



media release

FOR IMMEDIATE RELEASE

28 August 2018

AFFIN registered a strong PBT of RM300.7 million in 1H2018

Highlights of 1H2018 results

- Achieved a higher PBT of RM300.7 million or 10.6 % increase yoy for the half year ended 30 June 2018.
- Net income increased by RM273.0 million or 39.1% yoy to RM970.8 million.
- Net fee based income increased by RM184.2 million to RM235.3 million
- Total assets increased by RM2.0 billion or 2.8% from RM70.0 billion as at 31 December 2017 to RM72.0 billion as at 30 June 2018.
- Total loan grew by RM1.75 billion or 3.8% to RM47.8 billion as at 30 June 2018.

Group's Financial Performance of 1H2018

AFFIN Bank Group (or the Group), reported a higher profit before tax after zakat (PBT) of RM300.7 million for the half year ended 30 June 2018 as compared to RM271.8 million for the same period of the previous year. The Group's profit after tax (PAT) grew by 8.0% from RM208.4 million to RM225.0 million for the half year period under review.

The improved Group performance was driven by the increase in net fee and commission income, Islamic banking income, net gain on financial instruments and other operating income.

The Group recorded an Earnings Per Share (EPS) of 11.1 sen for the 6 months period under review as compared to 12.3 sen for the same period previous year. The Group's Total Capital Ratio as at end of June 2018 was 16.81% while Common Equity Tier-1 Capital Ratio and Tier 1 Capital Ratio were at 11.68% and 11.72% respectively, above the minimum regulatory requirements.

Performance by entities - Profit Before Tax after Zakat				
Entity	1H2018 (RM'000)	1H2017 (RM'000)	Variance %	Commentary
AFFIN Bank Berhad	315,365	215,866	46.1	Higher PBT mainly attributable to higher non-interest income.
AFFIN Islamic Bank Berhad	85,622	55,736	53.6	The improved performance was mainly due to the increase in net financing income in line with the financing growth of 13.5% during 1H2018.
AFFIN Hwang Investment Bank Group	83,015	86,768	(4.3)	Achieved PBT of RM83.0 million for the 1H2018 on the back of sustained net income of RM270.6 million, largely from fees earned in the asset management and investment banking advisory businesses offset by lower net gains from sale of financial assets. Bursa's market share for stockbroking business improved to 12.6% (1H2017: 11.2%) while asset under administration (AUA) for AFFIN Hwang Asset Management Berhad increased to RM48.3 billion (1H2017 : RM41.2 billion).
AXA AFFIN Life Insurance Berhad (AALI)	(1,875)	(9,806)	80.9	Lower pre-tax loss of RM1.9 million for the 1H2018 against 1H2017, mainly attributable to lower reserves for future policyholders' liabilities due to movement in interest rate.
AXA AFFIN General Insurance Berhad (AAGI)	86,428	67,971	27.2	Pre-tax profit of RM86.4 million for 1H2018, mainly contributed by higher investment income and higher gains on disposal of investment securities, as well as stable underwriting results.
AFFIN Moneybrokers Sdn Bhd	643	942	(31.7)	Lower PBT for the 1H2018 against 1H2017 mainly due to lower net brokerage income.
AFFIN Bank Group	300,650	271,788	10.6	

“The Bank’s Affinity Program which encompasses all aspects of the Bank from Digital Banking to Corporate, Customer and SME Business will unleash new opportunities that will drive us into the next phase of growth. Separately, we have also launched our new branch concept on 18 August 2018 at MyTown shopping mall, which will be the basis for the Bank to innovate our traditional branches products and services to move towards being paperless and mobile” said En. Kamarul Ariffin bin Mohd Jamil, the Group CEO.

Future prospects and outlook

AFFIN Bank will continue to leverage on the Group's strengths to further develop its business and improve its market position by focusing on opportunities in the Retail, Small and Medium Enterprises (SME) and Corporate. The Bank will also remain focused in its pursuits of operational excellence, inculcating strong governance, compliance and risk culture among the staff. In line with the rapid development in digital banking landscape, the Bank will continue to accelerate its digital banking capabilities and further improve its innovativeness in offering financial solutions for better customer experience.

The Bank recently won the Achievement in Liquidity Risk Management Awards 2018 held in Beijing, China on 24 May 2018 from The Asian Banker. The award is a recognition of the Bank's commitment to improve its enterprise wide liquidity management as well as advancing its risk management best practices.

The Investment Banking Group shall continue its efforts to strengthen its present market leading positions in the securities and asset management businesses, whilst continuing to raise the potential and positioning of its investment banking activities. In June, Affin Hwang Investment Bank became the first bank to be approved by Bursa Malaysia to provide Islamic Securities Borrowing and Lending activities. As such, Affin Hwang Investment Bank can now provide clients with the Islamic compliant alternative to conventional securities borrowing and lending activities.

The Investment Banking Group also received recognitions for its growing position in the industry through various awards for the deals arranged by the investment bank from The Asset Triple A and RAM Ratings. The Group's Asset Management Business also won Best Equity and Best Mixed Assets in Malaysia by The Edge & Thompson Reuters as well as specific funds awards.

The life insurance market is expected to record high single digit growth for 2018 and continue to grow at a moderate rate. AALI will aim to reposition the business more towards health and protection with a focus on building a multi-channel proposition targeting different customer segments, including relatively less penetrated customer segments.

AAGI will focus on selective growth and harness benefits from transformation projects undertaken, while continuing its journey to be a customer centric insurer.

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About AFFIN Bank Berhad (AFFINBANK) (25046-T)

The AFFINBANK Group is a financial services conglomerate. The Group's activities focus on commercial, Islamic and investment banking services, money broking, asset management and underwriting of life and general insurance business.

AFFINBANK Group 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 & Commercial Business Banking, Corporate & Public Sector Business Banking and Treasury.

Our tagline of "Banking Without Barriers" signifies the removal of boundaries within the processes of the Bank as well as it's 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.

AFFINBANK 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 30 June 2018, AFFINBANK and AFFIN ISLAMIC have a network of 110 branches in Malaysia. For more information, log on to www.affinbank.com.my or visit any of the AFFINBANK or AFFIN ISLAMIC branches nationwide.