2020, the Group’s Liquidity Coverage ratio (“LCR”) remain stable at 141.7% while the Group’s Net Stable Funding ratio (“NSFR”) improved to 114.3%.

Capital Adequacy Ratios

The Common Equity Tier 1 (“CET 1”) and Total Capital ratios of all the banking entities in the Group as at 31 March 2020 remain strong, a testament to the Group’s financial strength. The capital ratios of AFFIN Bank Group as at 1Q2020 are as follows: -

CET 1	14.25%
Total Capital	23.11%

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For media enquiries, kindly contact the Corporate Communications Department at head.corpcomm@affinbank.com.my or call 03-2055 9034.

About Affin Bank Berhad

Affin Bank Berhad is the financial holding company of Affin Islamic Bank Berhad, Affin Hwang Investment Bank Berhad, Affin Moneybrokers Sdn Bhd and AXA AFFIN Life Insurance Berhad, whereas AXA AFFIN General Insurance Berhad is an associate company of Affin Bank Berhad.

Affin Bank Berhad (AFFINBANK) provides a suite of financial products and services that is catered to both retail and corporate customers. The target business segments are categorised under key business units such as Consumer Banking, SME Banking, Corporate Banking and Treasury.

Our tagline of "Banking Without Barriers" signifies the removal of boundaries within the processes of the Bank as well as its attitude in servicing its customers. The latter means reaching out to the customers, improving relationships with them, making each one of them feel privileged and enhancing a new approach to banking and changing the face of conventional banking.

AFFIN Bank Group also provides Islamic banking products and services via its Islamic banking subsidiary Affin Islamic Bank Berhad (AFFIN ISLAMIC). AFFIN ISLAMIC commenced operations on 1st April 2006 as a full-fledged Islamic bank and offers a complete range of Islamic Banking products and services for individuals and corporates which are in compliance with Shariah principles and laws.

As at 31 March 2020, AFFINBANK and AFFIN ISLAMIC have a network of 110 branches in Malaysia. For more information, log on to www.affinbank.com.my or www.affinislamic.com.my, or visit any of AFFINBANK or AFFIN ISLAMIC branches nationwide.