



media release

FOR IMMEDIATE RELEASE

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AFFIN Bank Group registered a higher PBT of RM488.0 million for nine months ended 30 Sept 2018 amidst challenging business environment

Key Financial Highlights of 9M2018 results

- Interest income rose to RM1.8 billion from RM1.7 billion driven by loans growth during the nine-month period ended 30 September 2018.
- Total assets increased by RM5.6 billion or 8.0% from RM70.0 billion as at 31 December 2017 to RM75.6 billion as at 30 September 2018.
- Loans, advances and financing grew by RM3.1 billion or 6.9% during the nine-month period to RM49.2 billion as at 30 September 2018.
- Total deposits grew by RM5.0 billion or 9.7% from RM50.9 billion as at 31 December 2017 to RM55.9 billion as at 30 September 2018.
- Earnings per share (EPS) for the nine-month period was 18.5 sen (30 September 2017: 14.7sen).
- Net assets per share as at 30 September 2018 was RM4.40 (31 December 2017: RM4.26).

Group's Financial Performance of 9M2018

	Nine Months Ended		Variance	
	30/9/2018 RM '000	30/9/2017 RM'000	RM'000	%
Interest Income	1,798,195	1,659,888	138,307	8.3
Net Interest Income	637,874	627,212	10,662	1.7
Net Income	1,467,044	1,025,752	441,291	43.0
Operating Profit	455,784	330,215	125,569	38.0
Profit Before Tax	487,969	327,215	160,754	49.1
Profit After Tax	375,506	248,319	127,187	51.2
Profit attributable to equity holders of the Bank	359,336	248,319	111,017	44.7
Earnings per share (EPS)	18.5	14.7	3.8	25.8

AFFIN Bank Group (AFFINBANK) recorded a profit before tax (PBT) of RM488.0 million for the cumulative nine-month period ended 30 September 2018, an increase of RM160.8 million or 49.1% as compared to the same period of the previous year while profit after tax (PAT) for the period stood at RM375.5 million. The improved performance was mainly due to higher net fee and commission income, net gain on financial instruments, increase in Islamic banking income, and other operating income.

“We are particularly very pleased with the financial results for this quarter. We produced solid earnings with positive operating results, despite a challenging business environment. The Bank made progress with the implementation of its strategy in a number of areas during the quarter and focused on making it a high performing diversified Bank. Looking ahead, with a balanced growth strategy we expect our loan growth to accelerate, driven by the combination of a robust pipeline and investments that we have made in proprietary banking technologies and also expanding our commercial platforms”, said En Kamarul Ariffin Mohd Jamil, the Group Chief Executive Officer.

Highlights of financial performance by entities - Profit Before Tax after Zakat				
Entity	9M2018 (RM'000)	9M2017 (RM'000)	Variance %	Commentary
AFFIN Bank Berhad	472.0	239.5	97.1	Higher PBT mainly due to higher non-interest income and lower overhead expenses.
AFFIN Islamic Bank Berhad	117.3	87.3	34.4	Higher PBT mainly due to higher operating income in line with financing growth of 20.2%.
AFFIN Hwang Investment Bank Group	124.0	139.2	(10.9)	The increase in net fee and commission income as well as net interest income were not sufficient to cushion the decrease in gain on financial instruments and increase in overhead expenses
AXA AFFIN Life Insurance Berhad (AALI)	(6.3)	(15.6)	59.6	Lower pre-tax loss mainly attributed by lower reserves for future policyholders' liabilities due to higher interest rate environment.
AXA AFFIN General Insurance Berhad (AAGI)	106.4	92.6	14.9	Higher PBT mainly attributable to higher gains on sale of investment and stable underwriting results
AFFIN Moneybrokers Sdn Bhd	1.1	1.3	(15.4)	Lower PBT mainly due to lower brokerage income.
AFFIN Bank Group	488.0	327.2	49.1	

The Board of Directors of AFFINBANK has declared a single-tier interim dividend of 5.0 sen per share for the financial year ending 31 December 2018. The Board of Directors has also approved that the Dividend Reinvestment Plan be applied to the said interim dividend and the entire interim dividend can be elected and reinvested in new ordinary shares of AFFINBANK (“1st DRP”).

Future prospects and outlook

Malaysia’s economy is expected to grow at a slower pace of 4.8.0% for year 2018 and 4.9% for year 2019, mainly due to slow economic activities, volatile oil prices, on-going trade wars and concern on the health of the national debts status.

The 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 Banking amidst the headwinds.

The Bank will also remain focused in its pursuits of operational excellence, whilst safeguarding strong governance, compliance and risk culture. In line with the rapid development in digital banking landscape, the Group will continue to accelerate its digital banking solutions and further improve its innovativeness in offering financial solutions for better customer experience.

The Investment Bank Group will continue its efforts to expand its present leading positions in the investment banking, securities and asset management businesses. AFFIN Hwang Investment Bank Berhad (AHIB) was named the Best Securities House in Malaysia 2018, by Asiamoney in September 2018, subsequent to being named as the Best Asset Management Company in Malaysia, by Euromoney earlier in February this year. For the pioneering work with Tadau Energy, AHIB received the Best Deal for Capital Markets; the “Best Green Sukuk” and the “Most Innovative Deal” awards. At the same time, for *Projek Lintasan Sungai Besi Ulu Klang*, AHIB was awarded the “Best Project Finance Deal” award by The Asset Triple A as well as the “Most Innovative ETF Provider” for its TradePlus Shariah Gold Tracker and the “Best ETF Provider in Malaysia”.

The life insurance market (as measured by weighted annualized new business premium) is expected to record high single digit growth for 2018 and continue to grow at a moderate rate. AXA AFFIN Life Insurance Berhad 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.

The general insurance market experienced some contraction in 2017 amidst the second phase of liberalisation. Market conditions are still expected to be challenging in 2018 as impact of motor and fire detariffication will be felt more profoundly. AXA AFFIN General Insurance Berhad 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 September 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.