

**AFFIN GROUP ACHIEVES RM755.7 MILLION FY2025 PBT AS NET INCOME
REACHES ALL-TIME HIGH**

KUALA LUMPUR – AFFIN Group (“AFFIN” or “the Group”) reported a Profit Before Taxation (PBT) of RM755.7 million for the financial year ended 31 December 2025, a steady increase of RM54.7 million or 7.8% compared to RM701.0 million recorded in the previous financial year. The increase in PBT was primarily attributed to a higher net income by RM271.8 million, partially offset by a higher operating expense by RM33.9 million and an allowance for impairment losses of RM31.2 million, compared to a write-back of impairment losses of RM151.4 million in the previous financial year.

Datuk Wan Razly Abdullah, President & Group Chief Executive Officer of AFFIN Group said, “AFFIN reported a record FY2025 PBT of RM755.7 million (+7.8% year-on-year (YoY)), underpinned by our highest-ever net income and a 47.4% surge in operating profit. This performance was further bolstered by our continuous asset quality efforts, which have driven the Gross Impaired Loan (GIL) ratio to an all-time low of 1.64%. Together with our robust capital and liquidity position, this provides a solid platform to capture opportunities in 2026, strengthen earnings quality and build long-term shareholder value.”

“Our 4Q2025 PBT reached RM215.6 million, an 18.4% increase quarter-on-quarter (QoQ), driven by Net Interest Margin expansion and a 30.5% increase in fee-based income derived from foreign exchange, fees and commissions. This represents our highest quarterly profit under the Metamorphosis Transformation Plan. Our asset base has grown to RM124.1 billion and continues to grow, derived by loans and financing, which grew 10.4% YoY to RM79.5 billion.”

“The outlook for Malaysia’s economy in 2026 is expected to be strong, supported by steady growth in the domestic manufacturing sector as well as an accommodative BNM monetary policy. Malaysia’s outlook remains constructive, with real GDP growth broadly forecast in the 4.0% to 4.5% range, underpinned by resilient domestic demand, sustained investment activity, and firmer external trade flows. On the global front, easing inflation supports consumption spending and economic activity, while geopolitical risks and uneven regional conditions remain key considerations for banks.”

“Our brand elevation and strategic collaborations continue to drive customer acquisition. This momentum supported our CASA growth strategy in 2025, expanding our customer base by 13% to reach 1.74 million. Furthermore, our focus on diversifying revenue is yielding results. The expansion of Islamic Structured Products and landmark investment banking advisory have improved our wealth and advisory income, a trend we expect to persist. Currently, we maintain a robust business pipeline valued at approximately RM14 billion, providing a clear runway into 2026.”

“Recently, AFFIN was honoured with the **Best New Bond Award** by The Asset for our landmark debut US\$300 million senior unsecured notes issuance completed in June 2025. This marked our inaugural entry into the US dollar bond market. Affin Hwang Investment Bank was similarly recognised for The Asset’s **Best Primary Placement** for the Pavilion REIT RM360 million placement. These accolades reflect investor confidence in our credit fundamentals and long-term strategic delivery.”

“To reward our shareholders, the Board has proposed a final dividend of 8.53 sen per share, totalling RM216 million, reflecting our robust capital position and record FY2025 performance. It is also a tangible acknowledgment of shareholders’ continued trust, confidence, and steadfast support as we continue to execute the **AFFIN Axelerate 2028 (AX28) Plan**, our strategic compass to deepen core earnings, enhance efficiency, and build sustainable, long-term value,” concluded Datuk Wan Razly Abdullah.

Net Interest Income

Net interest income (NII) recorded RM874.8 million, an increase of RM48.4 million or 5.9% as compared to the previous financial period of RM826.4 million.

Islamic Banking

For the financial year ended 31 December 2025, Affin Islamic Bank Berhad PBT rose 39.1% to RM449.7 million from RM323.3 million a year earlier. The increase was mainly attributable to a higher net income by RM160.8 million and a higher write-back of impairment losses by RM34.4 million, partly offset by a higher operating expense by RM69.2 million.

Non-Interest Income

Non-interest income for the period under review was RM699.9 million, an increase of RM47.7 million or 7.3% from RM652.2 million registered in the previous corresponding period.

Net Income

The Group recorded the highest-ever net income of RM2,441.5 million in FY2025, compared with RM2,169.7 million in FY2024, an increase of RM271.8 million or 12.5%, mainly driven by higher Islamic Banking Income, income derived from gains on financial instruments and NII.

Operating Expenses

Operating expenses increased slightly to RM1,702.0 million for the period ended 31 December 2025 as compared to RM1,668.1 million in the previous year. The Cost-to-Income ratio for the period under review was 69.7%, improved from 76.9% in FY2024.

Operating Profit Before Allowances

For the financial year ended 31 December 2025, operating profit before allowances increased by 47.4% or RM237.9 million to RM739.5 million compared to RM501.6 million in the previous year.

Asset Quality

As at 31 December 2025, the Gross Impaired Loan (GIL) ratio for the Group recorded an improvement to 1.64% as compared to 1.94% as at 31 December 2024.

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

The Group's LLC and LLR stood at 75.70% and 121.30% 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 of 31 December 2025, the Group's total loans, advances and financing rose 10.4% year-on-year to RM79.5 billion. The growth was mainly driven by a 23.9% rise in the Enterprise Banking segment, 10.0% increase in the Community Banking segment, and 6.0% grow in Corporate Banking segment. Housing loans grew by 7.3%, and Auto Finance loans increased by 4.4%.

On the deposits, the Group's customer deposits increased by 7.6% to RM80.2 billion. CASA rose 0.5% quarter-on-quarter to RM20.01 billion, while the CASA ratio dropped to 25.0% as of 31 December 2025, as compared to 30.4% as of 31 December 2024.

Capital Adequacy Ratios and Liquidity

As of the end of the financial year on 31 December 2025, the Group's Total Capital ratio was at 17.3%, Tier 1 capital ratio at 14.8%, and Common Equity Tier 1 (CET1) capital ratio at 13.4%. The Liquidity Coverage Ratio stood at a healthy 162.4% in FY2025, well above the regulatory requirement of 100%.

Dividends

The Board of Directors proposed a single-tier final dividend of 8.53 sen per share, amounting to RM216 million in respect of the financial year ended 31 December 2025, based on the Group's issued share capital of 2.54 billion ordinary shares at 31 December 2025.

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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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