



BANK TO THE FUTURE

**Presentation by:
Datuk Wan Razly Abdullah
President & Group Chief Executive Officer
AFFIN Bank Berhad**

Our ambition is to be a
**Modern and
Progressive Banking
Group.**

- The cover signifies **AFFIN Group's** commitment to shaping the next generation of banking as we are the **Bank to the Future.**



Our Metamorphosis Journey



Old HQ
2020



Single Banking Model
2021



Triple Banking Branches
2022



New HQ
2023



Sarawak Regional Office
2024



Sabah Regional Office
2025



RM 69 billion

RM 78 billion

RM 90 billion

RM 105 billion

RM 112 billion

Anything we
imagine it to be

- Building Unrivalled Customer Service
- Cleaning Up The Balance Sheet :
 - i) Reducing Cost of Funds
 - ii) Improving Asset Quality

- Stabilising Digital Capabilities
- Hunting for CASA
- Building Loan Loss Coverage

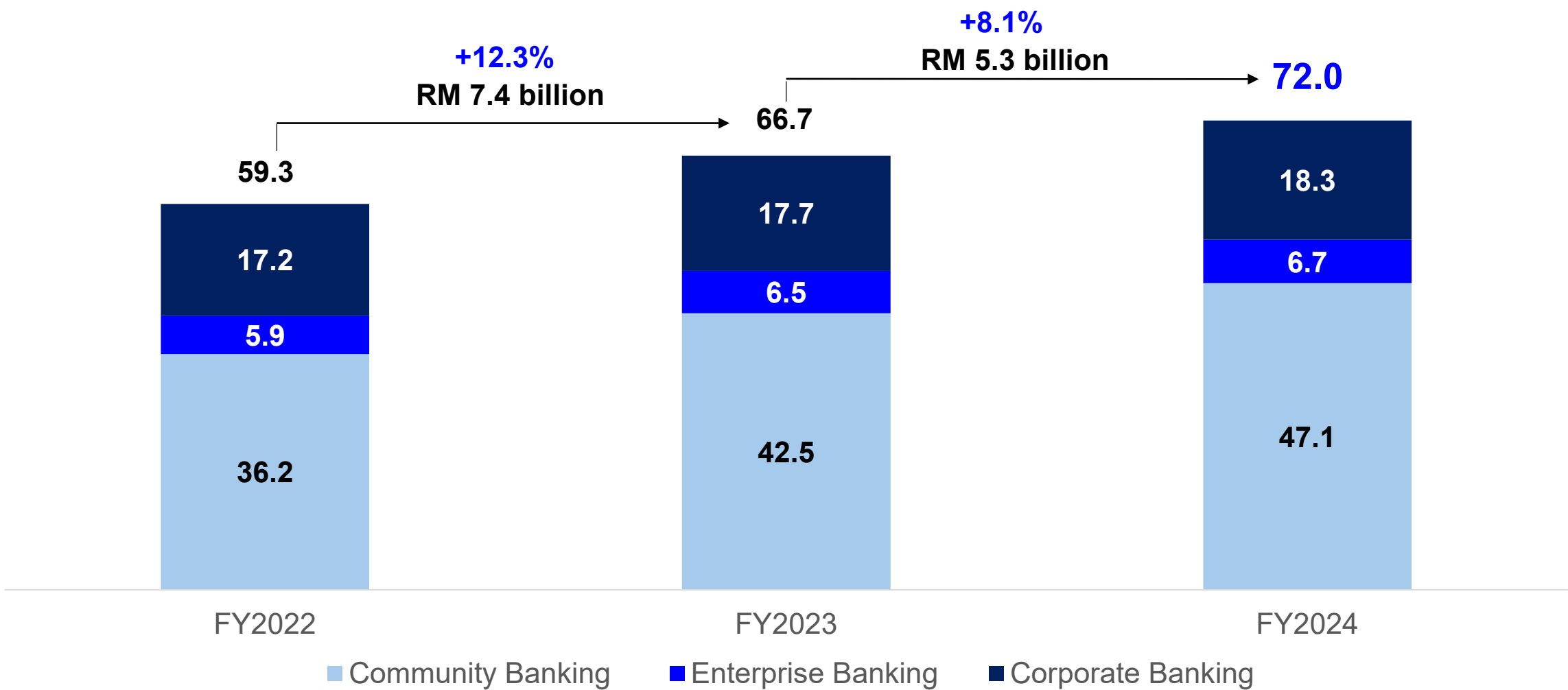
- Building Leading Digital Capabilities
- Starting Our ESG Game
- Growing our CASA

Balance Sheet Highlights

RM Million	FY2023	FY2024	YoY(%)
Cash & short-term funds	6,483.0	3,155.1	(51.3%)
Financial assets/investment	27,239.4	31,153.2	14.4%
Gross loans, advances & financing	66,662.8	72,044.7	8.1%
Less: ECL	(1,437.9)	(1,152.6)	19.8%
Other assets	6,300.3	6,641.7	5.4%
Total Assets	105,247.7	111,842.1	6.3%
Deposit from customers	70,834.1	74,501.1	5.2%
Of which : Current Account	13,592.6	16,251.9	19.6%
Savings Account	5,321.1	6,131.7	15.2%
Total CASA	18,913.7	22,383.6	18.3%
Fixed Deposits, NIDs, MMD & CMD	51,920.4	52,117.5	0.4%
Deposits & placement of banks & other FIs	13,968.6	14,185.8	1.6%
Other liabilities	2,057.3	2,661.0	29.3%
Borrowings	7,278.9	8,892.9	22.2%
Total Equity	11,108.8	11,601.3	4.4%
Total Liabilities & Equity	105,247.7	111,842.1	6.3%

Loan Growth Remains Steady

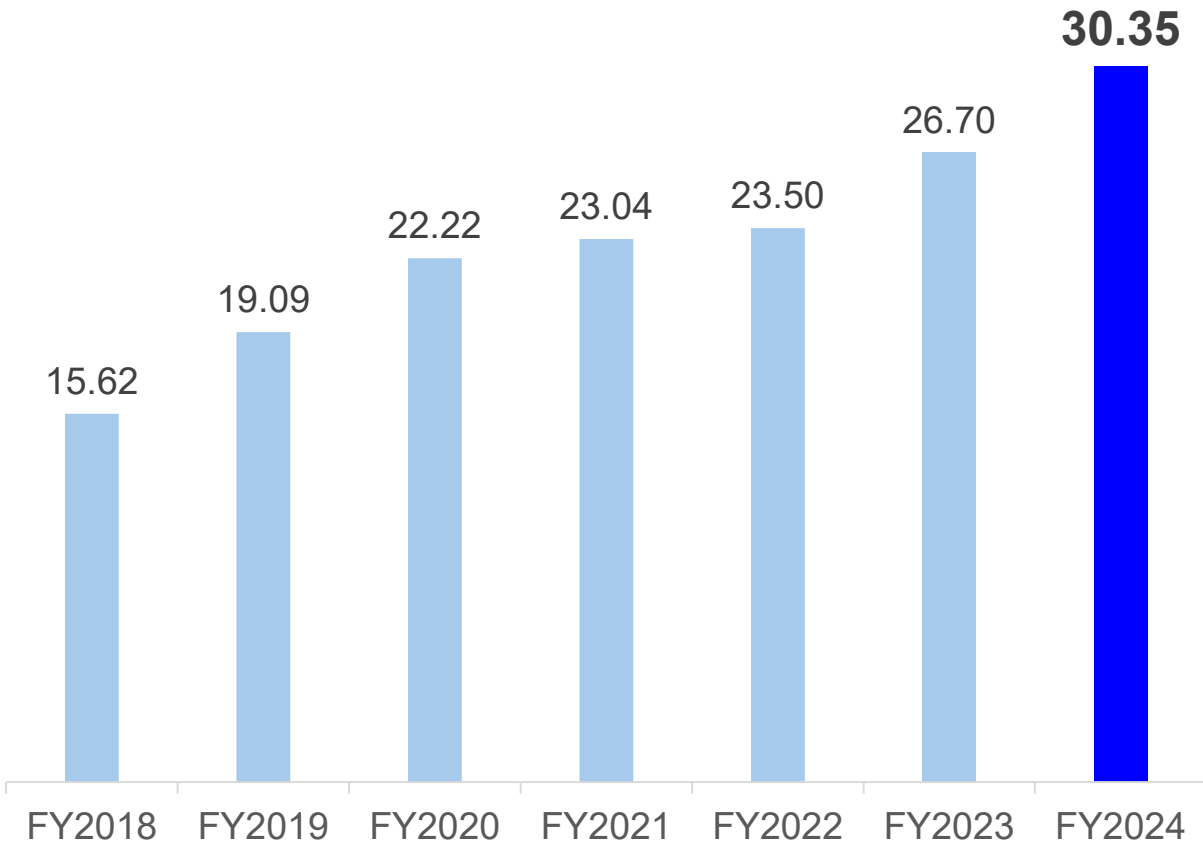
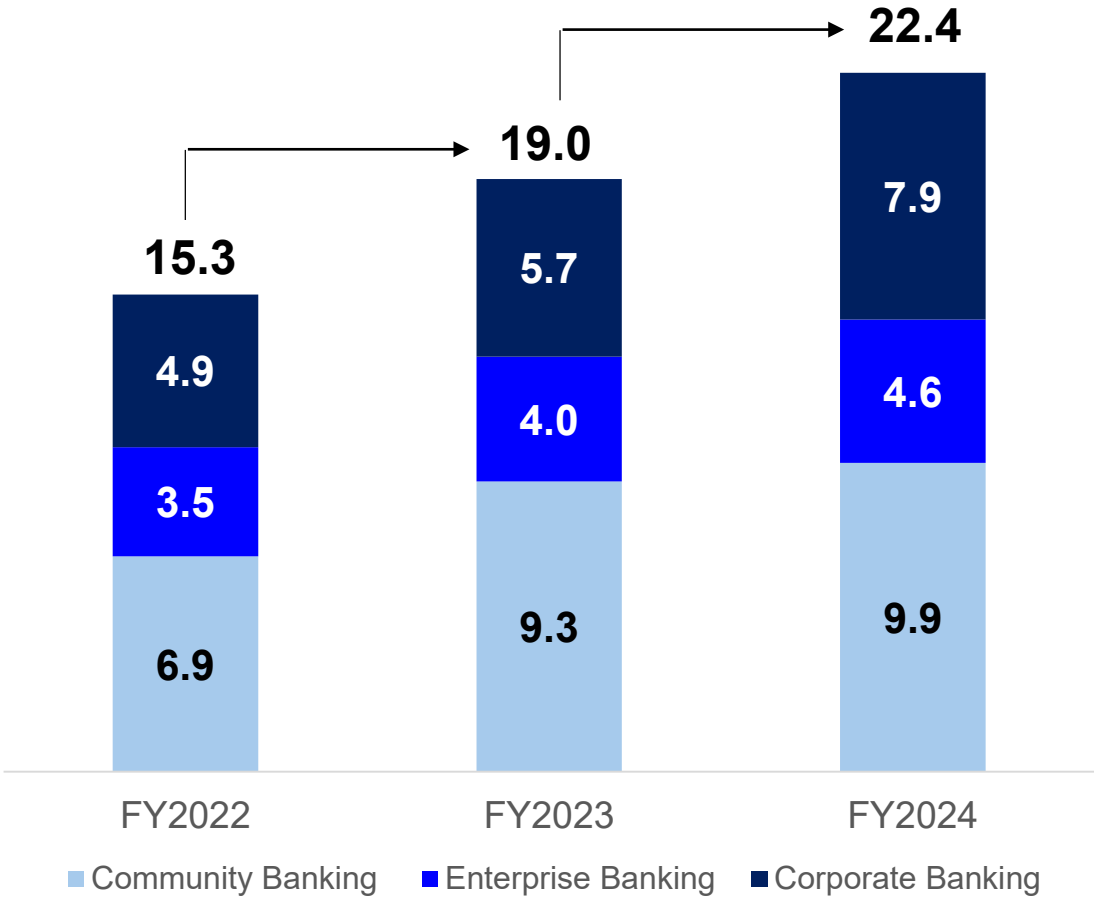
Gross Loans (RM Billion)



CASA Base is Highest Ever

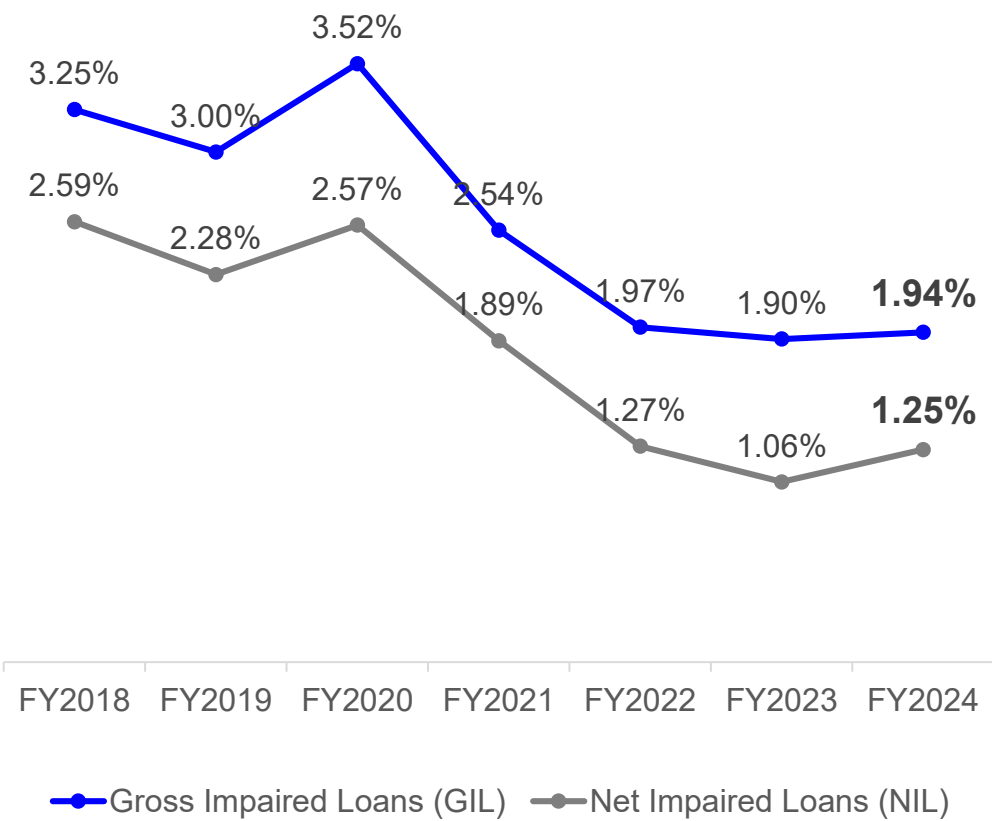
CASA (RM Billion)

CASA Ratio (%)

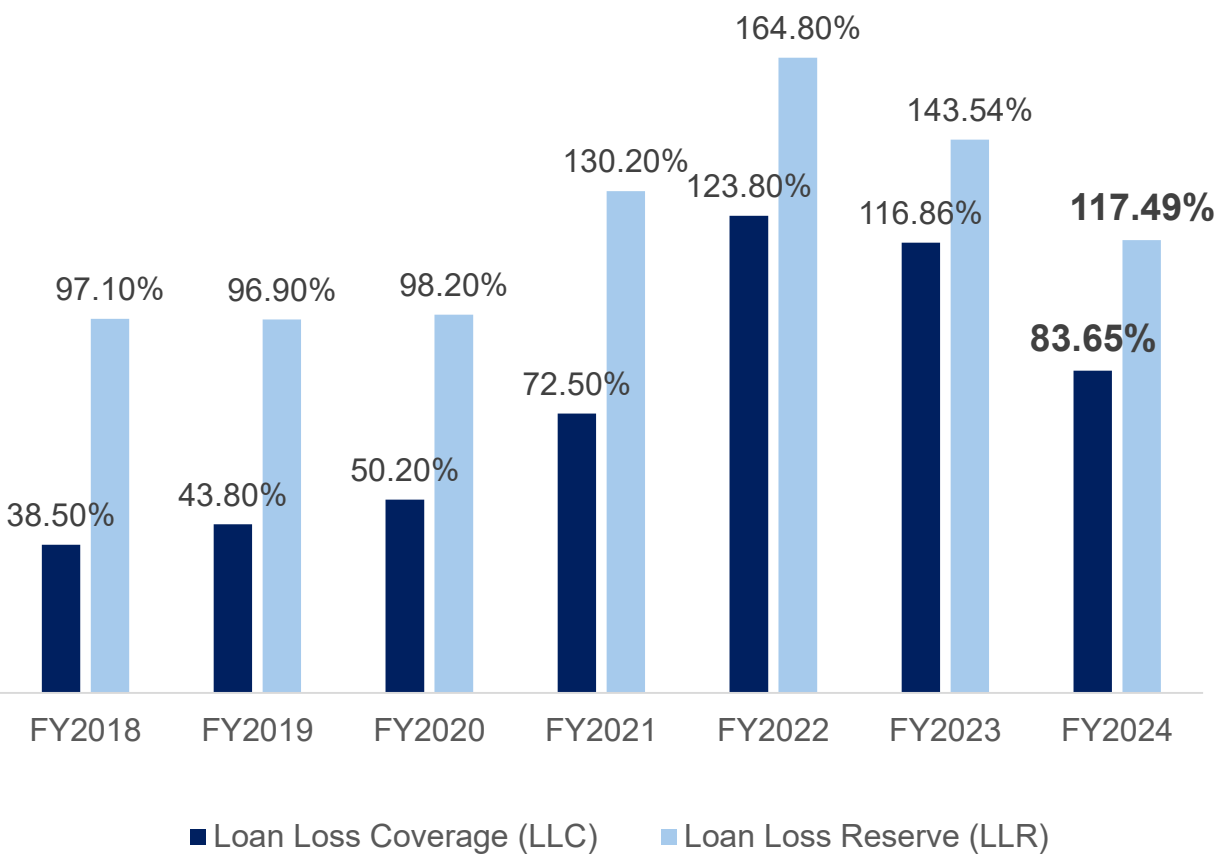


Continuous Monitoring of Asset Quality and Reserves

Impaired Loans Ratios (%)



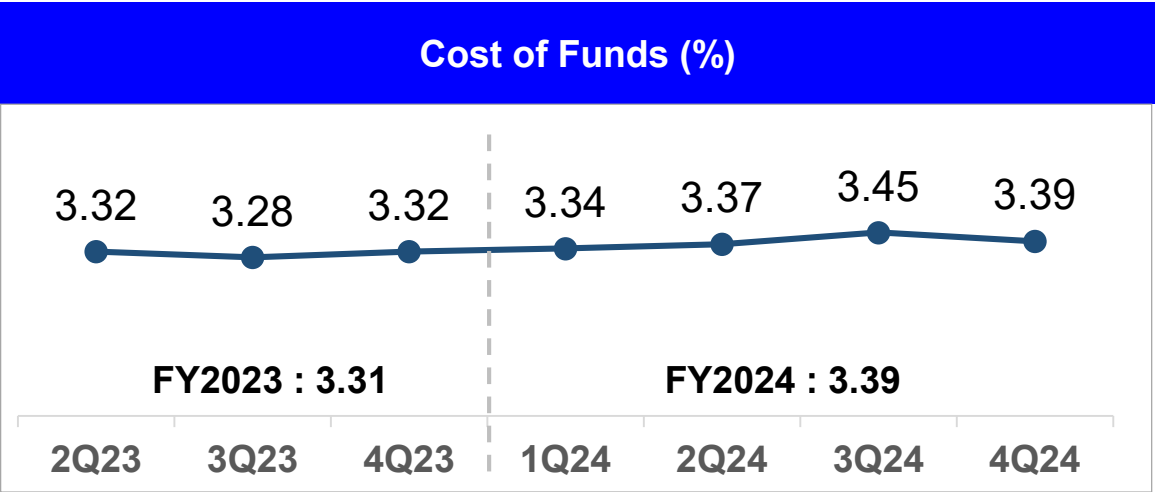
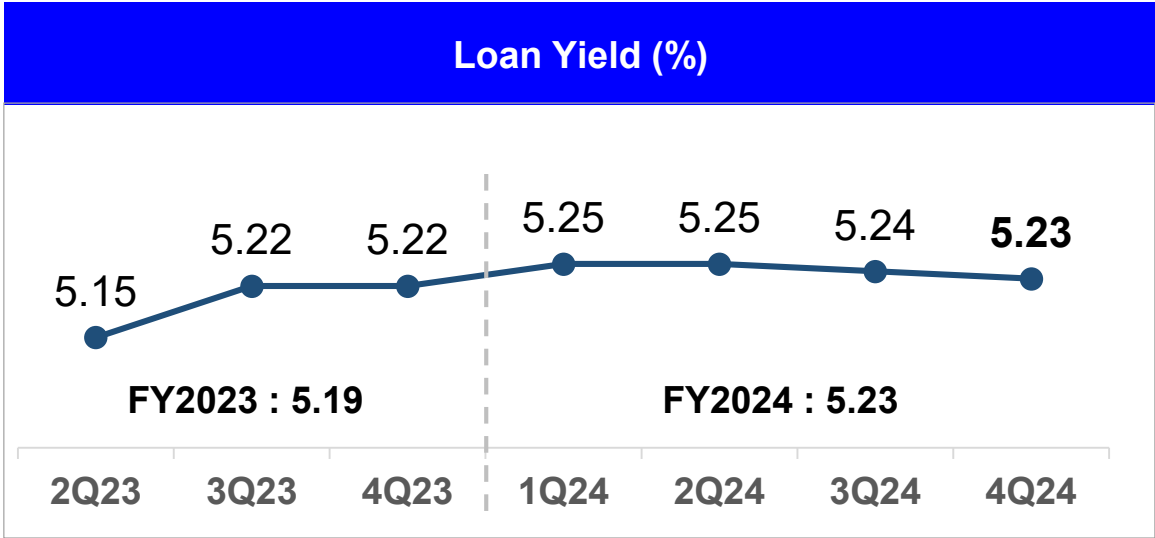
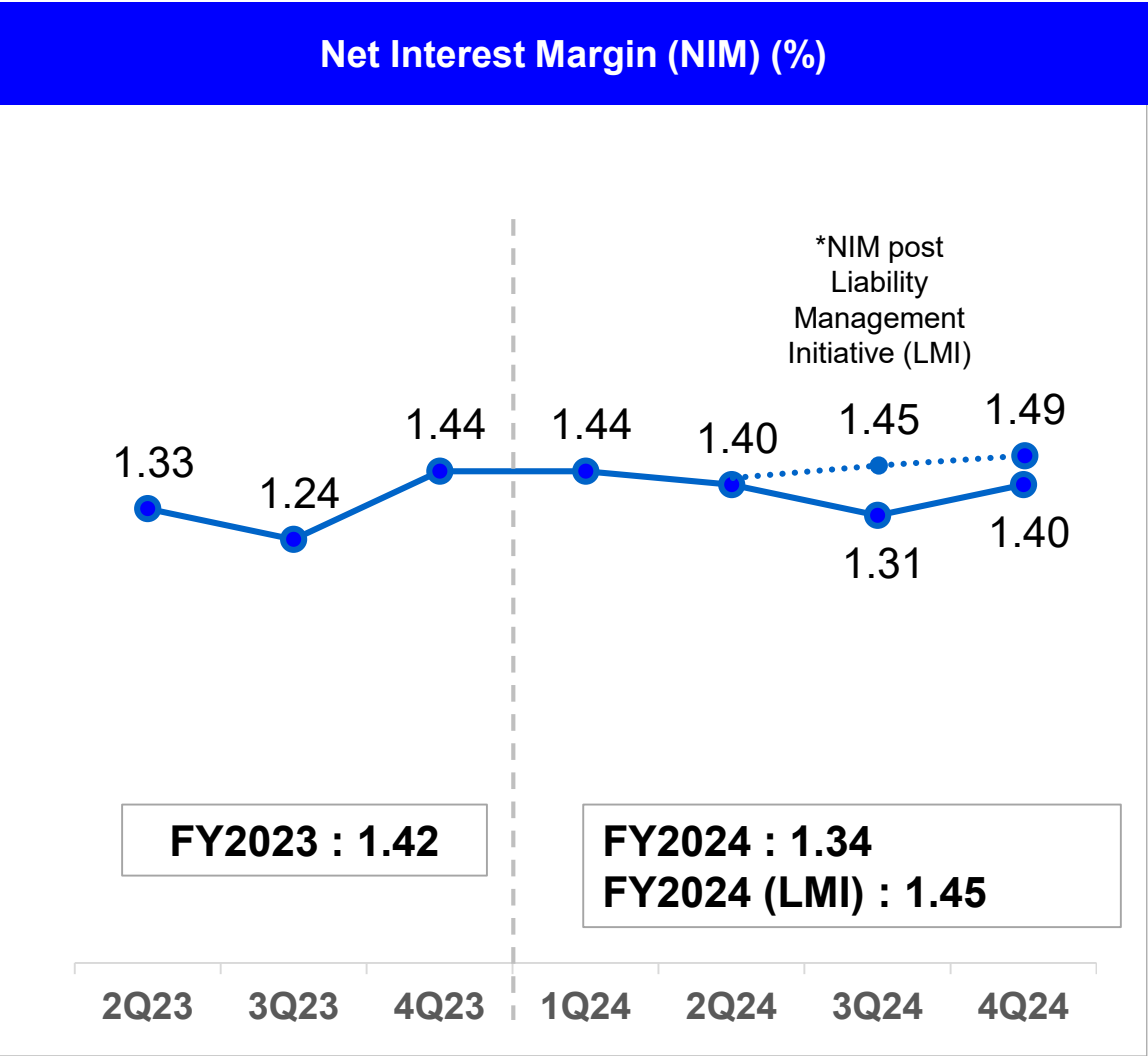
Loan Loss Coverage and Loan Loss Reserve (%)



Income Statement

RM Million	FY2023	FY2024	YoY (%)
Net Interest Income	782.9	826.4	5.6
Income from Islamic Banking Business	595.6	691.1	16.0
Other operating Income	607.3	652.2	7.4
<i>of which :</i>			
<i>Net Fee and Commission Income</i>	<i>250.6</i>	<i>297.9</i>	<i>18.9</i>
<i>Net Gains on Financial Instruments</i>	<i>168.1</i>	<i>212.1</i>	<i>26.2</i>
<i>Other Income</i>	<i>188.6</i>	<i>142.2</i>	<i>(24.6)</i>
Net Income	1,985.8	2,169.7	9.3
Operating Expenses	(1,421.2)	(1,619.6)	(14.0)
Allowances for Impairment Losses	(78.2)	151.4	>100
Share of results of Associate	36.5	54.7	49.9
Zakat	(4.6)	(6.7)	(45.7)
BAU Profit Before Taxation excluding Early Retirement Scheme (ERS)	518.3	749.5	44.6
ERS	-	(48.5)	(100)
Profit Before Taxation	518.3	701.0	35.2
Taxation	(116.1)	(191.3)	(64.8)
Profit After Taxation	402.2	509.7	26.7

NIM Compression Due To Higher Deposit Rates



PBT Contribution by Subsidiaries and Associates

Entity (RM mil)	FY2023	FY2024	YoY(%)
Affin Bank Berhad (normalised*)	109.2	364.8	>100.0
Affin Islamic Bank Berhad (normalised*)	317.7	324.9	2.3
Affin Hwang Investment Bank Berhad (normalised*)	92.5	152.1	64.4
Generali Life Insurance Malaysia Berhad	(7.1)	(3.3)	53.5
Generali Insurance Malaysia Berhad	43.6	38.0	(12.8)
Affin Moneybrokers Sdn Bhd	1.9	1.7	(10.5)
Consol adjustments	(39.5)	(128.7)	(>100.0)
BAU PBT*	518.3	749.5	44.6
PBT with ERS	518.3	701.0	35.2

*Excluding one-off Early retirement scheme ("ERS") cost

Optimization of Capital Remains A Focus

Common Equity Tier 1 (“CET 1”) Capital Ratio, Tier 1 (“Tier 1”) Capital Ratio and Total Capital Ratio of all banking entities within the Group remained above the minimum regulatory requirements.

Ratio (%)		CET 1		Tier 1		Total Capital	
		2023	2024	2023	2024	2023	2024
AFFIN BANK BERHAD	Group	13.76	13.22	15.29	14.64	17.95	17.06
	Bank	12.65	12.15	13.83	13.27	16.17	15.26
AFFIN ISLAMIC BANK BERHAD	Bank	12.08	11.73	14.44	13.80	17.99	17.05
AFFIN HWANG INVESTMENT BANK BERHAD	Group	36.94	35.27	36.94	35.27	36.94	35.94
	Bank	41.53	36.70	41.53	36.70	42.29	37.40

Capital Planning for AX28 (1/2)

1

Increase of Term Investment Account-i (TIA-i)

2

Internal Rating Based (IRB) Model

3

Issuance of AT1/ Tier 2 capital instruments under existing programme

4

Dividend Reinvestment Plan (DRP)

Capital Planning for AX28 (2/2)

5

Growing fee-based income/ low capital charge products

6

Bonus Issue Shares

7

Recoveries of Stage 2 and Impaired Loans

8

Optimizing Risk Weighted Assets (RWA)

Key Ratios

Ratio (%)	FY2023	FY2024	Fav/(Adv)
PROFITABILITY			
Return on Equity	3.70	4.49	▲ 0.79
Return on Equity (excluding ERS)	3.70	4.80	▲ 1.10
Net Interest Margin - BAU	1.42	1.34	▼ (0.08)
Net Interest Margin - Adjusted	1.42	1.45	▲ 0.03
Cost to Income Ratio	71.57	76.88	▲ 5.31
Cost to Income Ratio (excluding ERS)	71.57	74.60	▲ 3.03
LIQUIDITY			
CASA Ratio	26.70	30.35	▲ 3.65
Liquidity Coverage Ratio	174.11	165.18	▼ (8.93)
ASSET QUALITY			
Gross Impaired Loan Ratio	1.90	1.94	▲ 0.04
Loan Loss Coverage Ratio	116.86	83.65	▼ (33.21)
Loan Loss Reserve Ratio	143.54	117.49	▼ (26.05)
CAPITAL			
CET 1 Capital Ratio	13.76	13.22	▼ (0.54)
Tier 1 Capital Ratio	15.29	14.64	▼ (0.65)
Total Capital Ratio	17.95	17.06	▼ (0.89)

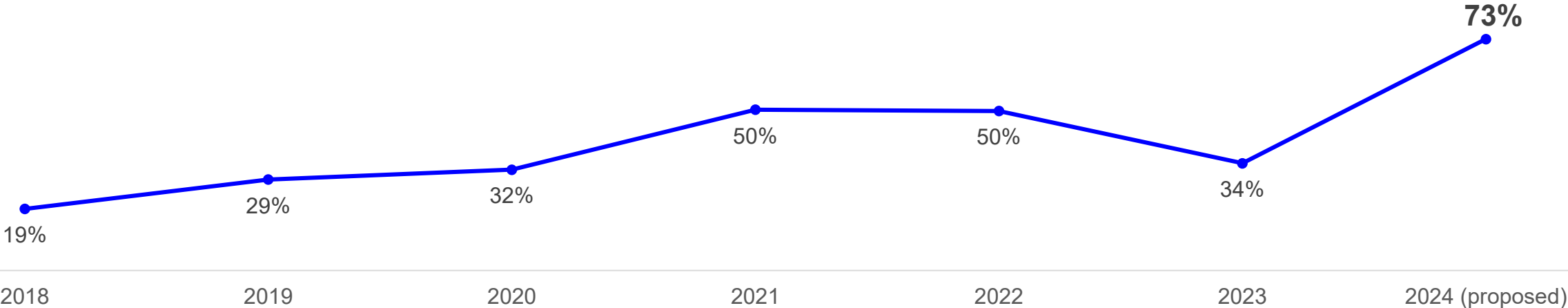
Share Reward In the Form of Bonus Shares

- It is proposed that a share reward in the form of bonus shares to be undertaken (**“Proposed Bonus Issue”**). This means that the shareholders will receive additional shares for free or can be interpreted as “dividend paid in 100% shares” or “share dividend”.
- The implied dividend amount per share and dividend yield is RM0.1540 and 5.3% respectively, based on the theoretical ex-bonus price of RM2.7725 per share.

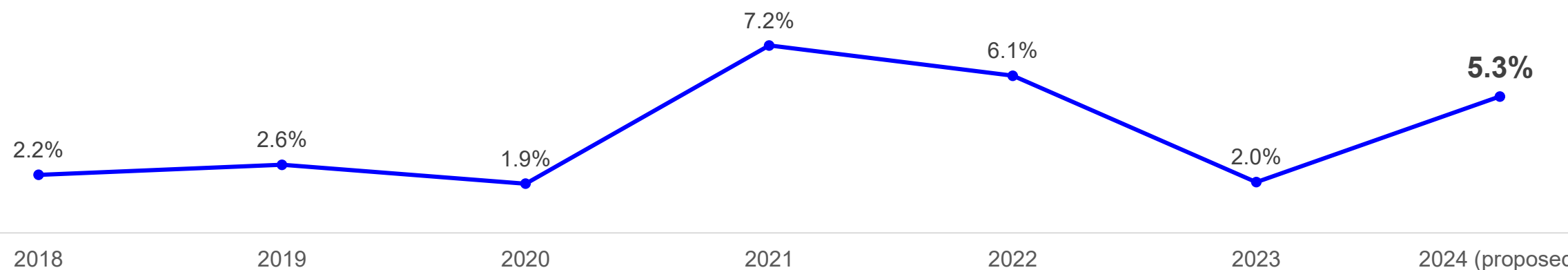
1 for 18
New Existing
share shares

Historical Dividend Payout Ratio and Dividend Yield

Dividend Payout Ratio (%)



Dividend Yield (%)



Rationale for Bonus Shares

1

The Proposed Bonus Issue is a reward to existing shareholders for their support and a positive signal of AFFIN's confidence in the future growth prospects.

2

Strong foreign investor interest in AFFIN shares. The additional shares from the Proposed Bonus Issue will increase the number of shares available for trading, which can enhance the marketability and trading liquidity of AFFIN shares.

3

Shareholders can benefit from the potential upside in the market price post the Proposed Bonus Issue and there is no tax payable on the bonus shares received.

4

The capital preserved (approximately RM510 million) from the Proposed Bonus Issue will give the Group ready resources for strategic Mergers and Acquisitions and support the Bank's ambitious loan growth plans.

FY2024 Financial Report Card

Items	FY24	Budget FY2024	INDICATOR (Actual 2024 Vs Budget 2024)
BAU Profit Before Tax (PBT)	749.5m	750.0m	✓
Net Interest Margin (NIM)*	1.34%	1.40%	✗
Cost to Income Ratio (BAU)**	74.60%	74.00%	=
Loan Growth	8.1%	8.0%	✓
CASA Ratio	30.4%	30.0%	✓
Gross Credit Cost	(3) bps	10-15 bps	✓
Gross Impaired Loans (GIL)	1.94%	1.90%	=
Loan Loss Coverage (LLC)	83.7%	110%-120%	✗
ESG Financing	10.56%	10.00%	✓

Budget 2025

Items	Actual FY24	Budget 2025
BAU Profit Before Tax (PBT)	749.5m	1,100m
Return on Equity (ROE)	4.49%	6.0%
Net Interest Margin (NIM)	1.40%	1.55%
Cost to Income Ratio (CIR)	74.60%	65.00%
Gross Credit Cost	-3 bps	12 bps
Loan Growth	8.1%	12.0%
Gross Impaired Loan (GIL)	1.94%	1.70%
Loan Loss Coverage (LLC)	83.7%	90%-100%
ESG Financing Target	10.6%	15.0%

Key Pillars Of Our Journey

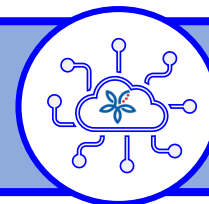
Sarawak Developments



Unrivalled Customer Service



Digital Leadership



Responsible Banking with Impact





BUSINESS TIMES

Sarawak's strategic investment in Affin Bank could be a 'double win'

Premier eyes Affin Bank's role in creating a core economic hub for Borneo

Sep 27, 2024 @ 20:06

KUCHING, Sept 27: Sarawak Premier Datuk Patinggi Tan Sri Abang Johari Tun Openg has expressed his hope that Affin Bank Berhad (Affin Bank) will play an active role in enhancing connectivity and infrastructure development across Borneo through investments in strategic companies and industries.

Abang Johari emphasised the bank's potential in bridging economic collaborations between Sarawak, Sabah, Brunei, and Kalimantan, Indonesia.

Sarawak Premier Tan Sri Abang Johari Tun Openg said the collaboration presents a unique opportunity for Sarawak to explore potential cooperation, particularly in six priority sectors, namely manufacturing, commercial agriculture, tourism, forestry, mining and services.

He further stated that the bank's investment could stimulate greater cooperation among businesses in the region and create a "core economic area" for Borneo.

The Premier also mentioned that Affin Bank's involvement could accelerate the growth of Sarawak's core industries, including methanol production, ammonia projects, and port expansions, which are aligned with Sarawak's economic ambitions.



We Want To Grow Our Presence in Sarawak



Sarawak is the largest state in Malaysia which has achieved high income status, by having a gross national income (GNI) per capita of more than US\$13,205.

Sarawak Government has recently acquired a majority stake in AFFIN.

As a full-fledged bank in Sarawak, we currently have presence in :

- Kuching (4 Branches)
- Sibu (1 Branch)
- Bintulu (2 Branches)
- Miri (1 Branch)

Our future expansion plans include:

- New branches (+6 target)






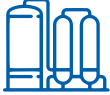






Exploring New Opportunities In Sarawak



Exploring New Opportunities In Sarawak

Providing extraordinary support and improved funding access from the Sarawak Government

Business Opportunities via close ties with Sarawak

	Industry	Sarawak Key Outcomes to be achieved	Estimated Revenues		Industry	Sarawak Key Outcomes to be achieved	Estimated Revenues
	Digital	<ul style="list-style-type: none"> 100% end to end digital government services 70% of SMEs to adopt digital platform 	RM10bn		Oil & Gas	<ul style="list-style-type: none"> Increase domestic gas consumption share from its current 6% to 30% by 2030 Generate 1GW of electricity by 2030 and 1.5GW by 2035 	RM10.0bn
	Advanced Healthcare	<ul style="list-style-type: none"> Renowned Medical tourism investing in Kuching. Elevate healthcare tourism in Sarawak 	RM5bn		Hydrogen	<ul style="list-style-type: none"> Attract investments for hydrogen production and value chain Establish hydrogen refuelling station network Hydrogen to power Automated Rapid Transit (ART) 	RM5.8bn
	Aviation Hub	<ul style="list-style-type: none"> Establish aircraft maintenance, repair and overhaul (MRO) facilities in Miri to supplement the needs of aircraft repair on the Borneo Island and around the BIMP EAGA Region New International Airport in Tanjung Embang expected to be completed in 2030 	RM1.5bn		Agriculture	<ul style="list-style-type: none"> Palm oil is expected to add US\$3.6 billion to Sarawak's GDP by 2030 Sarawak is targeting to become a net food exporter by 2030 	>RM50bn
	Port	<ul style="list-style-type: none"> 50% increase in port capacity 25% reduction in emission from ports operation Green infrastructure - sustainability practices in ports Deep Sea Port expected to be completed in 2030 	RM10bn		Bank	<ul style="list-style-type: none"> Financing for mega-infrastructure projects in pipeline (e.g. The North Coastal Highway project, Deep Sea Port, International Airport, Methanol Complex etc.) 	RM6.1bn
	Hydropower	<ul style="list-style-type: none"> Hydropower plants can provide reliable, competitively tariffed and clean electricity to Sarawak, supporting domestic, commercial and industrial customers. 	RM3bn				
	Education	<ul style="list-style-type: none"> <1.2% employment rate Science enrolment of ~40% by 2025 The initiatives include Strategic partnership with industries and stakeholders: Human capital development Council & Sarawak workforce information system, to address disparity in quality education via Yayasan Sarawak International School and upgrade/rebuild schools and provide access to basic 	RM700mn				
				Total RM102.1bn			

Source : Post COVID-19 Development Strategy (PCDS) 2030, Sarawak Gas Roadmap, Sarawak Digital Economy Blueprint 2030

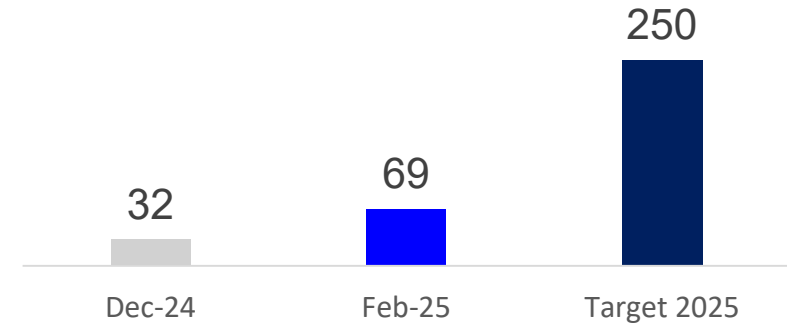


Unrivalled Customer Service

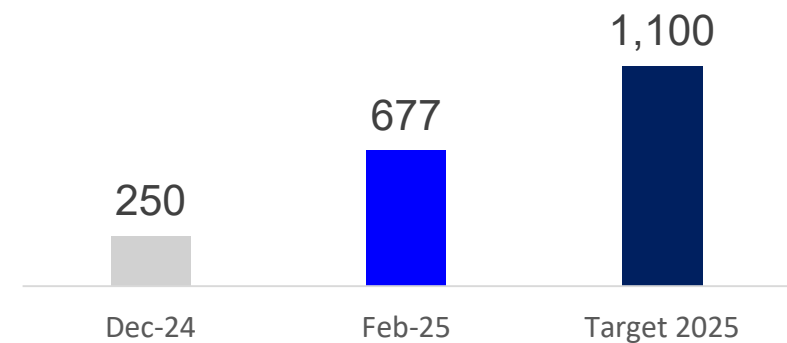
Launched in September 2024



Number of Diventium Customers



Diventium AUM (RM mil)

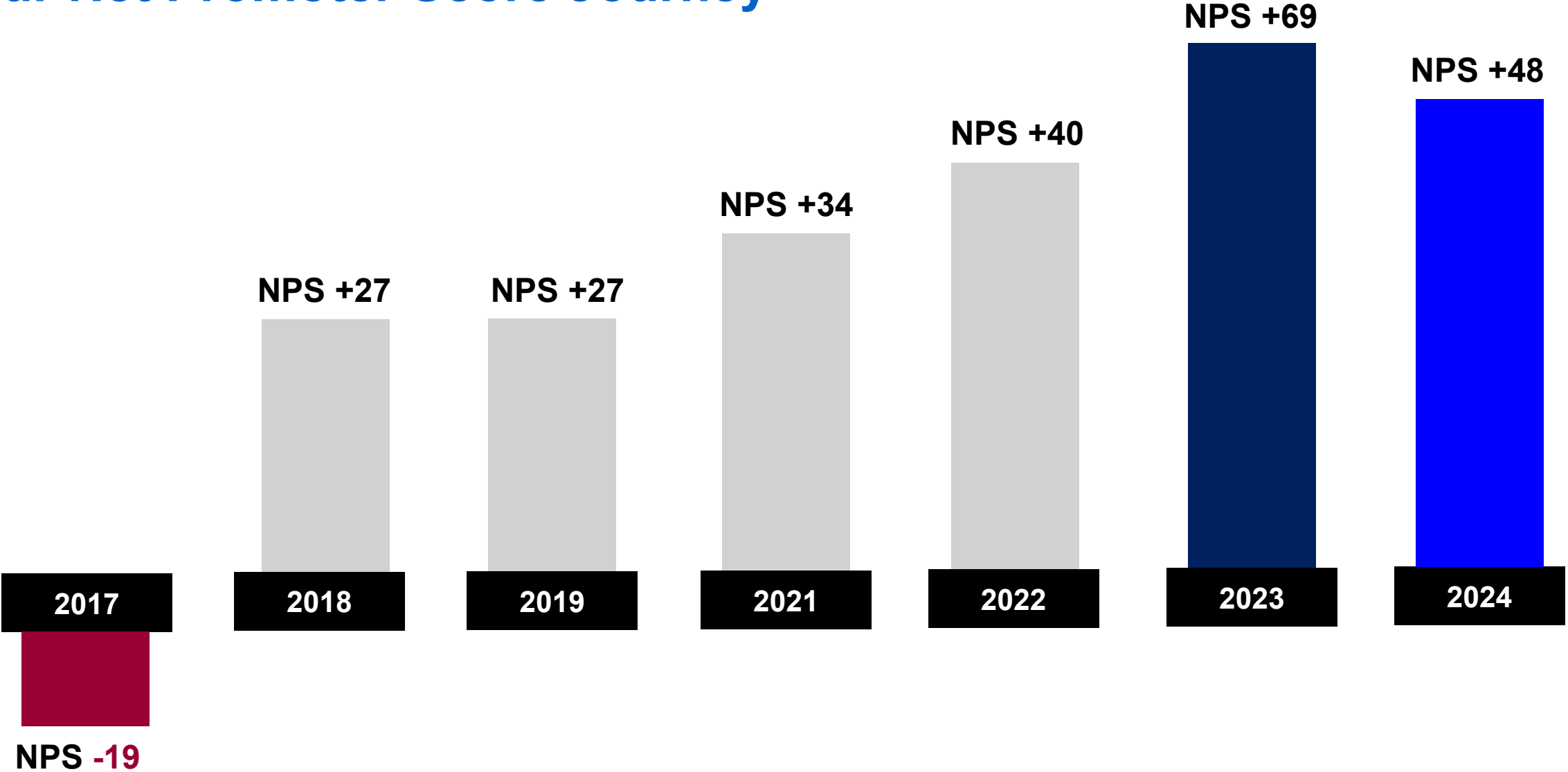


- Purpose**
Acquisition of Yacht
- Financing Type**
Refinancing or Cash-out from your property or by way of FD pledge*
- Financing Value**
Offered in Malaysia Ringgit (MYR) up to RM15 million
- Tenure**
Up to 10 years or age 60, whichever is earlier
- Margin of Finance**
Up to 50%-55%**

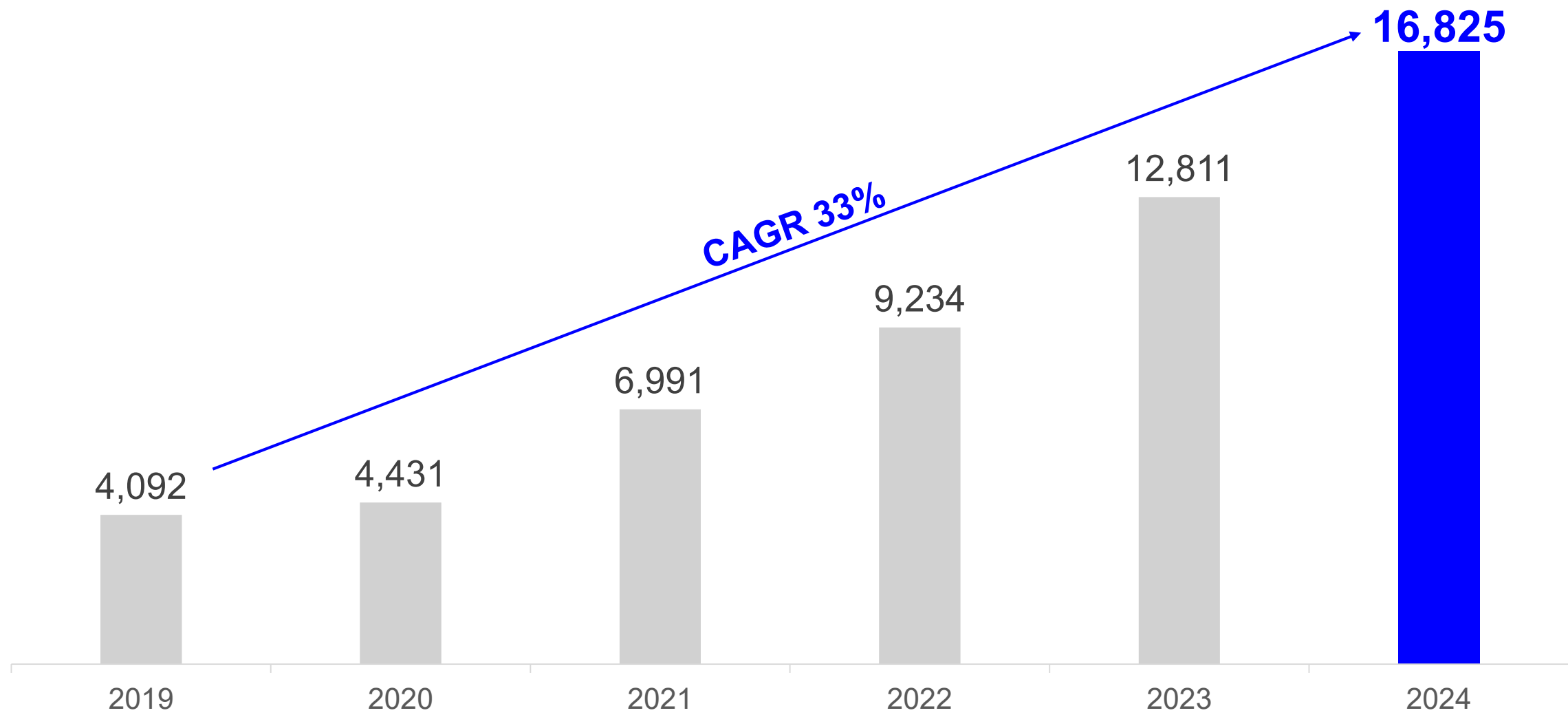


- Purpose**
Acquisition of completed/under-construction properties in London & Manchester City
- Property Type**
Residential home for owner occupancy only
- Property Value**
Offered in Malaysia Ringgit (MYR) up to RM10 million
- Tenure**
Up to 30 years or age 65, whichever is earlier
- Margin of Finance**
Up to 80%-85%**

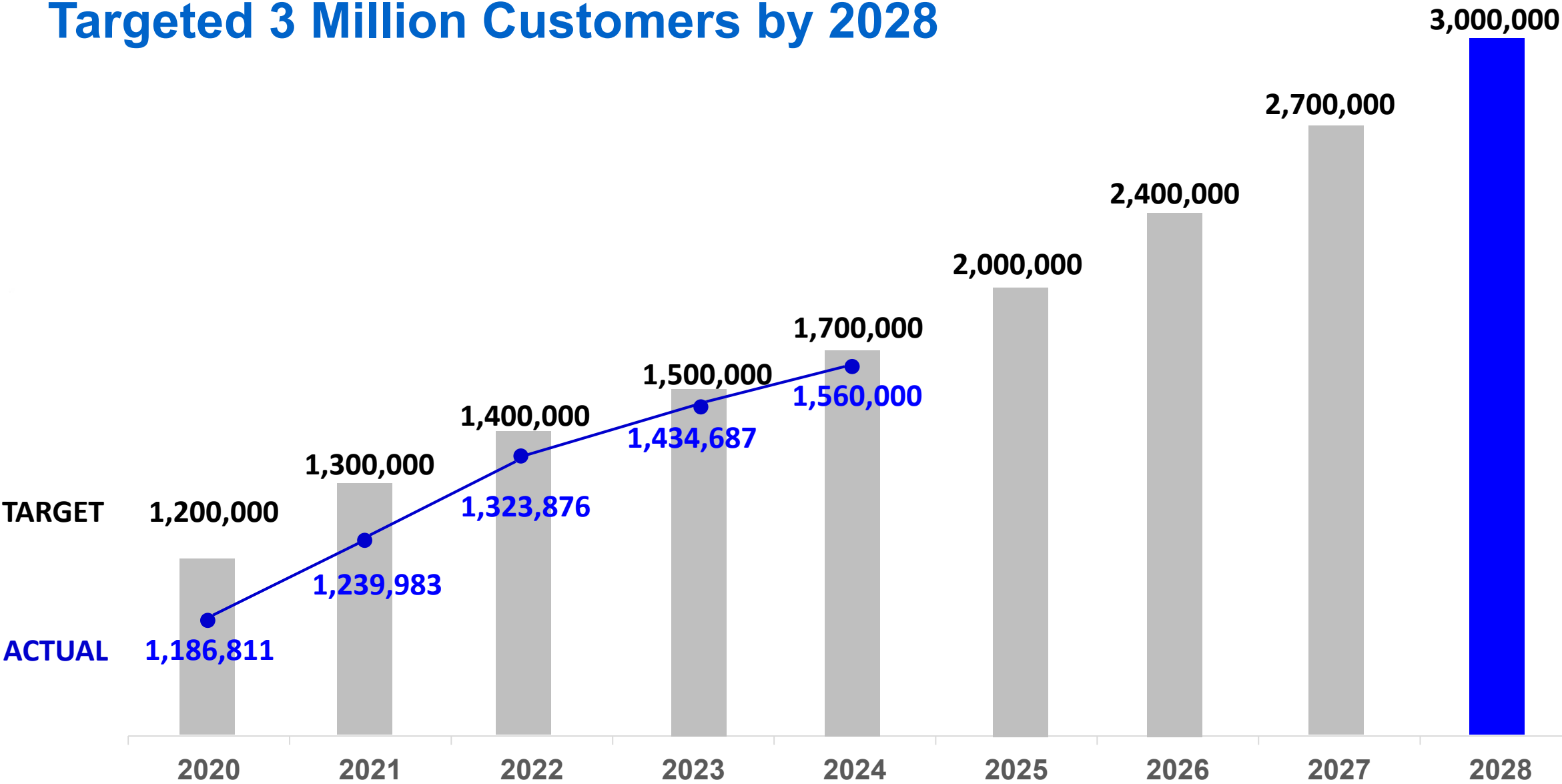
Our Net Promoter Score Journey



Average New Monthly Customer Information Files (CIF)



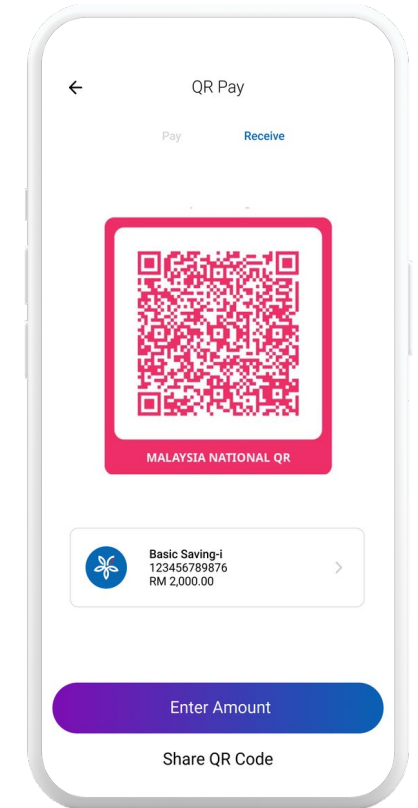
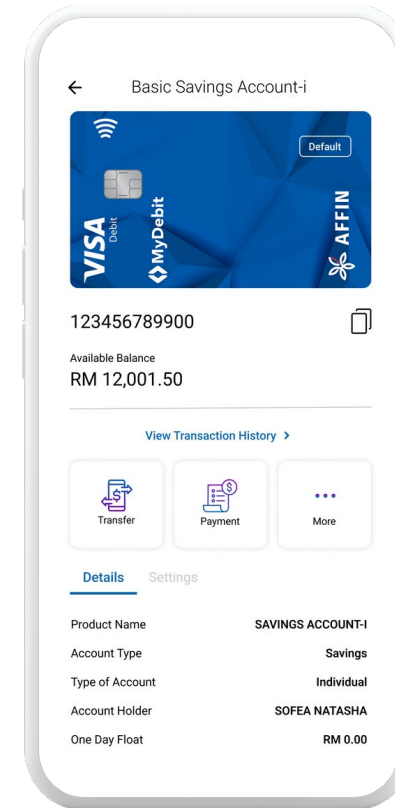
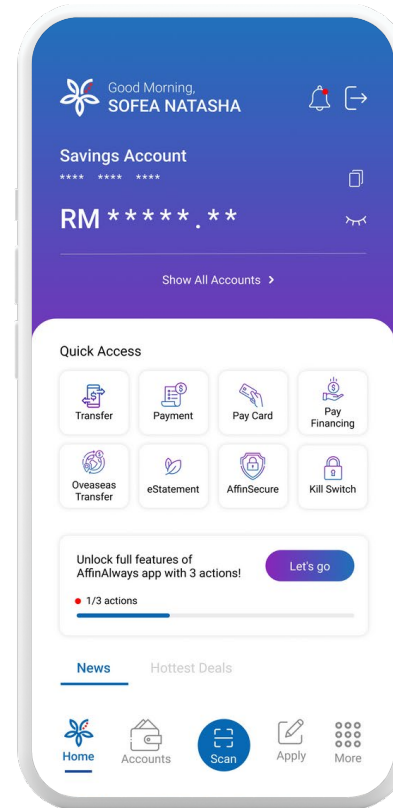
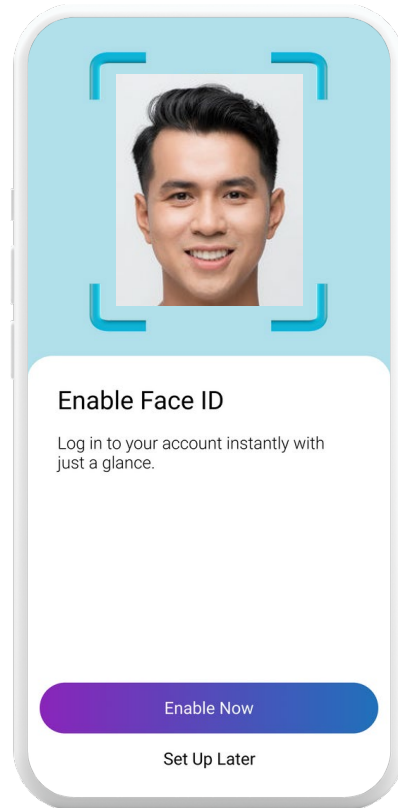
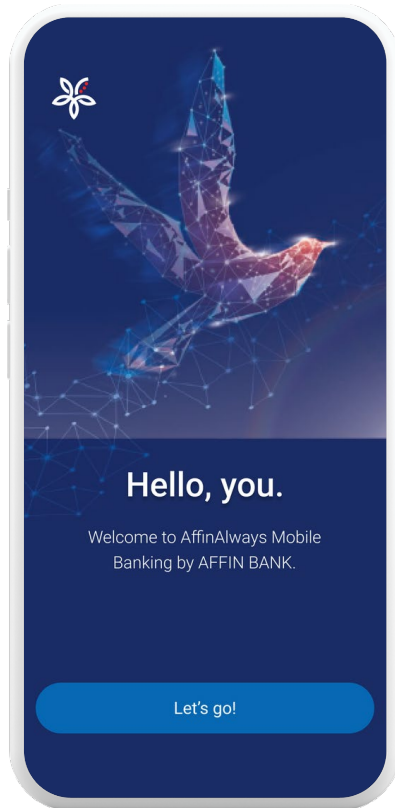
Targeted 3 Million Customers by 2028



Digital Leadership



Our New Mobile Banking App to be launched in May 2025

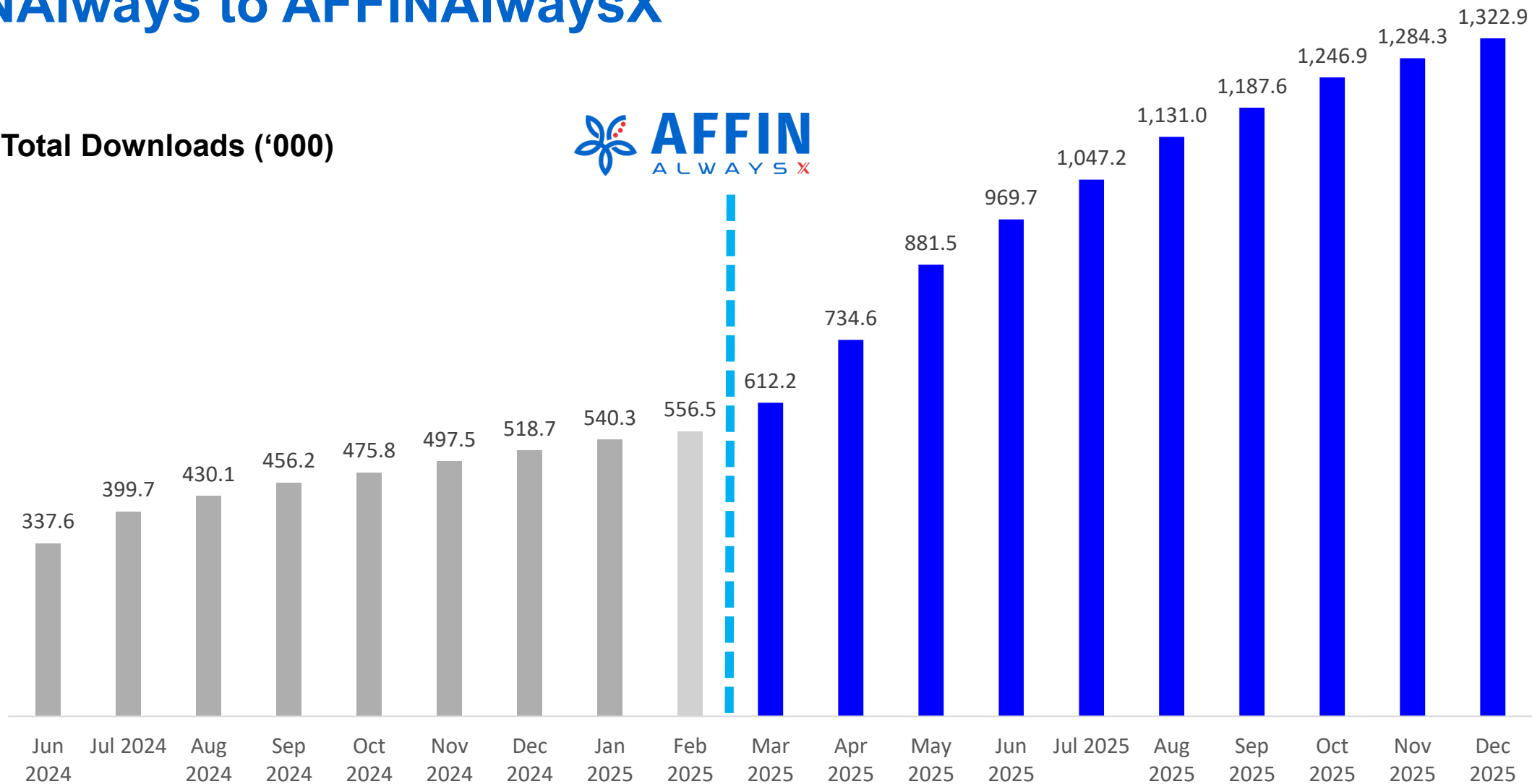


always about you



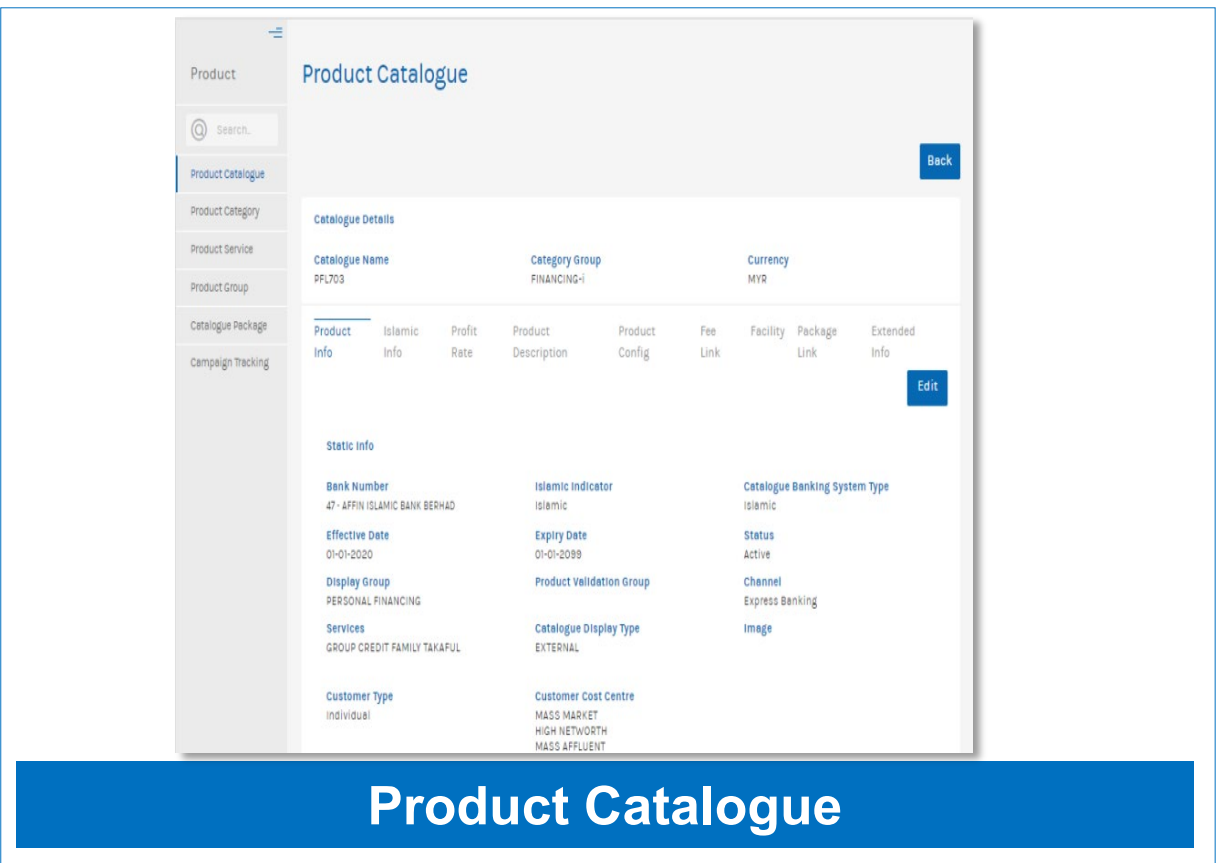
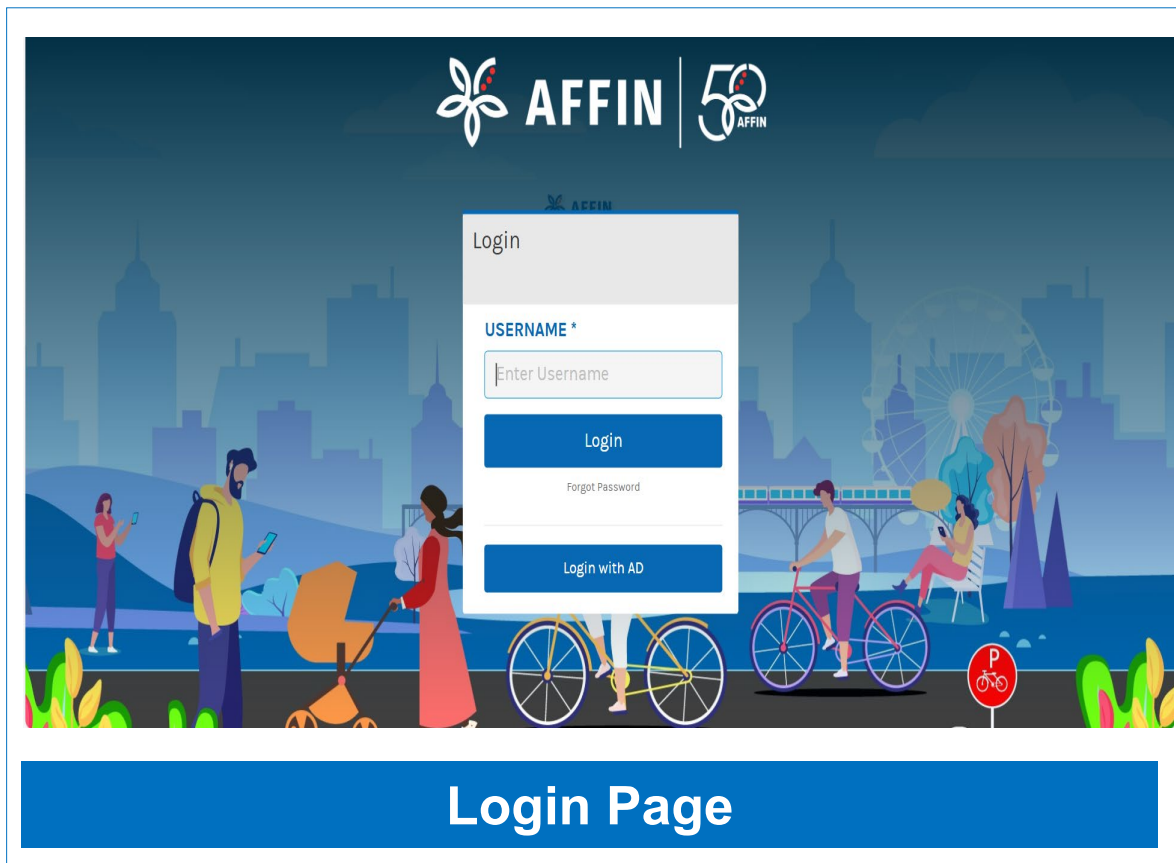
AFFINAlways to AFFINAlwaysX

Total Downloads ('000)



Deposits (mil)	3,641.3	3,543.8	3,546.7	3,448.6	3,626.5	5,333.9	4,163.2	4,413.0	4,677.8	4,958.5	5,256.0	5,571.4	5,905.6	6,259.9	6,635.6	7,033.7	7,455.2	7,903.1	8,377.3
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Our New Digital Core Has Gone Live



Our New Digital Core Has Gone Live

AFFIN

50

Tasks

Application

Customer

Fulfillment

Setting

Facility

General Ledge

Search

Home > Customer > Customer 360°

Customer List

Customer 360°

Search..

Customer 360°

Search

Search and Filter

CIF Number

Please Key In CIF Number

Customer Name 1

Please Key In Customer Name 1

Customer Name 2

Please Key In Customer Name 2

ID Number

Please Key In ID Number

Customer Category

Please Select Customer Category

Account Number

Please Key In Account Number

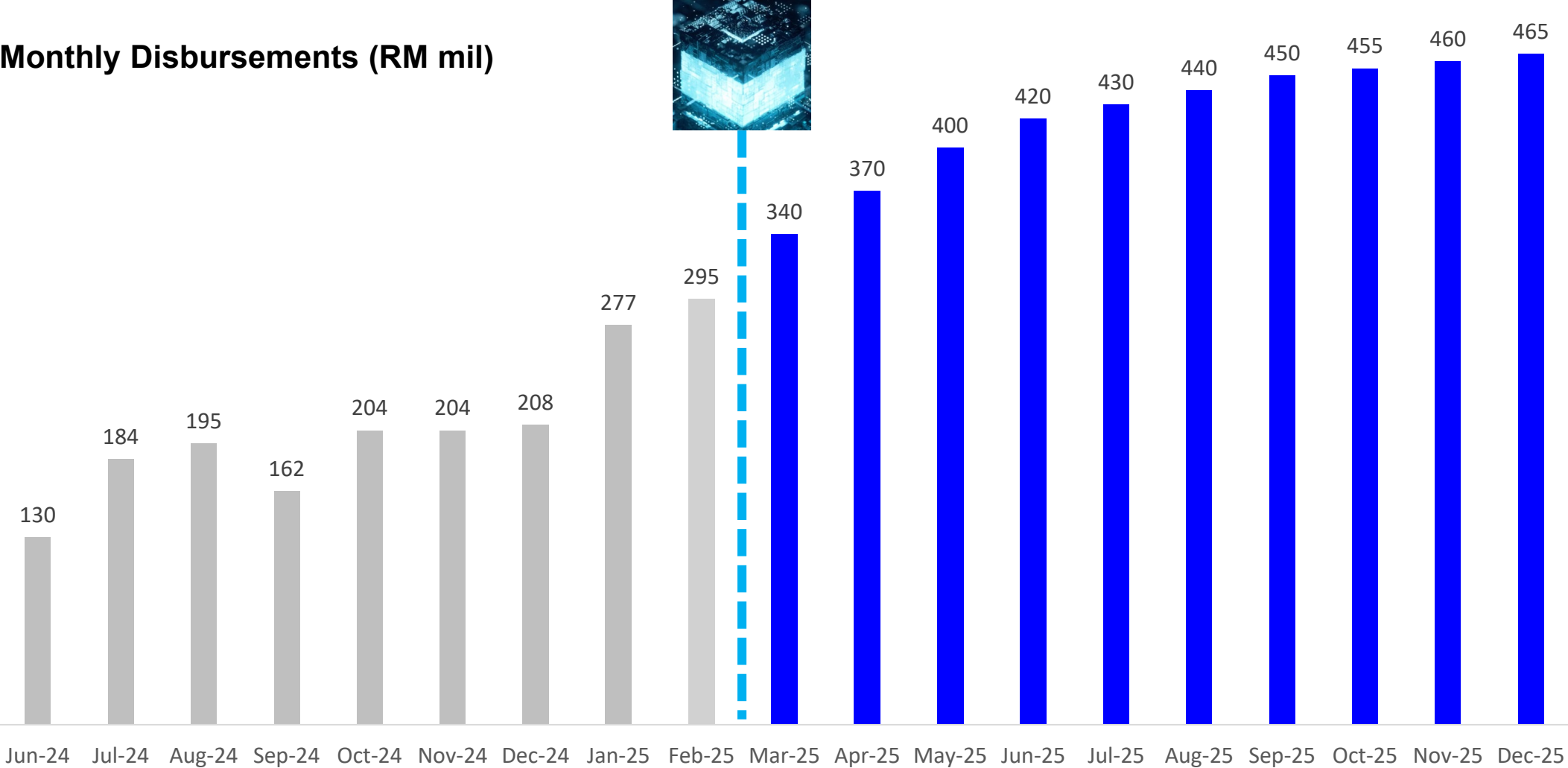
Customer Inquiry

Customer Parameter	Deposit Parameter	Loan/Financing Parameter
Customer Validation	Pool ID Parameter	Attachment Parameter
ID Type	Facility Parameter	Loan/Financing Suspend Payment Reason Parameter
ID Type & Customer Linkage	Facility Bank Internal Purpose Code	Loan/Financing Payment Split
Customer Category	Facility Approving Authority	Loan/Financing Transaction Code
Customer Constitution	Central Bank Purpose Code	Loan/Financing Account Close Reason
Customer Marital Status	Facility Broad Property Sector/Shares	Loan/Financing Fee Code
Customer Occupation	Facility Code	Loan/Financing Group
Customer Officer Relationship	Facility Detail Source Of Fund	Late/Compensation Charge
Customer Religion	Facility Interest/Profit Rate Type	Loan/Financing Legal Status
Education Course Code	Facility Product	Loan/Financing Write Off Reason
Education Level Code	Facility Reactivation Reason	
Education Institution Code	Solicitor Code	General Ledger Parameter
Job Designation	Facility Source Of Fund	Application & Balance Code Definition
Race	Facility Status Against Suspension/Cancellation Reason Code	General Ledger Cost Center
Customer User Code	Facility Suspension/Cancellation Reason Code	General Ledger Group Code
Gender		Interbank Settlement Control
		Interbranch Settlement Control

Parameter Configuration

Digital Core Will Help to Catapult our Personal Financing Business

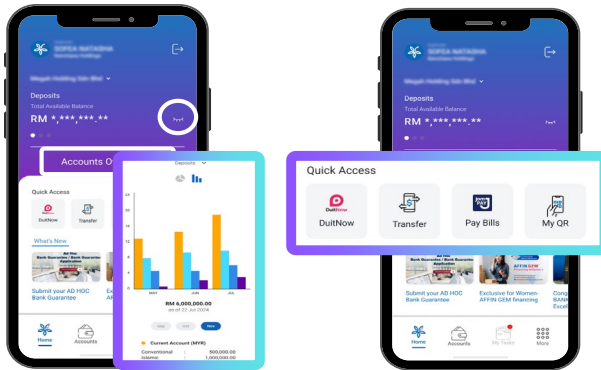
Monthly Disbursements (RM mil)



Actual Forecast

Transforming AFFIN Into a Digital Leader

AFFINMAX App



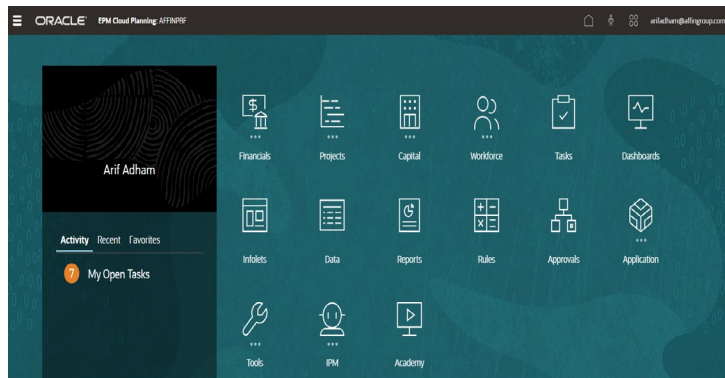
Affin Delivery System (ADS)



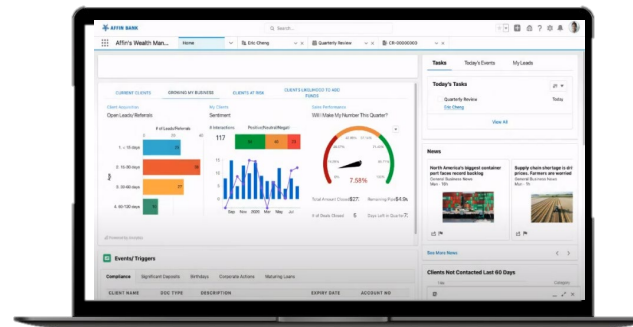
Google Big Data Analytics



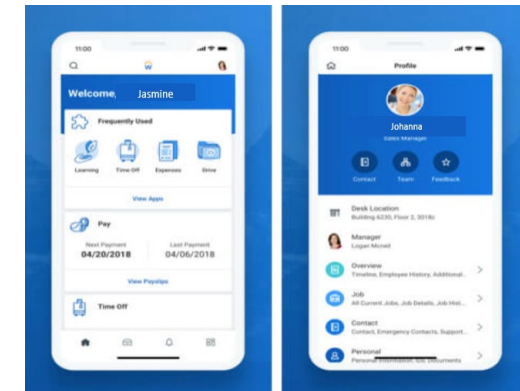
Cloud Accounting Platform



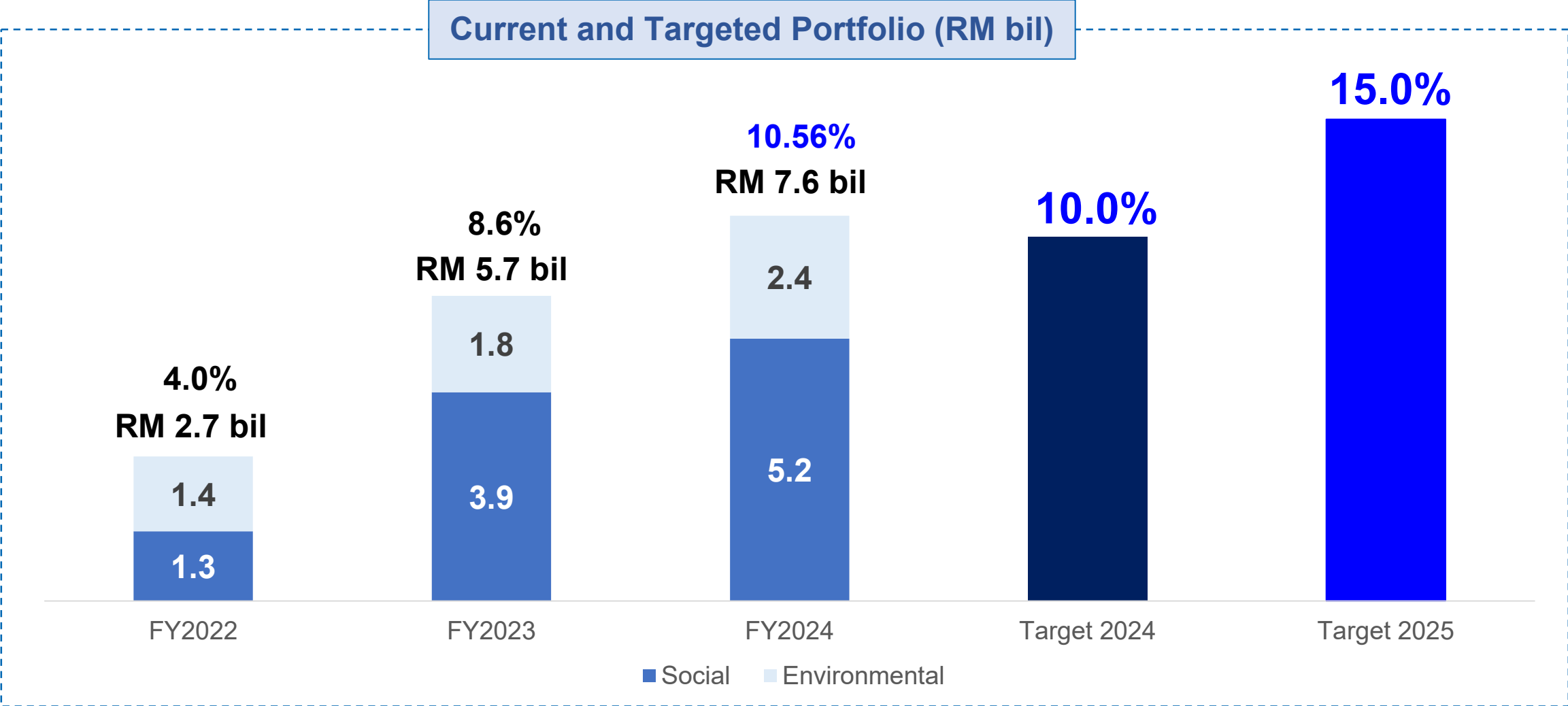
AFFINNexus Customer Relationship Management System



HR Workday App



Sustainable Financing Has Surpassed Our 2024 Target





Responsible Banking with Impact

AFFIN x DHL GoGreen Plus



Installation of Solar Panels



12 branches
equipped with
solar panels
RM 136,630.80 or
268,430 kWh
saved in 2024

Purchase of Green Electricity Tariff



Est. 37% green
energy
purchased

Equivalent to
572,000
kwh/month

FTSE4Good



FTSE4Good

AFFIN included in the
FTSE4Good Bursa
Malaysia Index for the
first time

AFFIN Interceptor



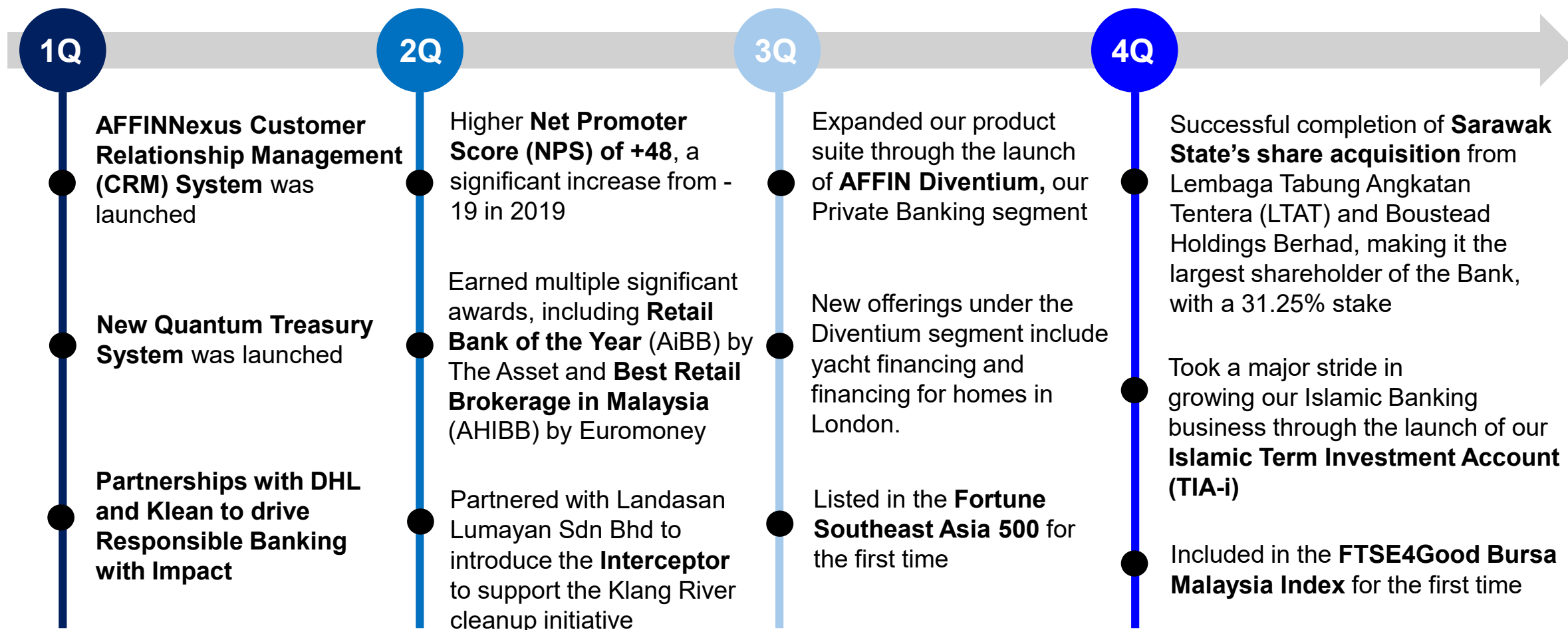
374.51 MT* Garbage
Collection
(Jan – Dec 24')

Waste Removed From
Klang River
90,721MT
as @ 31 Dec 2024

69%
Improved Water Quality

**Metric Tonnes*

FY2024 in Review



Final Remarks



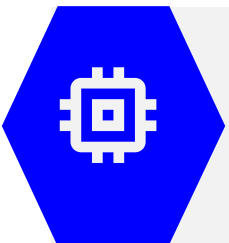
We continue to build on our Digital Journey with the introduction of our new Digital Core and Mobile App, which will catapult our growth in 2025.



Our efforts to improve NIM continue to show early results. We have achieved our target of a 30% CASA ratio, a significant milestone has been crossed. We continue to focus on building CASA to lower our cost of funds. Our AX28 CASA Ratio target of 35% is within sight.



Some asset quality weakness emerging in Corporate, Enterprise and Mortgage segments. Enterprise Banking will undergo a transformation² this year to make it an impactful force and increasing market share. Community Banking, with its new sales hunter model, will become a precision tool to capture market share.



Strong loan and financing pipeline of RM 9.5 billion, giving AFFIN a headstart for 2025. Business demand coming from Penang, Johor, Sabah, Sarawak and Selangor.

Business pipelines also include financial advisory services and debt capital market deals. We are optimistic for the year ahead, given our digital capabilities and strong business pipelines.



Thank You