
**AFFIN GROUP POSTS PROFIT BEFORE TAX OF RM180.9 MILLION FOR 1Q2026
ENDED 31 MARCH 2026**

KUALA LUMPUR – AFFIN Group (“AFFIN” or “the Group”) reported a Profit Before Tax (PBT) of RM180.9 million for the financial period ended 31 March 2026 (1Q2026), representing an increase of RM2.7 million or 1.5% compared to RM178.2 million recorded in the previous financial period (1Q2025). The increase in PBT was primarily attributed to a higher net income by RM110.5 million, partially offset by a higher operating expense by RM31.6 million, a higher allowance for impairment losses of RM60.2 million and a lower share of results from associates of RM16.0 million.

Gross loans and financing marked a year-on-year growth of 12.6%, achieving a value of RM82.1 billion, compared to RM72.9 billion as at 31 March 2025. Customer deposits increased by 3.5% to RM78.1 billion. Group’s total asset base has expanded to RM125.7 billion, driven primarily by this continued growth in the loan and financing portfolio.

Datuk Wan Razly Abdullah, President & Group Chief Executive Officer of AFFIN Group, said, “AFFIN Group’s first-quarter performance remained steady, demonstrating resilience as the domestic banking sector adapts to persistent global supply and demand pressures. Our base view is that the ongoing global conflict will persist until mid-year, after which oil prices are expected to begin normalising. Trade and commerce are also expected to gradually return to normal in the second half of the year.”

“The issuance of RM500 million AT1CS in May received strong investor interest and was two times oversubscribed. This Tier-1 capital will strengthen the Group’s capital position and improve its total capital ratio by 50 basis points. This is a prudent move given the current global uncertainty.”

“The Group is evolving its Corporate Banking business into a Wholesale Banking model by combining Corporate, Treasury, and strengthened Investment Banking capabilities. We expect market volatility to give rise to deal-making opportunities that this new, enhanced business model has a strong chance to capture.”

“We are increasing our monitoring of customers who may be affected by the ongoing conflict in the Middle East. To cushion this impact, AFFIN has introduced support for Bank Negara Malaysia’s SME Stabilisation Relief Facility (SME SRF), an RM5 billion financing facility that provides financing of up to RM750,000 to SMEs.”

“Pheim Asset Management was officially acquired on 22 April 2026 (soon to be renamed AFFIN Pheim Asset Management). The new business will be strengthened by new talent, technology, products, collaboration with global partners, and synergies with the Group.”

“The efficacy of our risk management is further reflected in our recent external benchmarks. Recently, the Group was recognised as the winner of **Achievement in Enterprise Risk Management in Asia Pacific** by **The Asian Banker** at the **TAB Global Risk Management Awards 2026**.”

Net Interest Income

Net interest income (NII) recorded RM233.3 million, an increase of RM27.3 million or 13.3% as compared to the previous financial period of RM206.0 million.

Islamic Banking

For the financial period ended 31 March 2026, Affin Islamic Bank Berhad’s PBT decreased 33.1% to RM58.3 million as compared to RM87.1 million in the previous financial period. Affin Islamic Bank Berhad registered a higher net financing income of RM28.4 million, backed by strong financing growth during the current quarter, but also provided for a higher allowance for impairment losses of RM41.2 million during the current quarter.

Non-Interest Income

Non-interest income for the period under review was RM186.0 million, an increase of RM45.9 million or 32.7% from RM140.2 million registered in the previous corresponding period.

Net Income

For the financial period ended 31 March 2026, the Group recorded a net income of RM654.4 million, compared with RM544.0 million for the financial period ended 31 March 2025, an increase of RM110.4 million or 20.3%, mainly driven by higher income derived from net fee and commission income and NII.

Operating expenses

Operating expenses increased to RM410.6 million for the period ended 31 March 2026 as compared to RM379.1 million in the previous year. The Cost-to-Income ratio for the period under review improved to 62.8%, from 69.7% in 1Q2025.

Asset Quality

As at 31 March 2026, the Gross Impaired Loan (GIL) ratio for the Group recorded an improvement to 1.75% as compared to 1.84% in the previous corresponding year.

Loan Loss Coverage (LLC) and Loan Loss Reserve (LLR)

The Group's LLC and LLR stood at 71.62% and 118.15% respectively, providing the Group with robust credit risk buffers, ensuring AFFIN Group remains well positioned to absorb credit risks and safeguard asset quality.

Loans and Deposits Growth

As at 31 March 2026, the Group's total loans, advances and financing rose 12.6% year-on-year to RM82.1 billion. The growth was mainly driven by a 19.4% increase in the Enterprise Banking segment, a 10.0% increase in the Community Banking segment, and a 17.0% increase in the Corporate Banking segment. Housing loans grew by 7.7%, and Auto Finance loans increased by 4.4%.

On the deposits, the Group's customer deposits increased by 3.5% to RM78.1 billion. Current Account and Savings Account (CASA) rose 5.8% quarter-on-quarter to RM21.2 billion, while the CASA ratio stood at 27.11% as at 31 March 2026, compared with 32.21% as at 31 March 2025.

Capital Adequacy Ratios and Liquidity

As at 31 March 2026, the Group's Total Capital ratio was at 16.3%, Tier 1 capital ratio at 13.8%, and Common Equity Tier 1 (CET1) capital ratio at 12.5%. The Liquidity Coverage Ratio stood at a healthy 164.2%, well above the regulatory requirement of 100%.

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About AFFIN Group

Incorporated on 23 October 1975, AFFIN Group proudly commemorates its 50th anniversary in 2025, a milestone that reflects five decades of steadfast dedication to growth, innovation, and financial excellence, all in line with its vision to be the **Most Creative and Innovative Financial Company in Malaysia**. Affin Bank Berhad operates as the financial holding entity of Affin Islamic Bank Berhad, Affin Hwang Investment Bank Berhad and Affin Moneybrokers Sdn Bhd. Generali Insurance Malaysia Berhad and Generali Life Insurance Malaysia Berhad are affiliated companies of Affin Bank Berhad.

AFFIN Group provides an array of financial products and services catering to individual, enterprise, commercial and corporate clients. The focus market segments are categorised under essential business units such as Community Banking, Enterprise Banking, Corporate Banking, Treasury, and Investment Banking. For more information, please visit www.affingroup.com.

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