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## **AFFIN GROUP POSTS 22.1% YOY PROFIT BEFORE TAX GROWTH TO RM358.0 MILLION FOR 1H2025**

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**KUALA LUMPUR – AFFIN Group (“AFFIN” or “the Group”)** recorded a Profit Before Tax (PBT) after zakat of RM358.0 million for the six-month period ended 30 June 2025 (1H2025), marking a robust year-on-year (YoY) increase of RM64.9 million or 22.1% from RM293.1 million in 1H2024. The growth was driven by a RM160.9 million rise in net income, partially offset by a RM80.2 million increase in impairment allowances.

The Group’s gross loans and financing portfolio expanded by 7.3% YoY to RM74.1 billion, up from RM69.0 billion a year earlier. Customer deposits rose by 9.8% to RM78.2 billion, while the Current Account and Savings Account (CASA) ratio improved to 28.2% as at 30 June 2025, compared to 25.9% in the same period last year—reflecting AFFIN’s continued success in building a low-cost deposit base.

**Datuk Wan Razly Abdullah, President & Group Chief Executive Officer of AFFIN Group,** commented, “AFFIN’s strong first-half performance underscores the effectiveness of our focused growth strategy under the Axelerate 2028 (AX28) Plan. The launch of our mobile banking app, AffinAlwaysX, in May 2025 has been instrumental in accelerating CASA growth.”

He added, “Our inaugural USD300 million Senior Unsecured Notes issuance was 3.5 times oversubscribed, signalling strong global investor confidence. This milestone enhances our access to cost-effective USD funding and strengthens our position to pursue strategic cross-border financing opportunities aligned with AX28.”

“Despite a 19.6% YoY increase in CASA deposits, the Group saw a 9.2% quarter-on-quarter (QoQ) decline, attributed to a shift towards Fixed Deposits amid global market uncertainties. AFFIN is actively implementing a new CASA payroll strategy to reignite and sustain CASA growth. Enterprise Banking continues to gain momentum, delivering a 15.4% YoY increase in loans—expected to positively impact the Group’s Net Interest Margin.”

“AFFIN’s ESG efforts are also gaining recognition, with the Group’s MSCI ESG Rating upgraded from ‘A’ to ‘AA’. The Group’s loan pipeline has grown significantly to RM13 billion, up from RM9 billion in Q1, offering strong potential for future opportunities and CASA cross-sell. While some deals have been temporarily delayed due to market volatility, the underlying momentum remains strong.”

“2025 continues to be a VUCA year—marked by Volatility, Uncertainty, Complexity, and Ambiguity. Success will depend on timing, execution, and strategic agility,” Datuk Wan Razly concluded.

### **Net Interest Income**

Net interest income (NII) recorded RM418.8 million, an increase of RM32.8 million or 8.5% as compared to the previous corresponding period of RM386.0 million.

### **Islamic Banking**

Affin Islamic Bank Berhad recorded a PBT of RM185.4 million for the financial period ended 30 June 2025, increased 24.6% as compared to the previous corresponding period of RM148.8 million. This represented an increase of RM36.6 million as compared to RM148.8 million in the previous corresponding period. The growth in PBT is attributable to an increase in net financing income by RM80.6 million.

### **Non-Interest Income**

Non-interest income for the period under review was RM324.8 million, an increase of 14.3% or RM40.7 million from RM284.1 million registered in the previous corresponding period.

## **Asset Quality**

As of 30 June 2025, the Gross Impaired Loan (GIL) ratio for the Group improved to 1.83% as compared to 1.94% as of 31 December 2024, reflecting the Group's disciplined credit management and a healthier loan portfolio, underscoring its commitment to maintaining sound asset quality amid a challenging environment.

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

The Group's LLC and LLR stood at 80.43% and 123.08% respectively, providing the Group with robust credit risk buffers, ensuring AFFIN Group remains well positioned to absorb credit risks and safeguard asset quality.

## **Operating Expenses**

Operating expenses increased slightly to RM799.1 million for the quarter ended 30 June 2025 as compared to RM746.7 million in the same quarter of the previous year. The Cost-to-Income ratio for the period under review was 68.9%, a decrease from 74.7% recorded in the previous corresponding period. The Group continues to drive cost-efficiency through targeted initiatives, such as optimising costs and enhancing workforce productivity across the organisation.

## **Loans and Deposits Growth**

As of 30 June 2025, the Group's total loans, advances and financing rose 7.3% year-on-year to RM74.1 billion. The growth was mainly driven by a 15.4% rise in the Enterprise Banking segment and a 10.6% increase in the Community Banking segment, while the Corporate Banking segment declined by 3.3%. Housing loans grew by 7.1%, and Auto Finance loans increased by 5.2%.

On the deposits, the Group's customer deposits increased by 9.8% YoY to RM78.2 billion. CASA (Current Account/Savings Account) rose 19.6% year-on-year to RM22.1 billion, with the CASA ratio improving to 28.2% as of 30 June 2025, compared to 25.9% as of 30 June 2024.

## **Capital Adequacy Ratios and Liquidity**

As of the end of the financial period on 30 June 2025, the Group's Total Capital Ratio was at 17.2%, Tier 1 Capital Ratio at 14.8% and Common Equity Tier 1 (CET1) Capital Ratio at 13.4%. The Liquidity Coverage Ratio stood at 171.1%, above the regulatory requirement of 100%.

A strong first half performance reaffirms AFFIN's position as a resilient and forward-looking financial group, combining strong growth momentum with disciplined risk management and a well-diversified business model. With solid capital buffers, robust liquidity, and continued recognition from global rating agencies and market indices, AFFIN remains firmly on track to deliver sustainable value creation for its shareholders. Guided by its AX28 Plan, the Group will continue leveraging its digital capabilities, expanding its Islamic and Enterprise Banking franchises, and pursuing strategic opportunities, both domestically and across borders to strengthen market leadership and long-term profitability.

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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](http://www.affingroup.com).



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