

media release

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AFFIN BANK GROUP REPORTS A PROFIT BEFORE TAX OF RM108.2 MILLION IN 1Q2021

Highlights on Financial Performance

AFFIN Bank Berhad (ABB) Group recorded a profit before tax after zakat (PBT) of RM108.2 million for the first quarter ended 31 March 2021, lower by RM66.1 million or 37.9% as compared to RM174.3 million recorded in the same quarter of previous year. The lower PBT was attributed largely to lower gains from treasury assets compared to the previous year and additional provision overlays due to the prolonged Covid-19 pandemic. This was cushioned by higher net interest income and income from Islamic banking business which grew by 11.1% and 7.7% respectively.

The President & Group Chief Executive Officer, Datuk Wan Razly Abdullah bin Wan Ali said “ABB Group is mindful of the on-going downside risks due to the pandemic that could pose disruptions to the banking business. Prudent risk management practices and cost containment measures will remain on the Group’s business strategy so that the Group can continue to withstand the uncertainties and respond appropriately to any changes to the operating environment. The Group will also ensure its capital position is strong to safeguard the Group from any financial distress caused by the pandemic”.

Net Interest Income

Net interest income increased by RM19.2 million or 11.1 % to RM192.6 million as compared to the same quarter of previous year of RM173.4 million, mainly attributable to improved Net Interest Margin backed by an increase in the overall CASA composition and reduction of Cost of Funds. At the end of March 2021, the CASA ratio improved to 23.11% as compared to 17.95% a year ago, an increase of 5.16%.

Income from Islamic Banking Business

Income from Islamic Banking business grew by 7.7% YoY to RM128.9 million primarily due to higher net profit income and lower allowance for impairment losses.

Non-Interest Income

The Group posted lower other operating income of RM216.1 million, a reduction of RM115.6 million or 34.9% YoY due to lower net gains on financial instruments of RM162.7 million. However, this was partly offset by higher Bank fee-based income which grew 84.1%YoY to RM39.6 million.

Operating expenses

Operating expenses recorded an increase of 4.3% YoY to RM340.5 however this is lower QoQ as the Bank embarks on cost saving initiatives (Energy Savings, Reducing Paper Usage, controlling IT spend). However, the cost to income ratio increased to 63.33% in 1Q2021 against 52.25% in 1Q2020 due to the lower revenue from capital markets.

Loan and Deposits Growth

As at 31 March 2021, the Group's total loans, advances and financing grew by 3.3% YoY to RM47.0 billion, contributed mainly from 7.4% growth in the Community Banking segment. Mortgages grew by 9.0%, while Hire Purchase loans rose by 4.9%. On the Bank's deposit, its CASA (Current Account Savings Account) grew 28.6% YoY to RM11.7 billion resulting in significant improvement in CASA ratio from 17.95% in 1Q2020 to 23.11% in 1Q2021. The Group's customer deposits stood at RM50.6 billion.

The Bank continues to engage with customers that has been impacted by Covid-19 pandemic through its Repayment Assistance Program, which has recently been extended to 31 December 2021.

Asset Quality

As at 31 March 2021, the Gross Impaired Loan ratio for the Group was 3.41% against 3.11% as at 31 March 2020.

Capital Adequacy Ratios

The Group's Total Capital ratio is strong at 21.27% and CET1 at 13.80% at the end of reporting period, a testament to the Group's capital strength.

Earnings Per Share and Net Assets Per Share

Earnings per share for 1Q2021 was 3.31 sen [1Q2020: 6.22 sen]. Net assets per share was RM4.45 as at 31 March 2021 [31 March 2020: RM4.62] while the Group's shareholders equity stood at RM9.3 billion [31 March 2020: RM9.2 billion].

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About Affin Bank Berhad

AFFIN Bank Berhad (AFFIN BANK) is the financial holding company of AFFIN Islamic Bank Berhad (AFFIN ISLAMIC), 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.

AFFIN BANK 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 Community Banking, Enterprise Banking, Corporate Banking and Treasury.

Our tagline of “Always about you” signifies that we strive to always connect and engage with our customers, to understand their changing needs and aspirations better. It represents our passion and commitment to the community we operate in, enabling us to quickly respond to changes and provide a personalised experience.

AFFIN Bank Group also provides Islamic banking products and services via its Islamic banking subsidiary, 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 2021, AFFIN BANK and AFFIN ISLAMIC have a network of 111 branches in Malaysia. For more information, log on to www.affinbank.com.my or www.affinislamic.com.my, or visit any of AFFIN BANK or AFFIN ISLAMIC branches nationwide.