
AFFIN GROUP TOTAL ASSETS EXCEED THE RM100 BILLION MARK IN 1H2023

KUALA LUMPUR – AFFIN Group (“the Group”) recorded a Profit Before Tax (PBT) after zakat of RM345.7 million for the six (6) months ended 30 June 2023 (1H2023), a decrease of 15.4% as compared to the same period last year (1H2022) of RM408.5 million, mainly due to Net Interest Margin (NIM) compression.

AFFIN Group has witnessed consistent growth, which is illustrated by our loan and financing portfolios that have risen to RM62.5 billion in the first half of 2023 – marking an impressive increase of 12.7% from RM55.4 billion in the same period the previous year. As of 30 June 2023, the Gross Impaired Loan (GIL) ratio for the Group recorded a significant improvement of 1.78% as compared to 2.28% as of 30 June 2022, the lowest in the last 5 years.

This achievement is further complemented by a significant milestone in our total assets. We are proud to announce that our Total Assets have crossed RM100 billion. Reporting at RM100.9 billion in 1H2023, is a substantial year-on-year increase of 16.4% from RM86.7 billion in 1H2022.

President & Group Chief Executive Officer of Affin Bank Berhad, Datuk Wan Razly Abdullah said the expansion of our asset base is not just a mark of our present success; it is a promise of our future potential. As NIM returns to normalcy in 2024 and the subsequent years, our larger asset base will be pivotal in ensuring consistent and sustainable earnings.

In today's digital age, technological ability is a determinant of success and future potential. Our commitment to building a digital leadership company is unwavering. The technology platform that powers our services and interfaces is constantly undergoing enhancements to ensure we provide the best to our customers.

Come September 2023, our customers will experience a significant upgrade – the introduction of our market-leading Retail Mobile Banking App. With each technological platform we introduce, we take a step closer to realising our vision of being a front-runner in digital innovations in our industry.

Our investments are not just monetary; they are in building a future. Both our growing asset base and our state-of-the-art technology are testaments to our future-oriented approach.

Net Interest Income

Net interest income (NII) recorded was RM436.2 million, a decrease of RM51.9 million or 10.6% as compared to the previous financial period of RM488.1 million, mainly due to the higher cost of funds in 1H2023.

Islamic Banking

Affin Islamic Bank Berhad's PBT recorded a decrease of 10.2% to RM132.8 million due to compression in Net Profit Margin.

Non-Interest Income

Non-interest income for the period under review was RM263.6 million, a decrease of RM43.0 million or 14.0% from RM306.6 million registered in the previous corresponding period. The decrease was due to lower net fee and commission income.

Asset Quality

As of 30 June 2023, the Gross Impaired Loan (GIL) ratio for the Group recorded a significant improvement of 1.78% as compared to 2.28% as of 30 June 2022, the lowest in the last 5 years. As a result, the Group's gross credit cost stood at 12bps in 1H2023 from 31bps in 1H2022.

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

The Group's Loan Loss Coverage (LLC) and Loan Loss Reserve (LLR) remained well above 100%, with its LLC and LLR strengthening further to 131.8% and 160.0% respectively, as compared to LLC of 80.0% and LLR of 130.0% on 30 June 2022.

Operating expenses

Operating expenses decreased slightly to RM646.4 million for the period ended 30 June 2023 as compared to RM690.8 million in the previous year. The Cost-to-Income ratio for the period under review was 64.7%, a slight increase from 62.3% in 1H2022.



Loans, Deposits Growth and Liquidity

As of 30 June 2023, the Group's total loans, advances and financing grew by 12.7% YoY to RM62.5 billion contributed mainly by the 20.6% growth in the Community Banking segment. Housing Loans grew by 21.6%, whilst Auto Finance loans rose by 14.8%.

On the deposits, CASA (Current Account/Savings Account) recorded at RM16.6 billion for the period ended 30 June 2023 and CASA ratio stood at 23.2%. The Group's customer deposits increased by 11.0% YoY to RM71.5 billion as of 30 June 2023 as our CASA initiatives continue to deliver positive results.

Capital Adequacy Ratios and Liquidity

As of 30 June 2023, the Group's Total Capital ratio was at 19.36%, Tier 1 capital ratio at 16.80% and Common Equity Tier 1 (CET1) capital ratio at 14.73%. The Liquidity Coverage Ratio remains healthy at 203% in 1H2023, well above the regulatory requirement of 100%.

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About AFFIN Group

Affin Bank Berhad operates as the financial holding entity of Affin Islamic Bank Berhad, Affin Hwang Investment Bank Berhad, 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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