



40TH ANNUAL GENERAL MEETING

Presentation to Shareholders

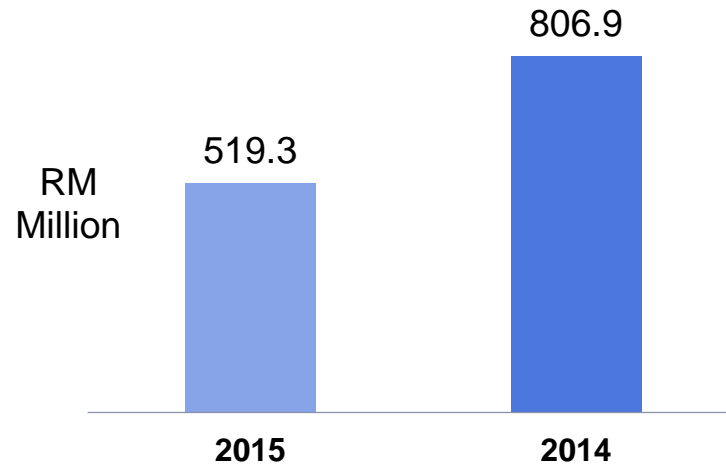
**by En. Kamarul Ariffin bin Mohd Jamil,
Group Chief Executive Officer**

18 April 2016

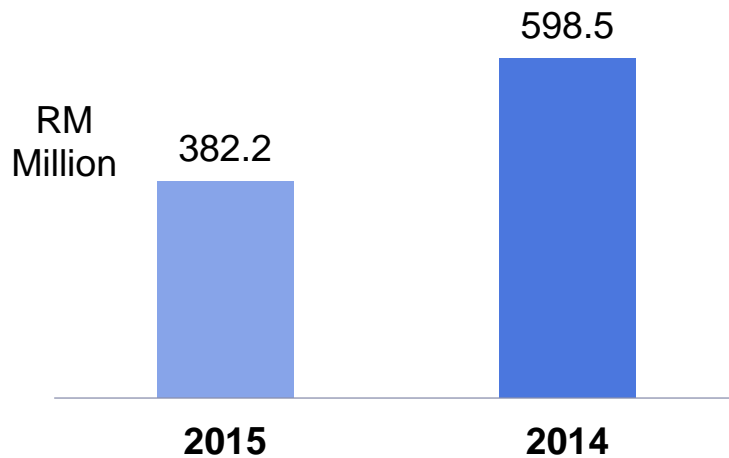
FY2015 Financial Performance

PBT & PAT

Profit Before Tax and Zakat

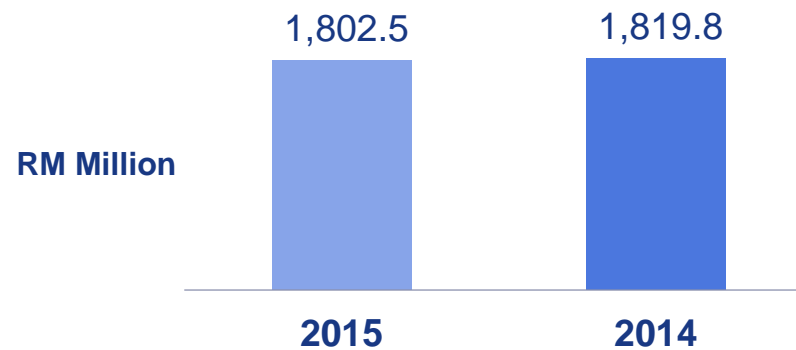


Profit After Tax

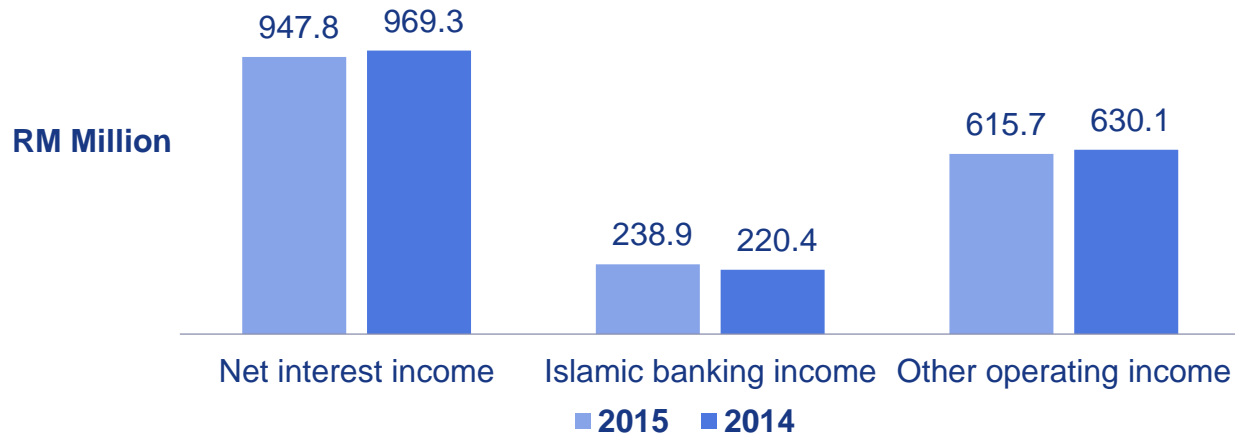


Total Income & Composition

Total Income

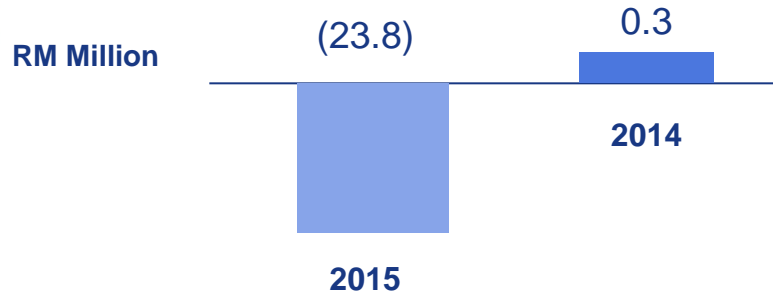


Income Composition

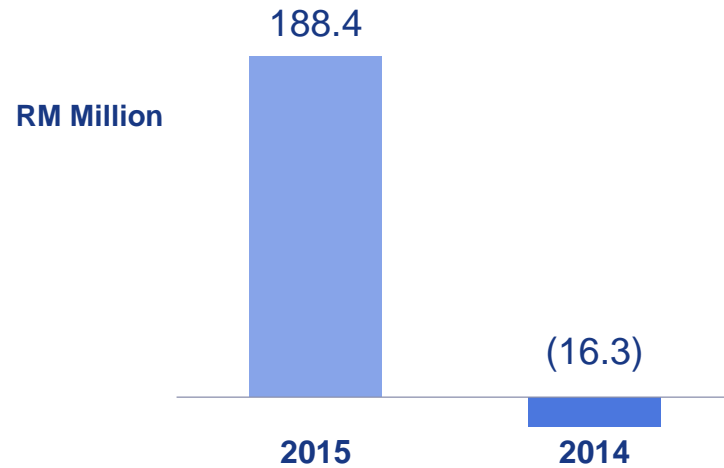


Allowances/(Writeback) for Impairment Losses

Allowance/(Writeback)
- Impairment Losses on Securities

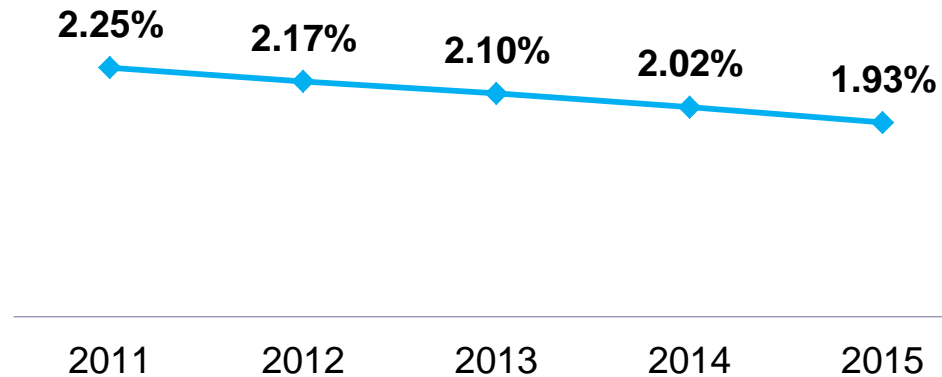


Allowance/(Writeback)
- Impairment Losses on Loans, Advances
& Financing



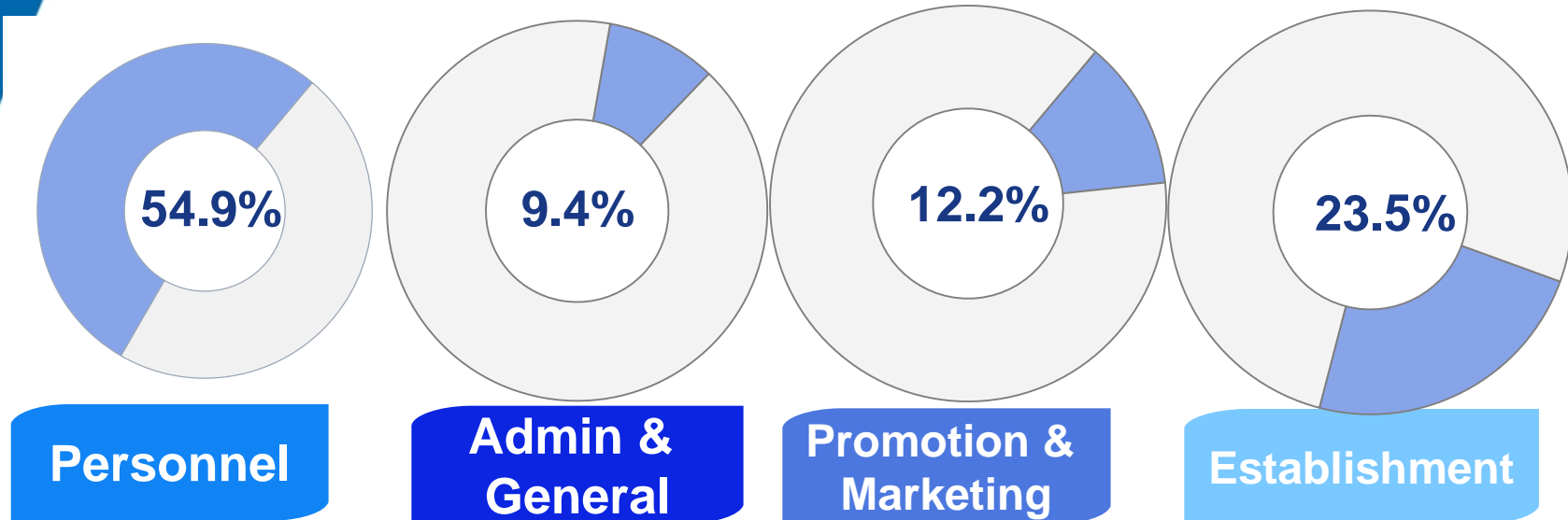
Net Interest Margin

Group Net Interest Margin

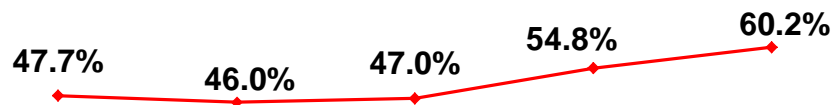


..... Net Interest Margin of is a downtrend due to margin compression despite growth in total loan base...

Operating Expenses



Cost to income ratio



2011

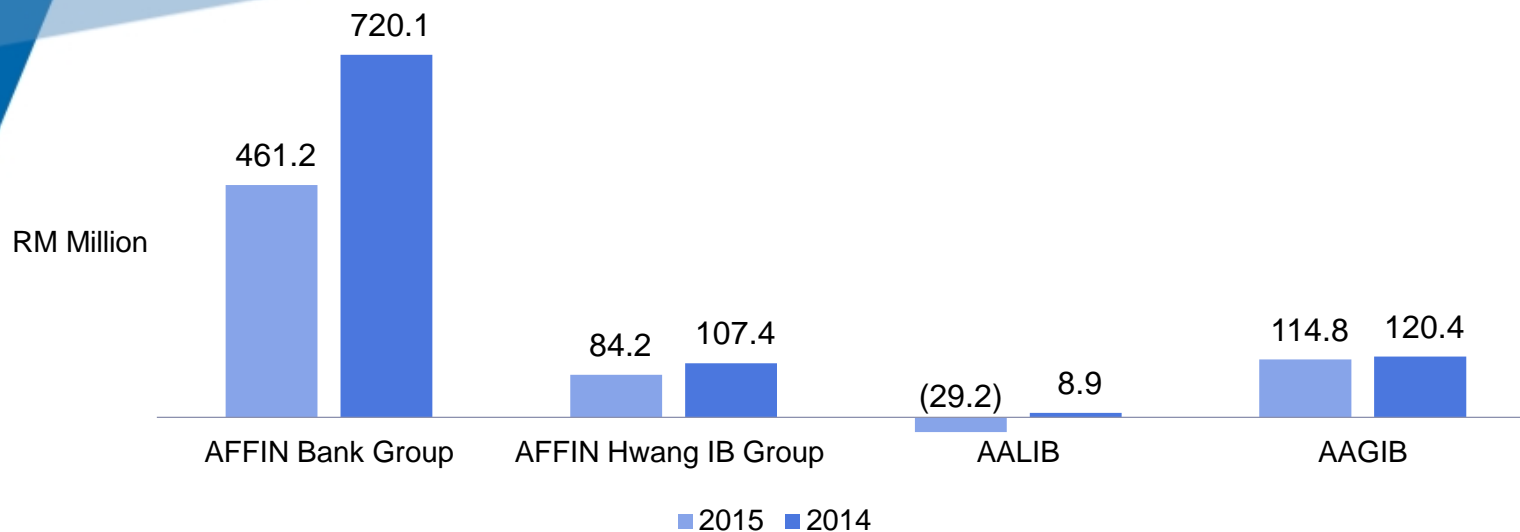
2012

2013

2014

2015

Performance by Subsidiaries / Associate



AFFIN Bank Group

- Launched the first multi-bank platform - Investment Account Platform (IAP) which facilitates the channelling of funds from individual & institutional investors to finance projects and ventures.
- The first financial institutions to offer the market an electronic subscription and payment service for the application of Rights Issue.
- Expanded its network, total number of branches nationwide to 106.

AFFIN Hwang IB Group

- Retained **#1 position** for total value & volume traded in the domestic market
- 16% AUM growth to **RM35b**; top 5 fund house in Malaysia
- Thanachart & potential Indonesian alliance consolidating regional aspiration
- Daiwa alliance gaining traction in the Capital Markets space; pending BNM for strategic equity stake in AHC

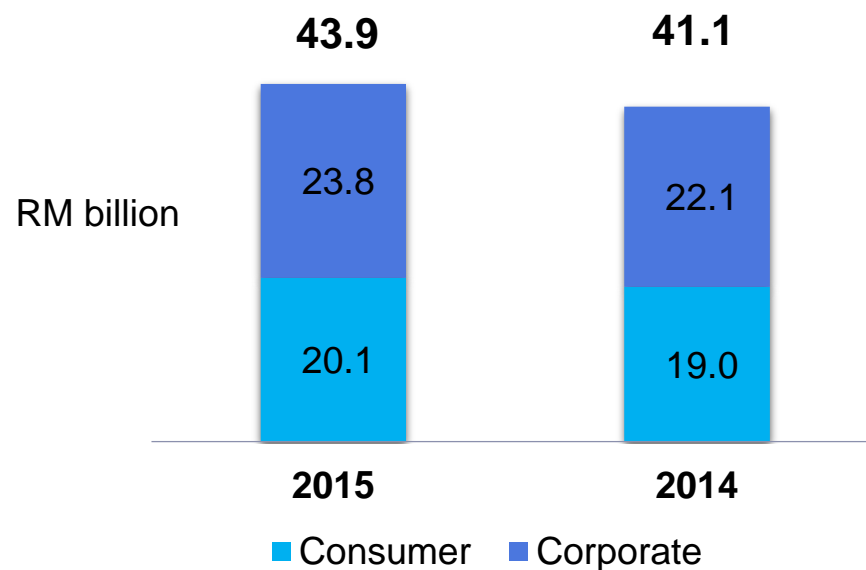
AXA AFFIN Life Insurance

- Growth of weighted new business premium (WNBP) of 15% (Industry : 4%)
- WNBP growth of 11% for agency and 21% for bancassurance & DM/TM
- Gross premium growth of 10%
- New business value growth of 21%

AXA AFFIN General Insurance

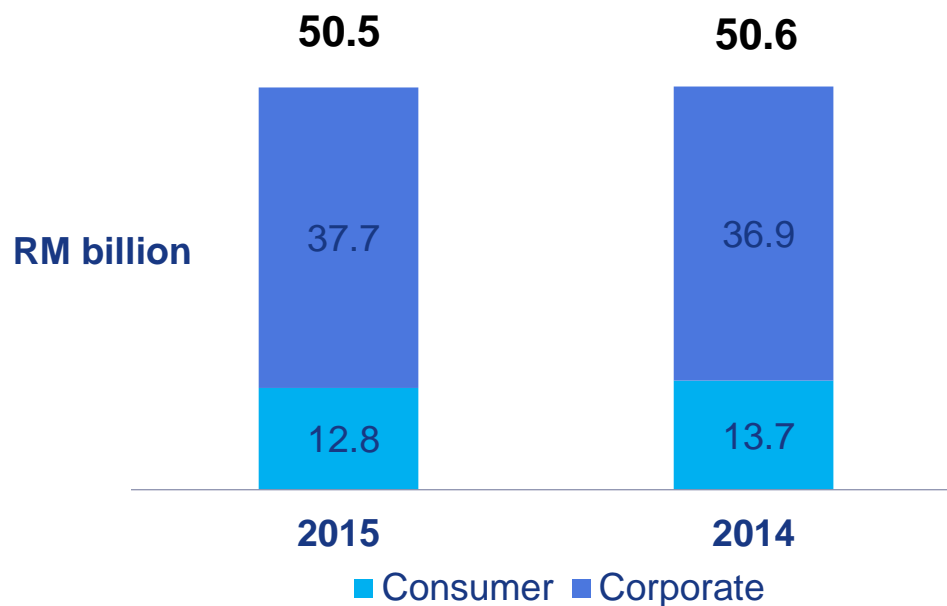
- Achieved GWP of RM1.33 billion in 2015, a growth of 17.7%
- Ranked 5th and is the fastest growing insurance group
- Group health growth of 20%
- Motor growth of 21%
- Motorcycle growth of 33%

Loans, advances & financing by business segments



...Loans growth for 2015 was at 6.87% or RM2.8 billion...

Deposits from Customers by business segments



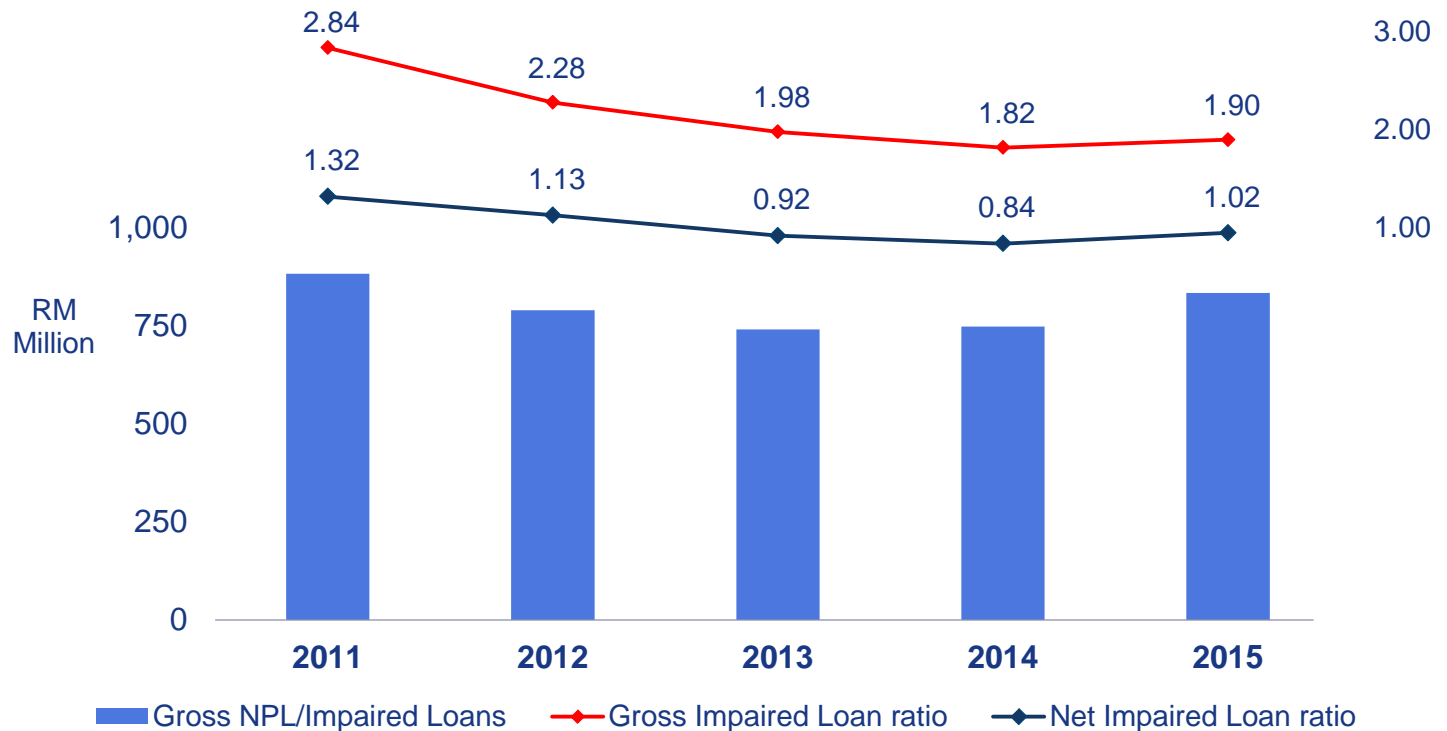
Capital Adequacy

As at 31 December 2015, the Group's CET Capital ratio, Tier 1 Capital ratio and Total Capital ratio are healthy and well above the regulatory requirements

Total Capital Ratio	2015	2014
AFFIN Bank Berhad	14.33%	13.56%
AFFIN Islamic Bank Berhad	14.42%	13.67%
AFFIN Hwang Investment Bank Berhad	32.07%	30.72%

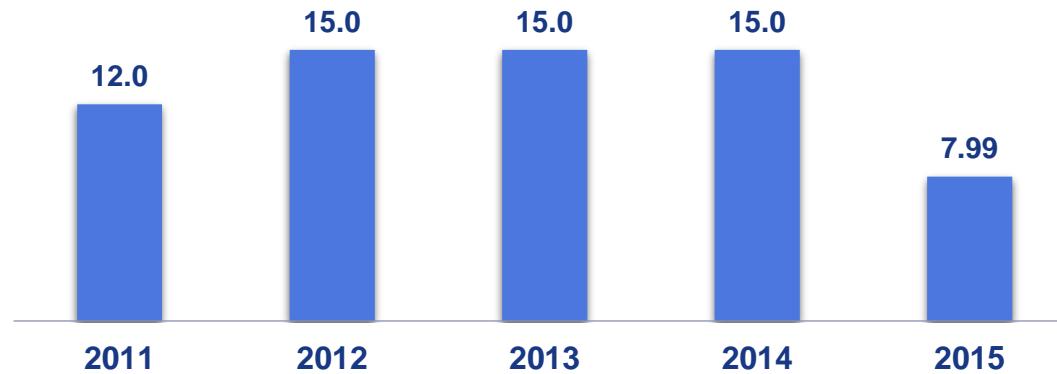
CET 1/TIER 1 Capital Ratio	2015	2014
AFFIN Bank Berhad	11.94%	12.32%
AFFIN Islamic Bank Berhad	13.20%	12.47%
AFFIN Hwang Investment Bank Berhad	32.07%	30.72%

Asset Quality

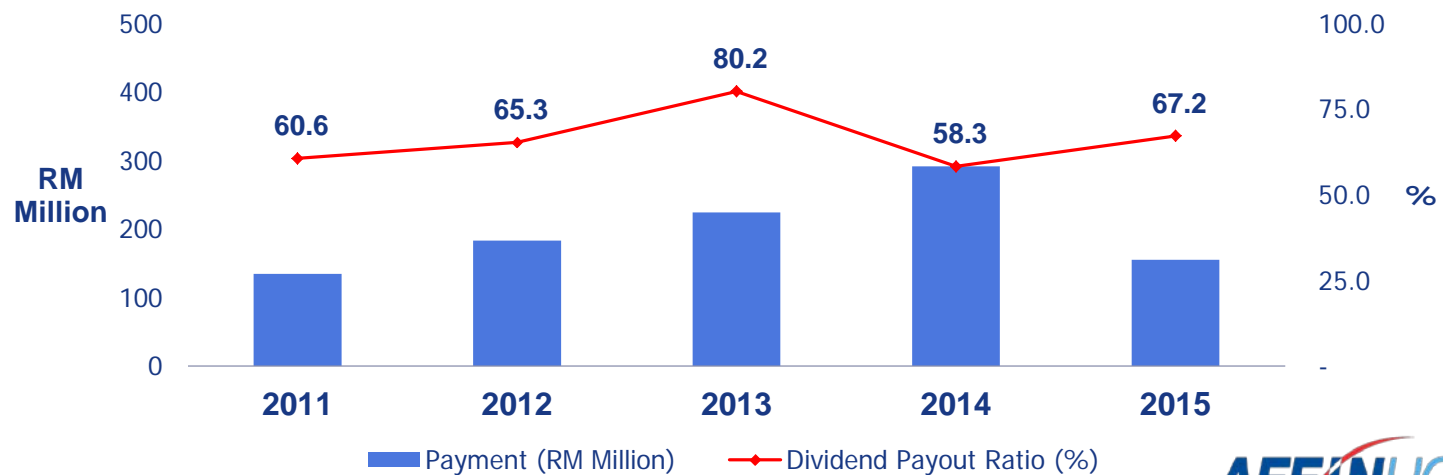


Gross Dividend & Dividends Payout Ratio

Gross Dividend Per Share (sen)



Dividend Payout



The logo for AFFIN BANK features the word "AFFIN" in a bold, dark blue, sans-serif font, followed by "BANK" in a lighter blue, sans-serif font. A red curved line swooshes over the "IN" part of "AFFIN".

AFFINBANK

Strategic Direction

The logo for AFFIN HOLDINGS features the word "AFFIN" in a bold, dark blue, sans-serif font, followed by "HOLDINGS" in a lighter blue, sans-serif font. A red curved line swooshes over the "IN" part of "AFFIN".

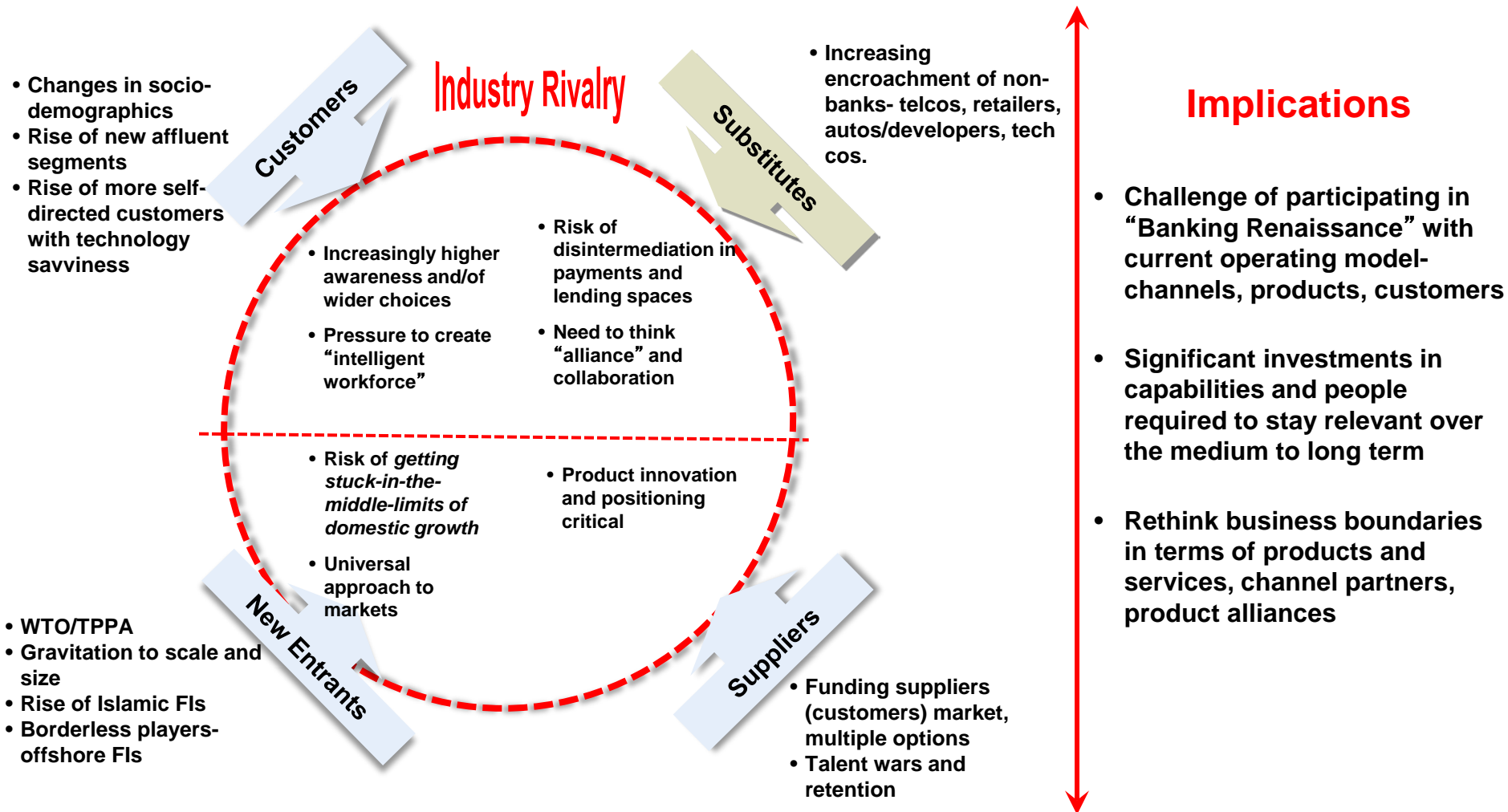
AFFINHOLDINGS

www.affin.com.my

AFFIN BANK GROUP TRANSFORMATION

1. Creating a **discernible impact** in the marketplace- change in scale and performance along key measures
2. Establishing a **cohesive franchise** across distribution channels, products and customer segments
3. Aligning assets and resources to **deliver on planned goals**
4. Fostering a culture and governance which will enable **ownership and accountability for results**
5. Our transformation strategy **will optimize** shareholder returns.

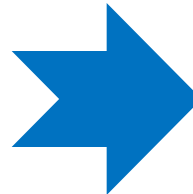
AFFIN Bank Group operates in an increasingly challenging environment across every aspect of the industry



AFFIN BANK GROUP TRANSFORMATION

In-Flight Transformation Initiatives

1. **Functional structure already rolled out.** Some adjustment still needed
2. **Consumer transformation being implemented** resulted in loan stock increase and improved turnaround time
3. **Adjustment in salaries to address for internal equity**
4. **Compliance framework and capability enhanced**
5. **Performance based KPIs with negative KPIs implemented** at senior management level
6. **Separation of credit management and risk management**



In-Flight Transformation End-Goals (2020)

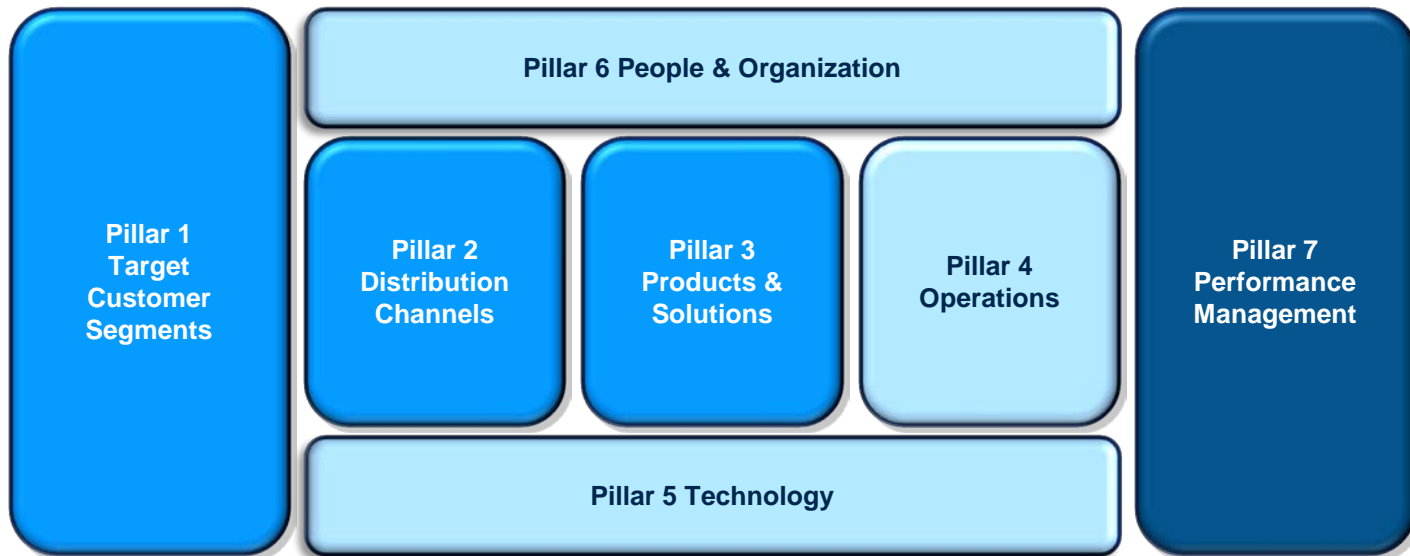
1. **Cradle to Grave Banking-** despite size, to provide services to all bankable segments of the economy
2. **Embrace the digitalization-** specific focus on mobile payment and mobile banking
3. Move towards a **consumer based bank-** with 60% consumer 40% corporate
4. **Increase fee based income-** 30% of total income from 20% currently
5. **Restructure deposit profile-** 40% CASA, 60% FD
6. **Expand into external markets**

The blueprint for the new target operating model comprises seven key pillars covering business scope, operations enablers and performance management

Target Operating Model Blueprint

Business Scope Components:

Addresses strategic questions on who are our customers, what do they need and how do we reach them



Performance Management Components

: Ensures goals and model discipline through a comprehensive set of metrics

Operations Enablers: Links and supports the execution and delivery capability with the business model goals around Operations, Technology and People

AFFIN GROUP NEW HEAD OFFICE

- The new building located at Tun Razak Exchange (TRX) will house all AFFIN Group of Companies including AFFIN Holdings Berhad, AFFIN Bank Berhad, AFFIN Islamic Bank Berhad, Affin Hwang Investment Bank Group, AXA AFFIN Life and General insurance
- The building will have state of the art technology driven Central Branch, digital technology centre, credit card and wealth management centre, stockbroking centre, staff training centre, call centre, meeting rooms, cafeteria, gym, nursery and auditorium.
- The Group is expected to achieve cost savings from the rental being paid currently, which is estimated to be RM26.0 million per annum and the Group will also enjoy TRX-specific tax incentives.

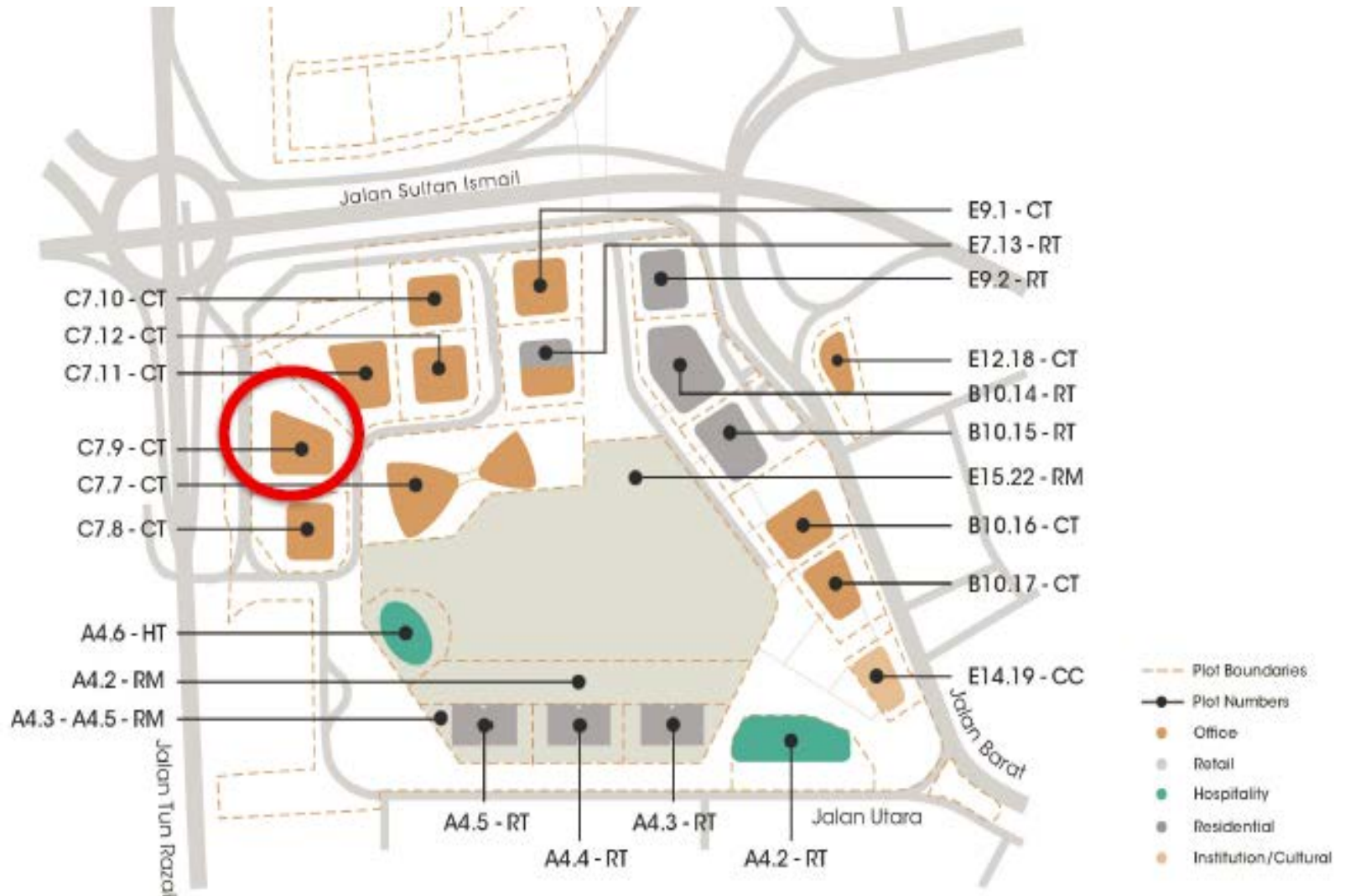
Snapshot of the new building

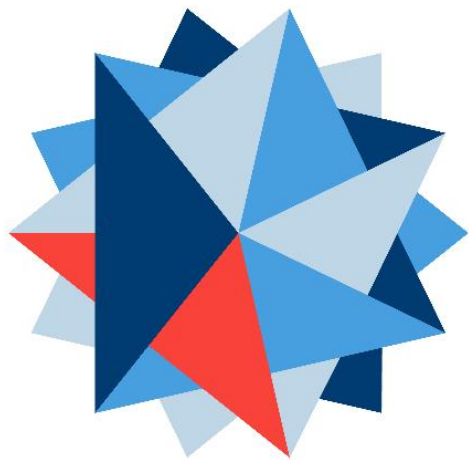
Net Floor Area	:	660,000sqft
Number of floors	:	35 floors
Number of parking bays	:	830 bays
Average plot ratio	:	15.2x
Average floor plate	:	23,530 sqft

AFFIN GROUP NEW HEAD OFFICE



AFFIN GROUP NEW HEAD OFFICE

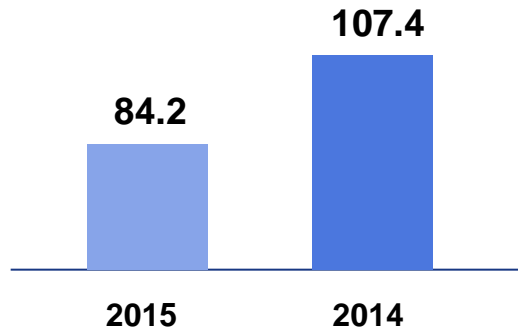




AFFIN HWANG CAPITAL

FY2015 Performance

Profit Before Tax



- Results is in line with challenging capital markets environment in 2015
- First full-year results post HwangDBS IB acquisition (Apr'14) & merger with AFFIN IB (Sep'14)
- One-off integration-related expenses

#1

Equity Brokerage

for total value and volume traded in the Malaysian market in 2014 and 2015



Top 5

Asset Manager

by AUM, and recognised as top fund houses in Malaysia for 2014 and 2015



Strategy Going Forward

Strengthening Market Position

- #1 Equity Brokerage
- Top 5 Asset Manager
- Position of significance for deal advisory & fund raising

Business Resilience & Diversification

- Strategic business performance initiatives
- Complimentary business & income diversification
- Expanding product capability & reach thru Daiwa collaboration

ASEAN Network

- Broadening equity trading coverage thru key strategic partners - Daiwa & Thanachart
- Securing Asian partnerships for remaining jurisdictions

THANK YOU