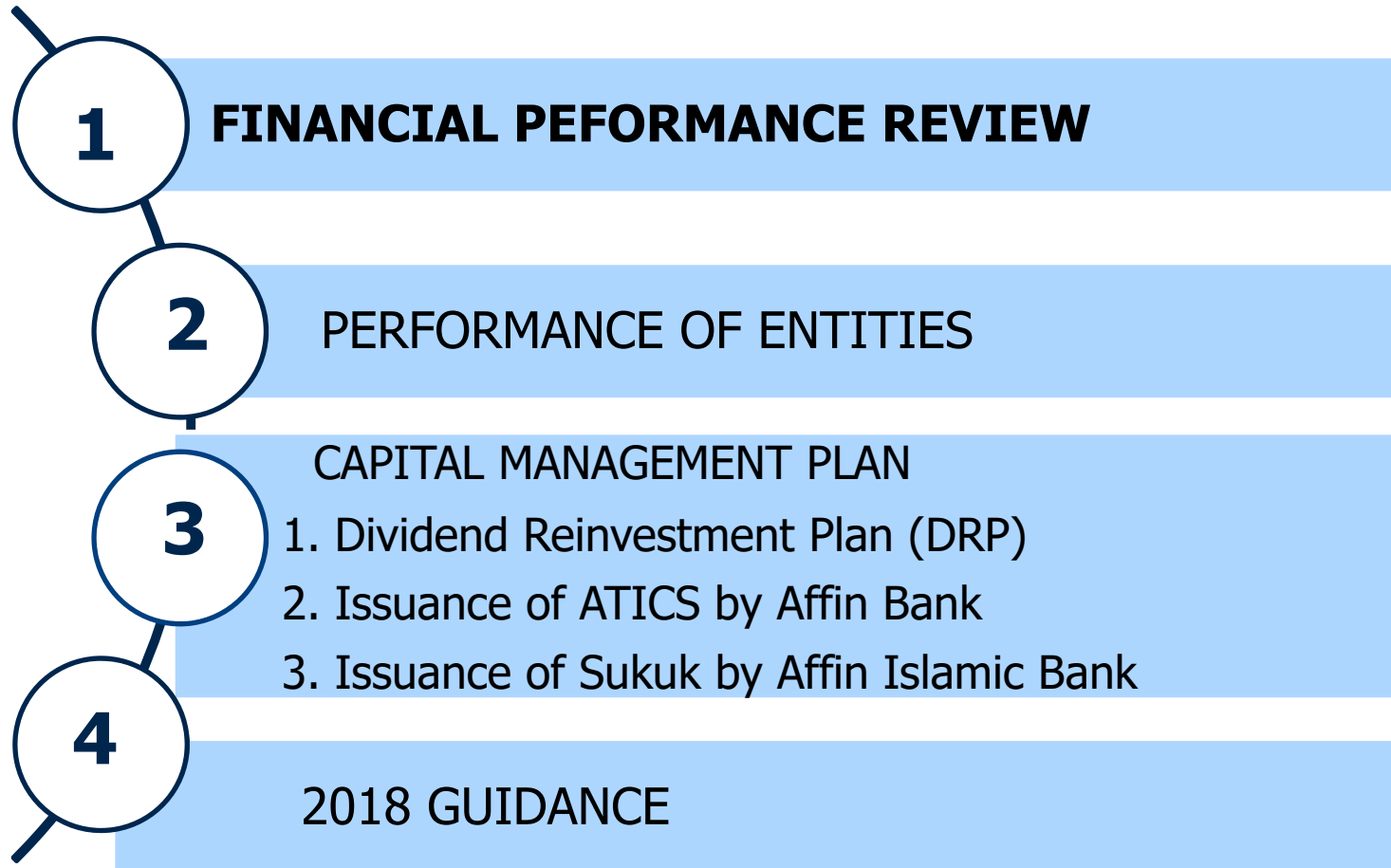


ANALYSTS/FUND MANAGERS PRESENTATION 9M2018 FINANCIAL RESULTS

30 NOVEMBER 2018





PROFITABILITY

- Achieved a PBT of RM488.0 million for the 9-months ended 30 September 2018
- Net interest income decreased by RM37.5 million or 5.5% to RM637.9 million
- Islamic Banking Income increased by RM64.6 million or 27.4% to RM300.4 million
- Net fee and commission income increased by RM35.1 million or 11.2% to RM348.9 million
- Net gains on financial instruments decreased by RM36.0 million or 22.3% to RM125.7 million
- Other income increased by RM11.0 million or 25.6% to RM54.2 million
- Overhead expenses increased by RM16.4 million or 1.8% to RM924.0 million
- Net allowances for credit impairment losses and other assets increased by RM16.2 million or 22.7% to RM87.3 million

ASSET QUALITY

- Gross Impaired Loans ratio was at 2.77% (Dec 2017 : 2.53%). Excluding the R&R accounts, the Gross Impaired Loan ratio stood at 2.51%. Loan Loss Reserve was at 97.6%. (Dec 2017: 98.5%)

CAPITAL ADEQUACY

- Total Capital Ratio for Affin Bank Group stood at 17.94% (CET1:11.94%, Tier1:12.97%)
- Total Capital Ratio for Affin Hwang Investment Bank Group stood at 30.2% (CET1:28.9%, Tier1:29.4%)

LOANS & DEPOSITS GROWTH

- Gross loans, advances and financing grew by 6.9% to RM49.2 billion driven largely by consumer banking loans while customer deposits grew by 9.7% to RM55.9 billion.

* 9M2017 results of AFFIN Holdings Berhad's Group for comparison purposes

BUSINESS PERFORMANCE

- AFFIN Bank Group reported a higher PBT of RM488.0 million in 9M2018 as compared to RM465.1 million achieved in 9M2017 driven by the increase in Islamic banking income, net fee and commission income and other operating income.
- AFFIN Bank achieved a higher PBT of RM472.0 million in 9M2018 as compared to RM239.5 million in 9M2017 mainly attributable to higher non-interest income and lower overhead expenses.
- AFFIN Islamic Bank registered a PBT of RM117.3 million in 9M2018 as compared to RM87.3 million in 9M2017 due to higher operating income in line with financing growth of 20.2%.
- Affin Hwang Investment Bank Group reported a lower PBT of RM124.0 million in 9M2018 as compared to RM139.2 million in 9M2017. 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 higher overhead expenses.
- Affin Hwang Asset Management registered a PBT of RM70.2 million in 9M2018, a significant improvement of 20.2% as compared to RM58.4 million in 9M2017. Assets Under Management (AUM) stood at RM49.4 billion as at 30 September 2018.
- AXA AFFIN Life Insurance reported a lower pre-tax loss of RM6.3 million in 9M2018 as compared to a pre-tax loss of RM15.6 million in 9M2017 mainly attributable to lower reserves for policyholder’s liabilities due to higher interest rate environment.
- AXA AFFIN General Insurance registered a higher pre-tax profit of RM106.4 million in 9M2018 mainly contributed by higher gains on sale of investments and stable underwriting results.

RATIOS

Liquidity Coverage Ratio (LCR)	137.06%
Loan to Fund and Equity (LTFE)	74.4%
Loan to Fund (LTF)	84.3%

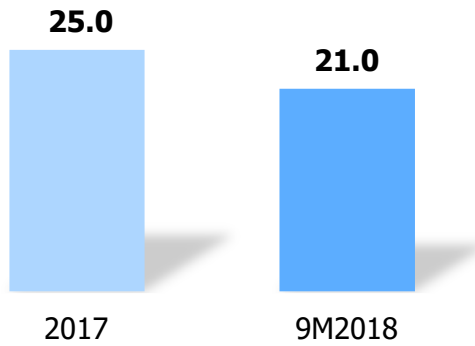
KEY OPERATING RATIOS

Stable operating ratios, despite slower industry trends..

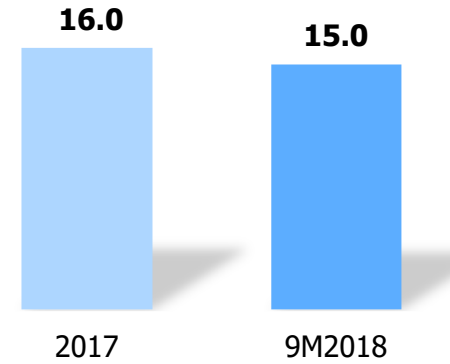
Profitability	FY2017 (%)	9M2018 (%)	Variance (%)
Return on Equity	5.81	5.71	(0.10)
Net Interest Margin			
- Loan assets	2.24	2.19	(0.05)
- Total earning assets	1.93	1.84	(0.09)
Loan to Fund (LTF)	87.0	84.3	(2.70)
Loan to Fund and Equity (LTFF)	76.4	74.4	(2.00)
Cost to Income Ratio	60.84	62.98	2.14
Asset Quality			
Gross Impaired Loans Ratio	2.53	2.77	0.24
Net Impaired Loans Ratio	2.10	2.14	0.04
Loans Loss Coverage	98.50	97.63	(0.87)
Capital Adequacy			
CET 1 Capital Ratio	12.21	11.94	(0.27)
Total Capital Ratio	17.23	17.94	0.71

KEY OPERATING RATIOS

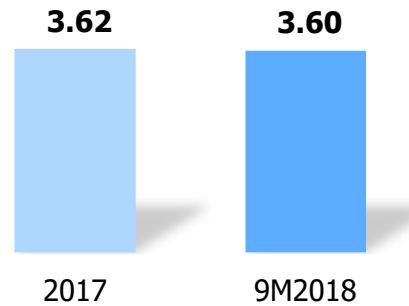
Gross Credit Cost (bps)



Net Credit Cost (bps)



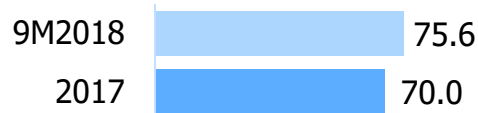
Cost of Funds (%)



BALANCE SHEET SNAPSHOTS FOR AFFINBANK GROUP

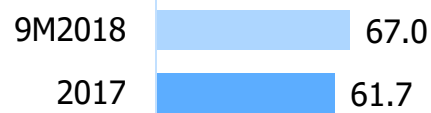
Total Assets (RM bil)

75.6



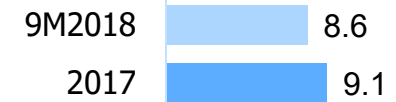
Total Liabilities (RM bil)

67.0



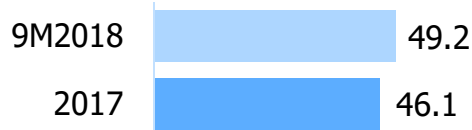
Total Equity (RM bil)

8.6



Gross Loans, Advances and Financing
(RM bil)

49.2



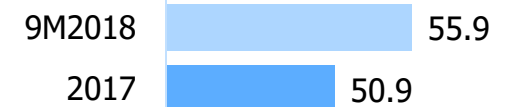
Net Loans, Advances and Financing
(RM bil)

48.6



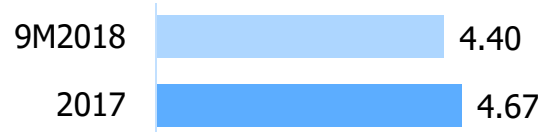
Total Deposits from Customers
(RM bil)

55.9

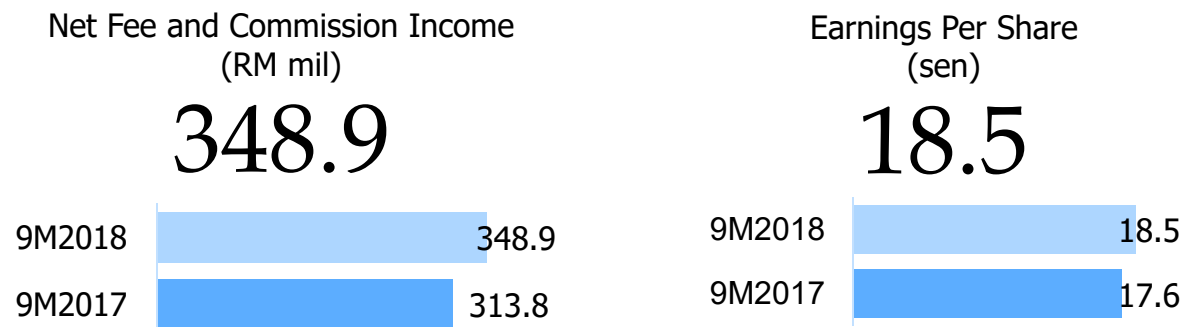
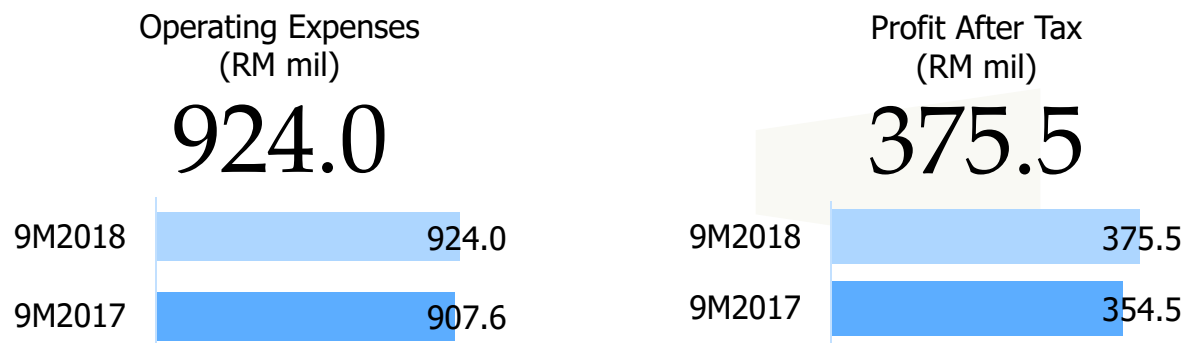
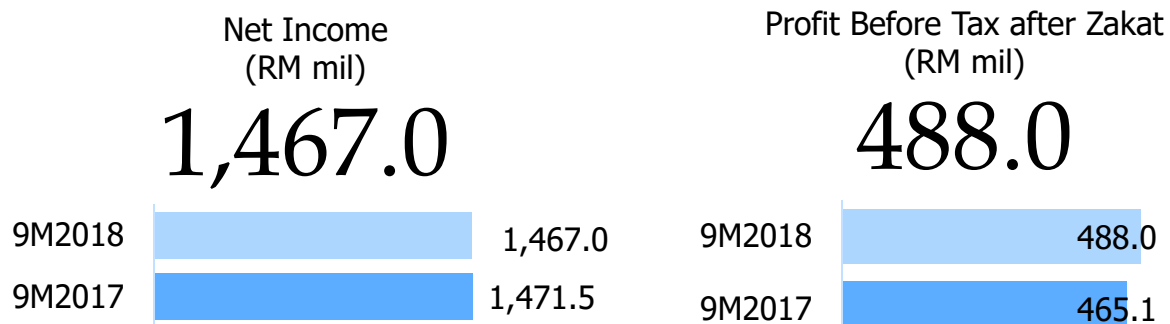


Net Assets Per Share
(Sen)

4.40



INCOME STATEMENT SNAPSHOTS FOR AFFINBANK GROUP



* 9M2017 results of AFFIN Holdings Berhad's Group for comparison purposes

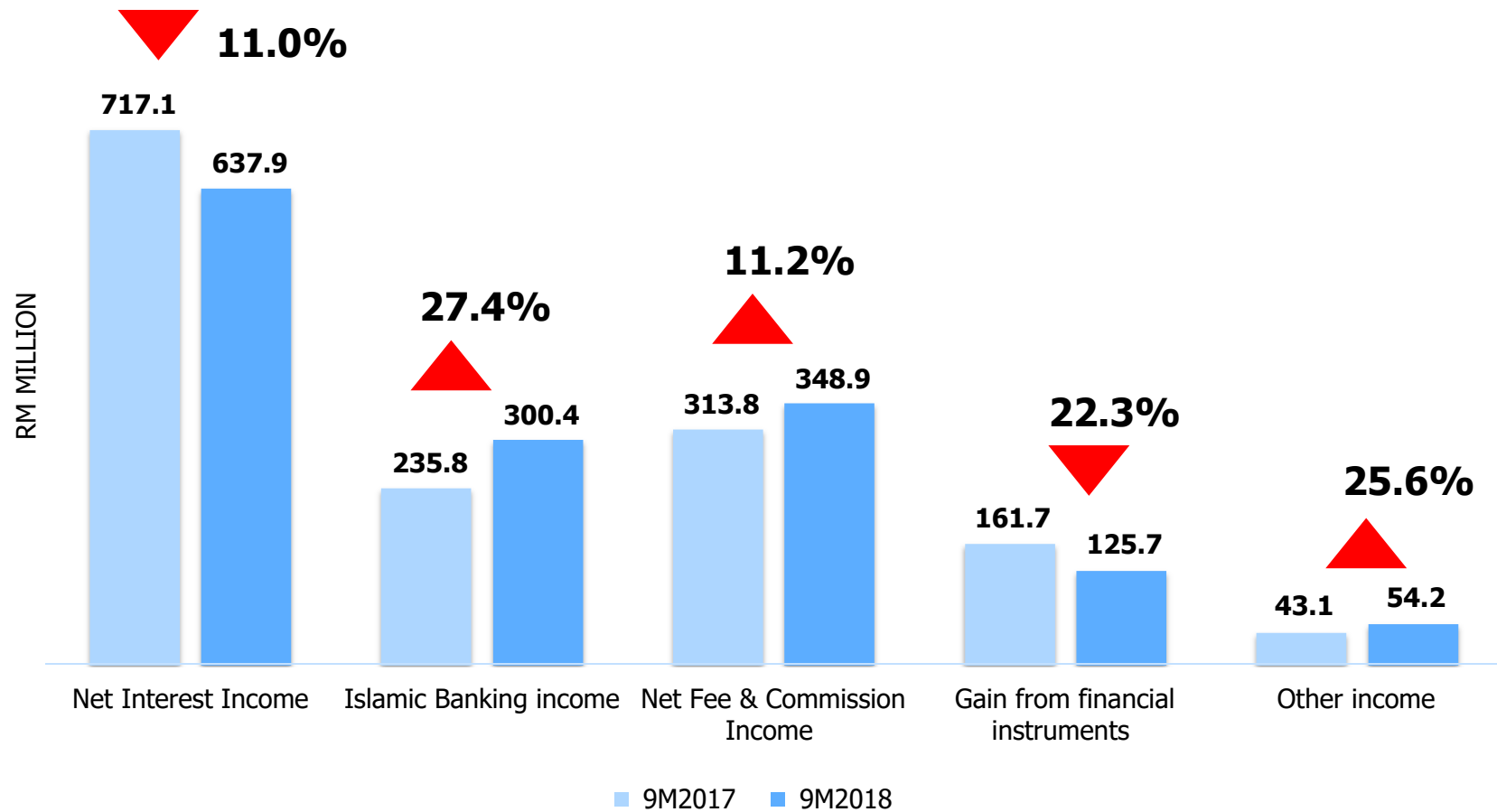
P&L SUMMARY: 30 SEPTEMBER 2018

RM'000	ABB GROUP 9M2017	ABB GROUP* 9M2018	AHB Group** 9M2017
Net interest income	627,212	637,874	675,418
Islamic banking income	235,782	300,369	235,782
Net Fee and commission income	75,489	348,903	313,788
Net gains and losses on financial instruments	52,580	125,726	161,714
Other operating income	34,689	54,172	43,124
Net Income	1,025,752	1,467,044	1,429,826
Operating expenses	(624,269)	(923,970)	(907,569)
Operating profit before allowances	401,483	543,074	563,964
Allowances for impairment losses	(71,268)	(87,290)	(71,117)
Operating profit	330,215	455,784	492,847
Share of results of a joint venture and associates	-	36,062	18,124
Profit before zakat and taxation	330,215	491,846	469,264
Profit before taxation after zakat	327,215	487,969	465,133
Net Profit for the financial year	248,319	375,506	354,526

* ABB Group's results represent the consolidated results post the Group re-organisation which took effect on 16 October 2017

** AHB group consolidated results for 9M2017 for comparison purposes.

Healthy income progression driven by higher NII and fees..



* 9M2017 results of AFFIN Holdings Berhad’s Group for comparison purposes

NET FEE AND COMMISSION INCOME BREAKDOWN

RM'000	ABB Group 9M2017	ABB Group 9M2018	AHB Group 9M2017
Net brokerage	-	61,218	58,862
Portfolio management fees	-	227,509	187,889
Corporate advisory fees	-	7,568	6,373
Commission	15,045	19,627	20,646
Service charges and fees	50,251	51,000	51,582
Guarantee fees	16,709	17,330	16,061
Arrangement fees	-	1,564	4,700
Agency fees	-	2,171	1,729
Initial service charges	-	86,338	110,354
Other fee income	-	12,148	9,213
Fee and commission expense	(6,516)	(137,570)	(153,621)
NET FEE AND COMMISSION INCOME	75,489	348,903	313,788

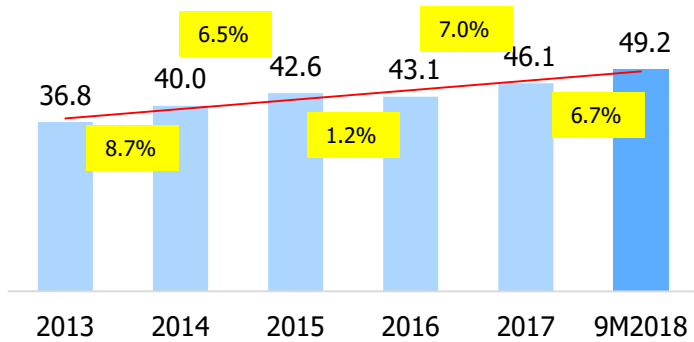
OPERATING EXPENSES BREAKDOWN

Operating expenses grew mainly due to higher personnel costs and promotion and marketing related expenses

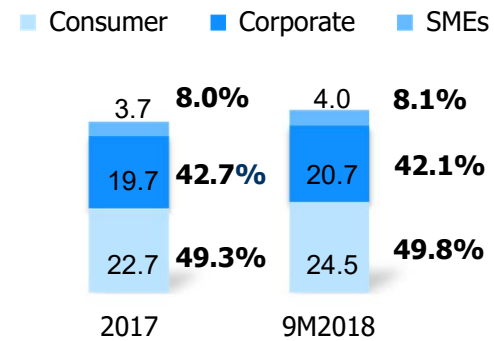
RM '000	ABB Group 9M2017	ABB Group 9M2018	AHB Group 9M2017
Personnel cost	389,515	605,728	589,338
Promotion & marketing related expenses	25,221	45,387	40,435
Establishment-related expenses	161,516	194,426	199,062
General & administrative expenses	48,017	78,429	78,734
TOTAL	624,269	923,970	907,569
Cost to Income ratio (%)	60.86	62.98	61.68

Stable loans, advances & financing growth..

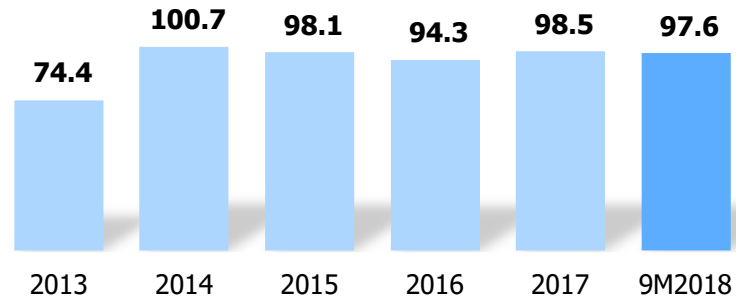
Gross Loans, Advances & Financing (RM billion)



Gross Loans Composition (RM billion)

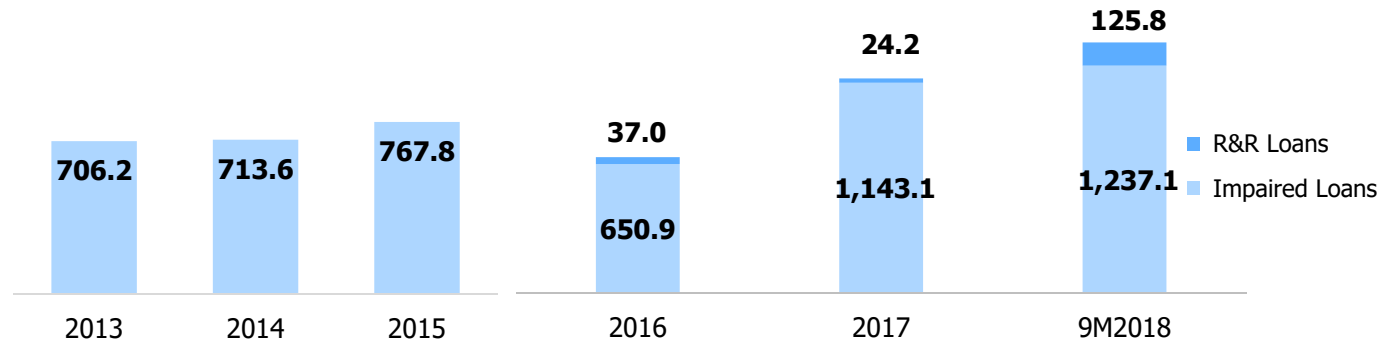


Loan Loss Reserve (%)

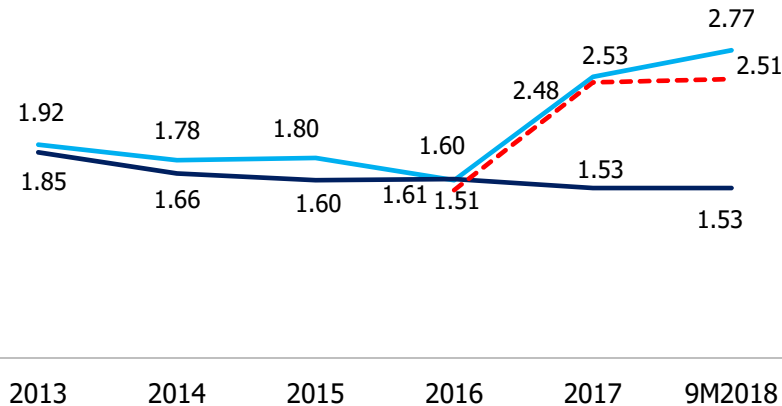


*Inclusive of regulatory reserves

Gross Impaired Loans (RM Mil)

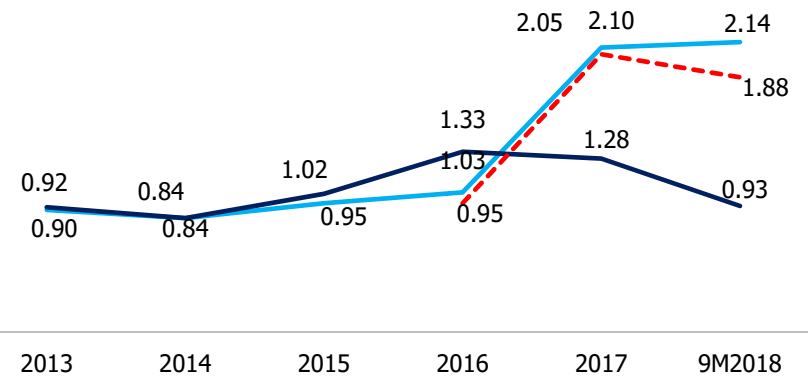


Gross Impaired Loan Ratio (%)



— Gross Impaired Loan Ratio
— Gross Impaired Loan Ratio - Industry
- - - Gross Impaired Loan Ratio - Excluding R&R

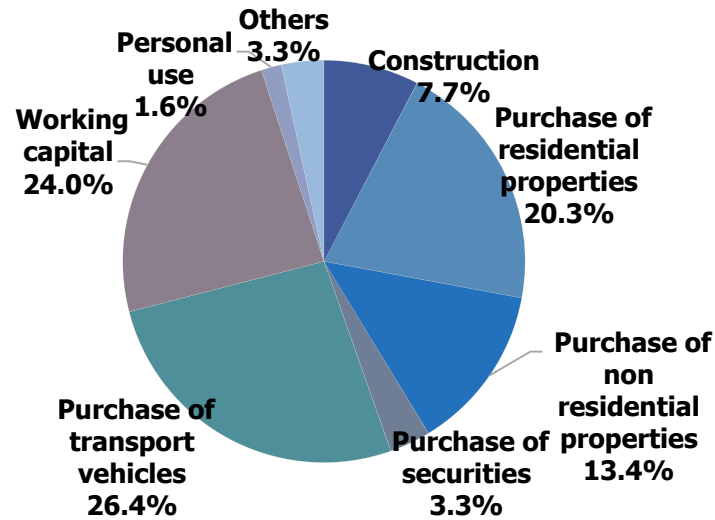
Net Impaired Loan Ratio (%)



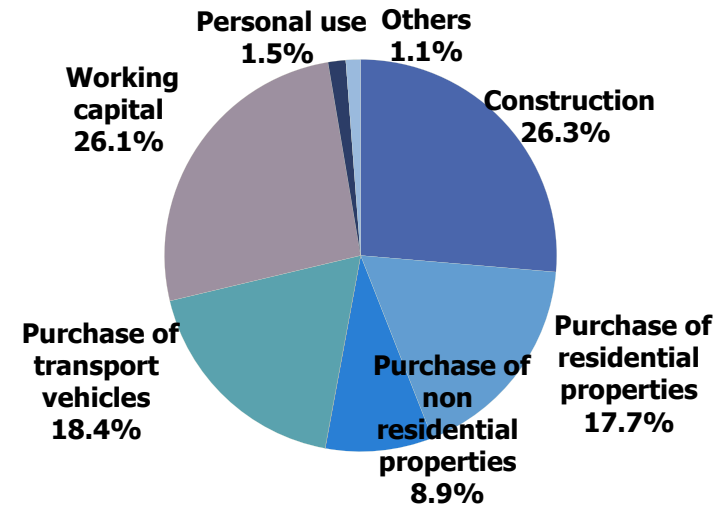
— Net Impaired Loan Ratio
— Net Impaired Loan Ratio - Industry
- - - Net Impaired Loan Ratio - Excluding R&R

GROSS LOANS/IMPAIRED PORTFOLIO BY ECONOMIC PURPOSE

GROSS LOAN BY ECONOMIC PURPOSE



GROSS IMPAIRED LOAN BY ECONOMIC PURPOSE

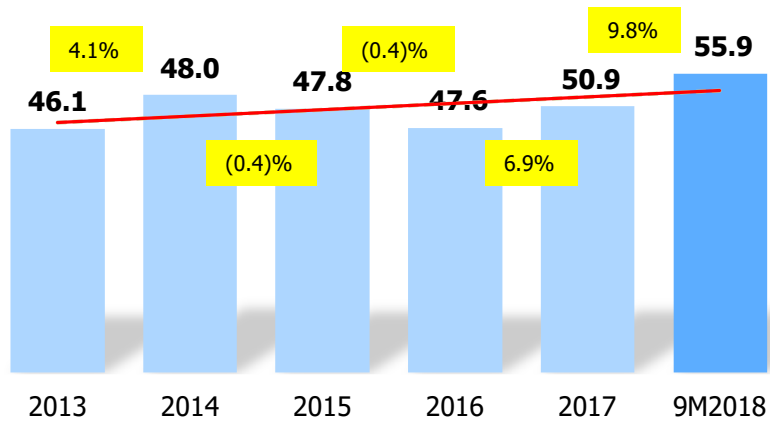


9M2018	RM Million
Construction	3,775
Purchase of residential properties	9,970
Purchase of non-residential properties	6,591
Purchase of securities	1,625
Purchase of transport vehicles	12,980
Working Capital	11,817
Personal use	796
Others	1,679
TOTAL	49,233

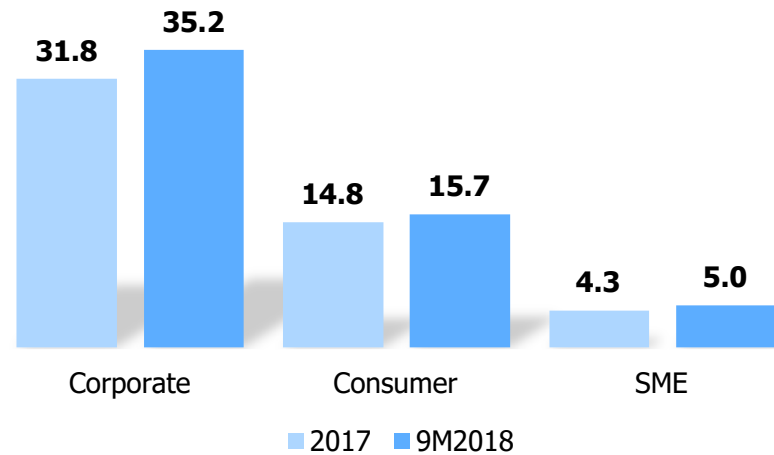
9M2018	RM Million
Construction	358
Purchase of residential properties	240
Purchase of non-residential properties	120
Purchase of securities	nil
Purchase of transport vehicles	250
Working Capital	354
Personal use	20
Others	21
TOTAL	1,363

ENHANCING DEPOSITS GROWTH

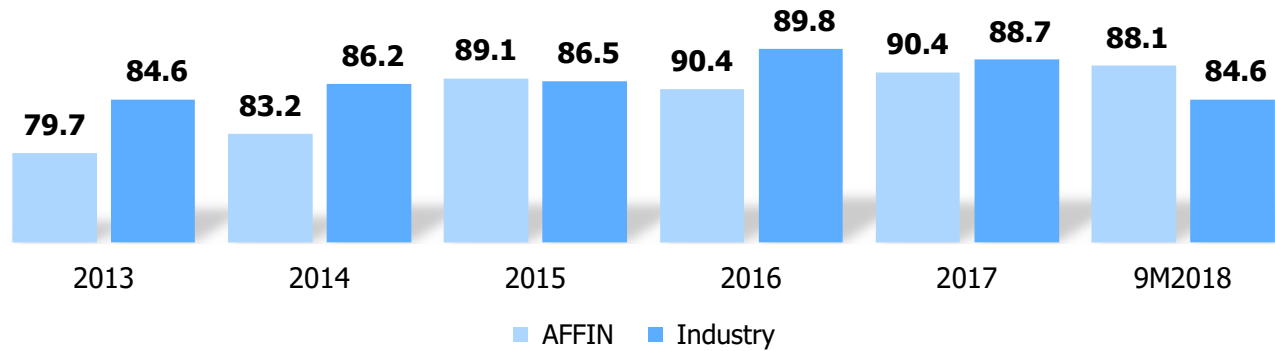
Deposits from Customers (RM billion)



Deposits by Segments (RM billion)



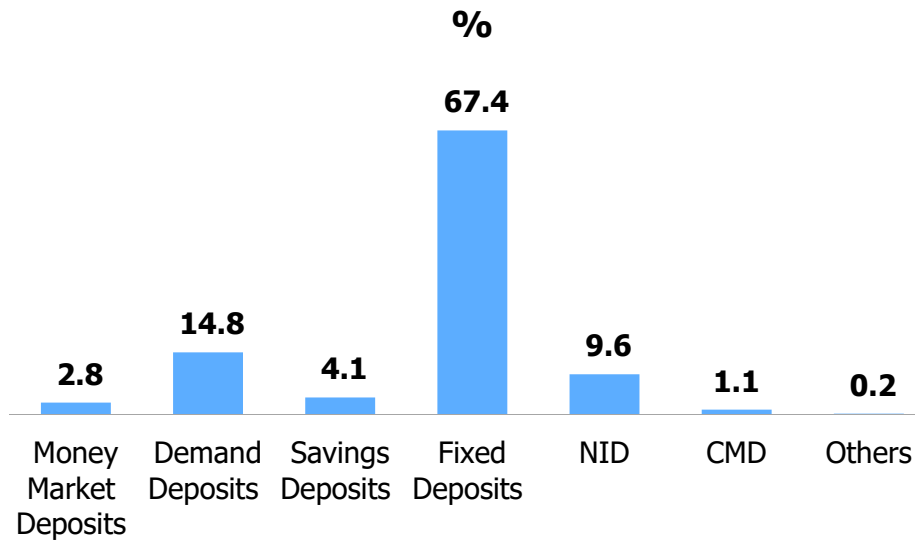
Gross Loans/Deposit Ratio (%)



CUSTOMERS DEPOSITS RECORDED 9.8% GROWTH

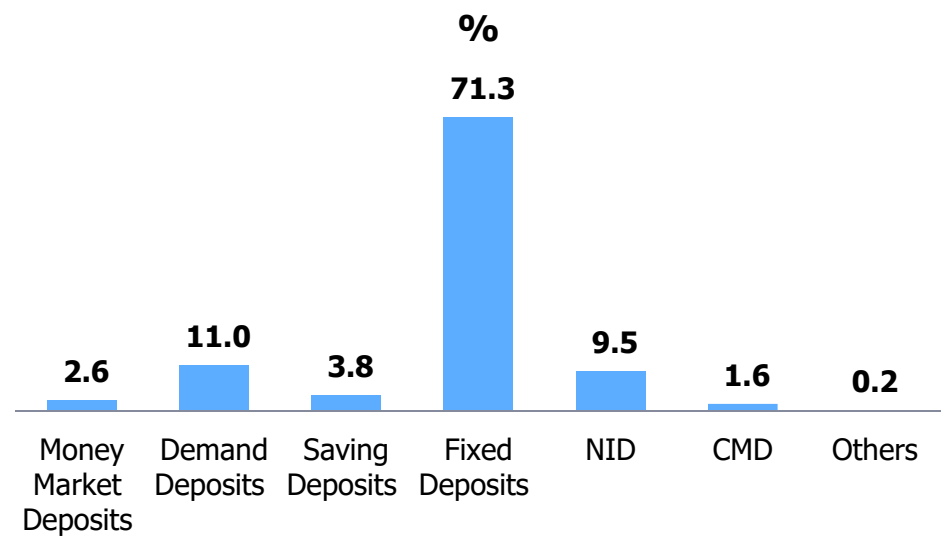
2017

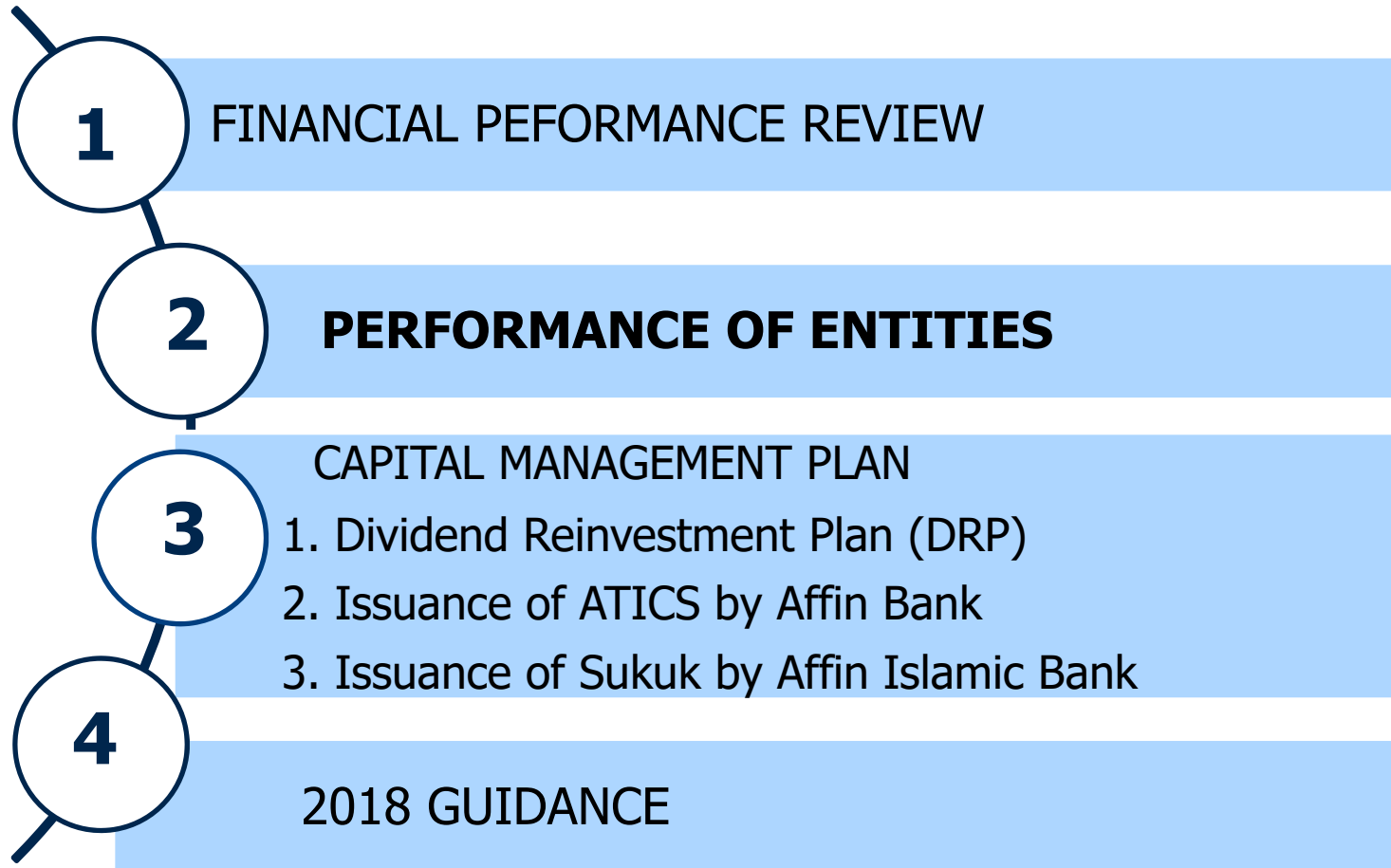
Total Deposits from Customers
RM50.9 bil



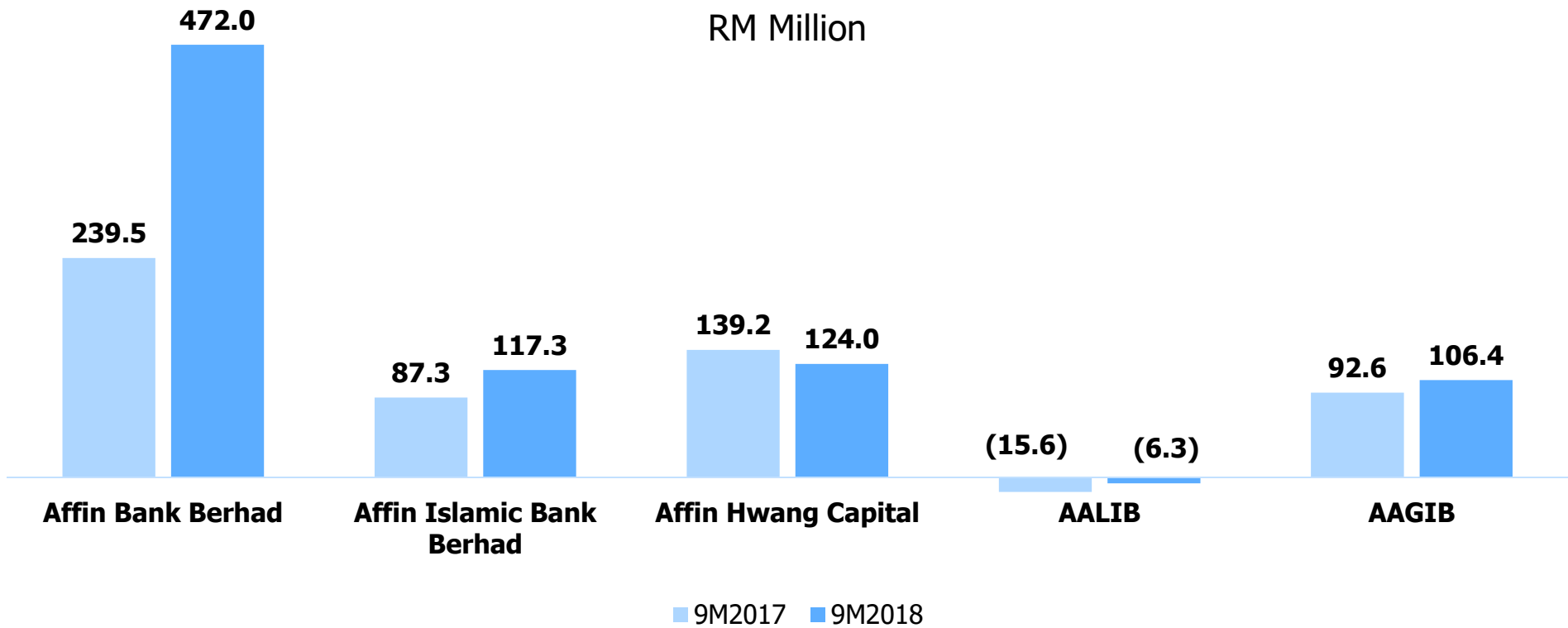
9M2018

Total Deposits from Customers
RM55.9 bil

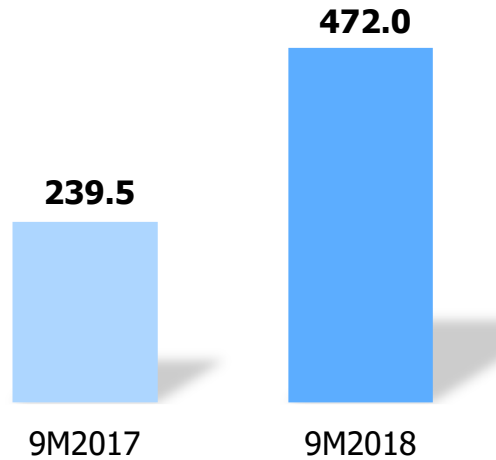




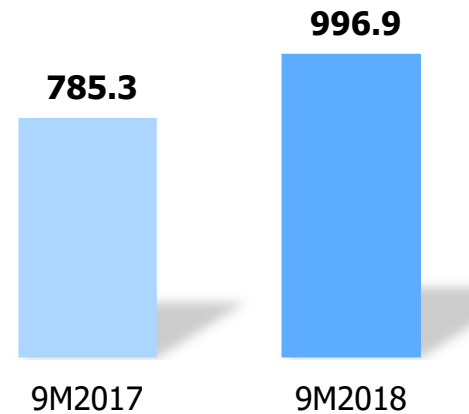
OVERVIEW OF PERFORMANCE BY SUBSIDIARIES/JOINTLY CONTROLLED ENTITY / ASSOCIATE



PBT (RM Million)

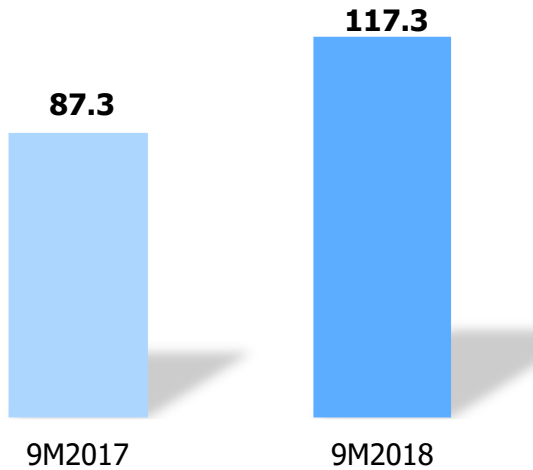


Net Income (RM Million)

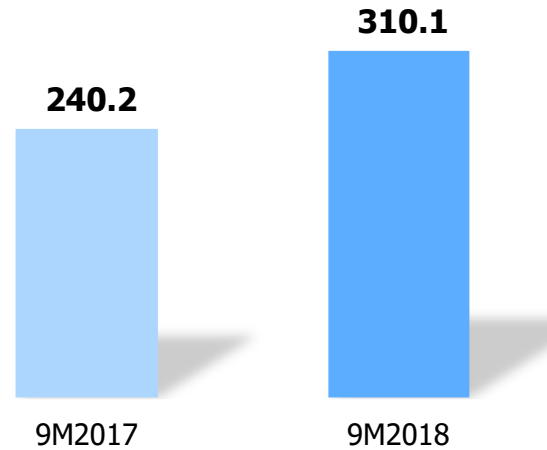


- The Bank registered a lower net interest income of RM568.9 million in 9M2018 as compared to RM622.9 million in 9M2017, mainly due to the decrease in loan and advances of the conventional banking. This is in line with the Bank’s strategy to grow its Islamic financing portfolio instead of the conventional loan portfolio during the year.
- The non-interest income increased by RM265.4 million in 9M2018 to RM427.9 million.
- The higher PBT was mainly due to dividend income received from subsidiaries.

PBT (RM million)

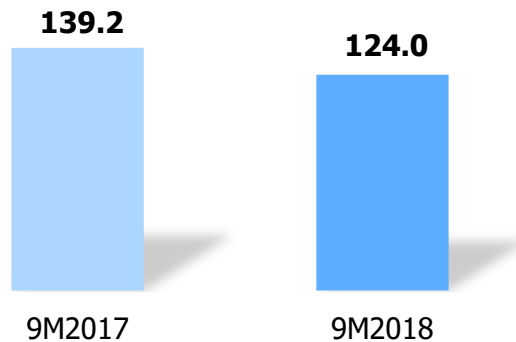


Net Income (RM million)

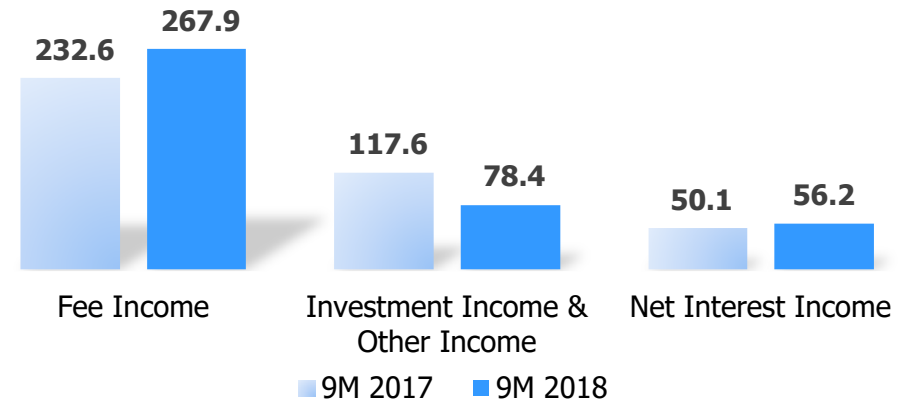


- The improved PBT is due to increase in net financing income as a result of growth in financing
- The Bank has launched its Priority Islamic Policy (PIP) which is the Bank’s strategic move to enhance its Islamic financing portfolio to 40.0% in 2019. It has shown progress as the Bank’s Islamic Portfolio has increased to 39.0% (as at 30 September 2018) of the Bank’s total banking assets.

PBT (RM million)

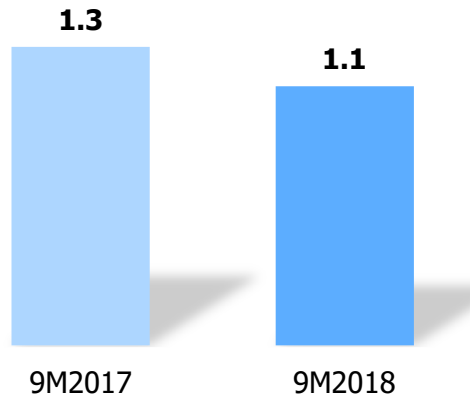


Net Income (RM million)

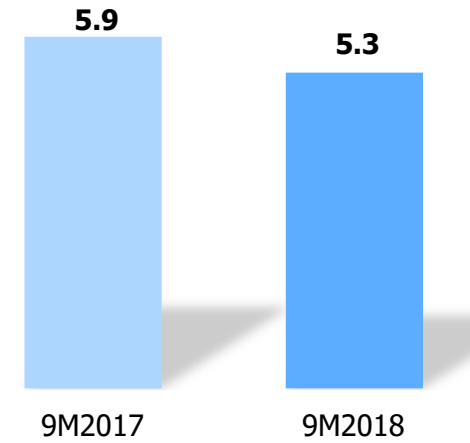


- PBT declined slightly by 11% to RM124.0 million compared to 9M2017.
- Net Income grew 0.6% to RM402.5 million driven largely by Net Fee Income
- Operating Expenses grew 5.4% to RM274.1million in line with business growth
- No. 1 Bursa ranking in both value traded (12.8%) and volume traded (18.6%)
- No. 2 Unit Trust industry ranking with RM33.6 billion in AUM, while total AUM stands at RM49.4 billion
- First Bank approved by Bursa Malaysia to provide Islamic Securities Borrowing and Lending activities in Malaysia
- Principal Adviser to the largest IPO (Market Cap: RM710m) to date this year with the listing of Mi Equipment Holdings Berhad

PBT (RM million)

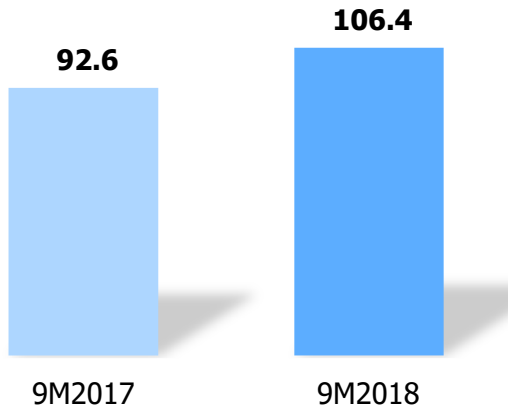


Brokerage Fees (RM million)

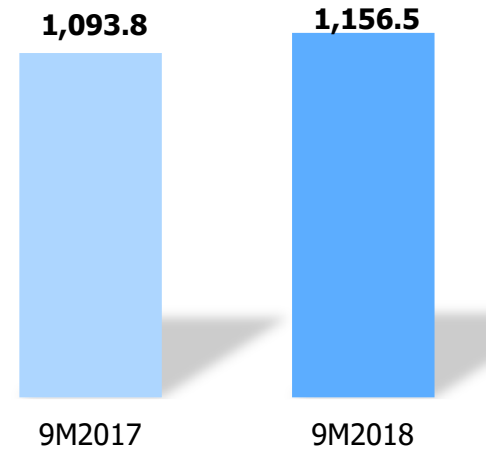


- PBT was RM1.1 million in 9M2018 as compared to RM1.3 million in 9M2017.
- Brokerage fees was RM5.3 million in 9M2018 as compared to RM5.9 million in 9M2017.

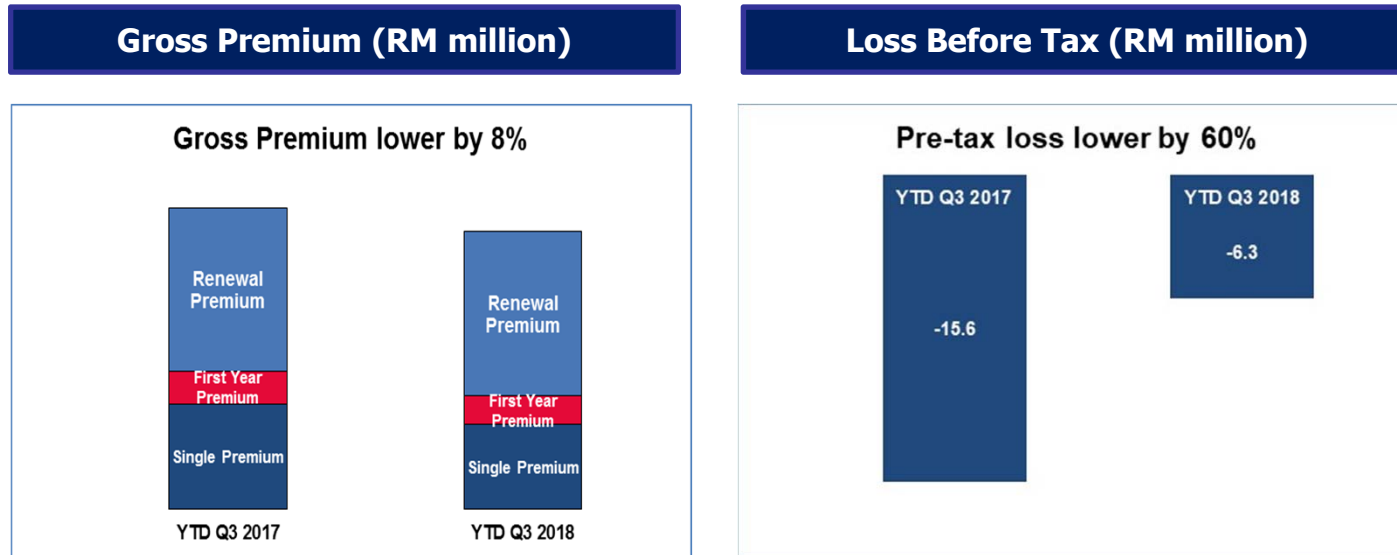
PBT (RM million)



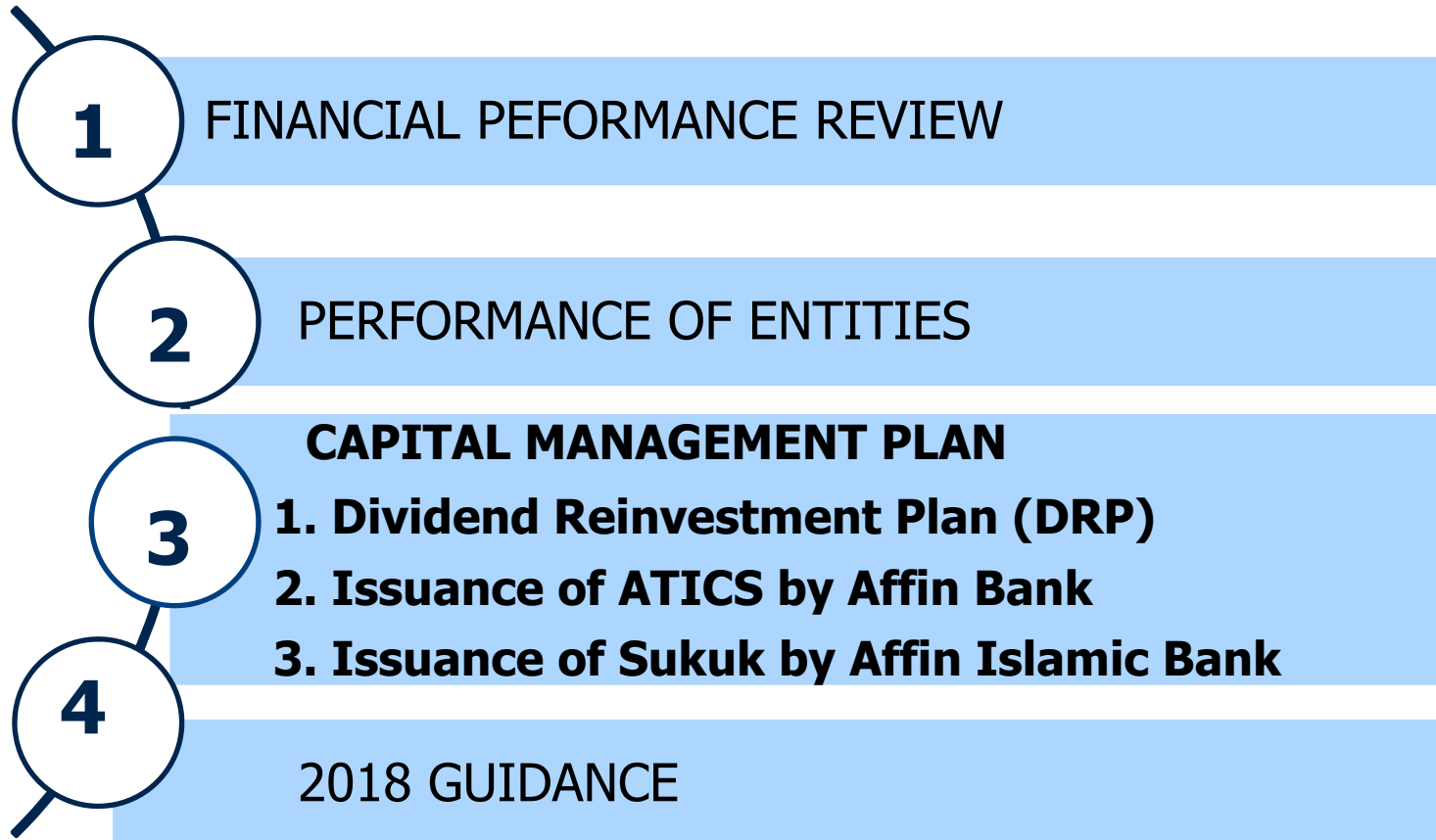
Gross Written Premium (RM million)



- AXA AFFIN General Insurance’s Gross Written Premium grew by 5.7% backed by momentum in Motor, Health and Retail business.
- The Company also reported a higher PBT of RM106.4 million for 9M2018 mainly attributable to higher gains on sale of investments and stable underwriting results.

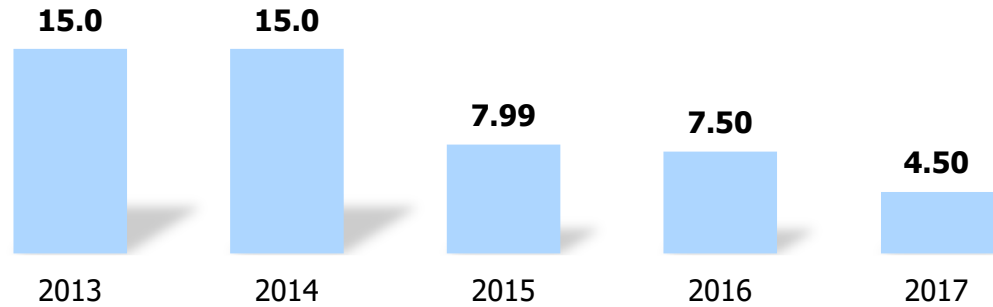


- Gross premium lower than same period last year by 8% due to lower premium from first year and single premium products. However, renewal premium grew by 1%.
- Protection & Health Gross Premium is in line with the company's plan.
- Lower loss before tax, contributed by growth in the business in force and lower increase in reserves for future policyholder liabilities due to higher interest rate environment.

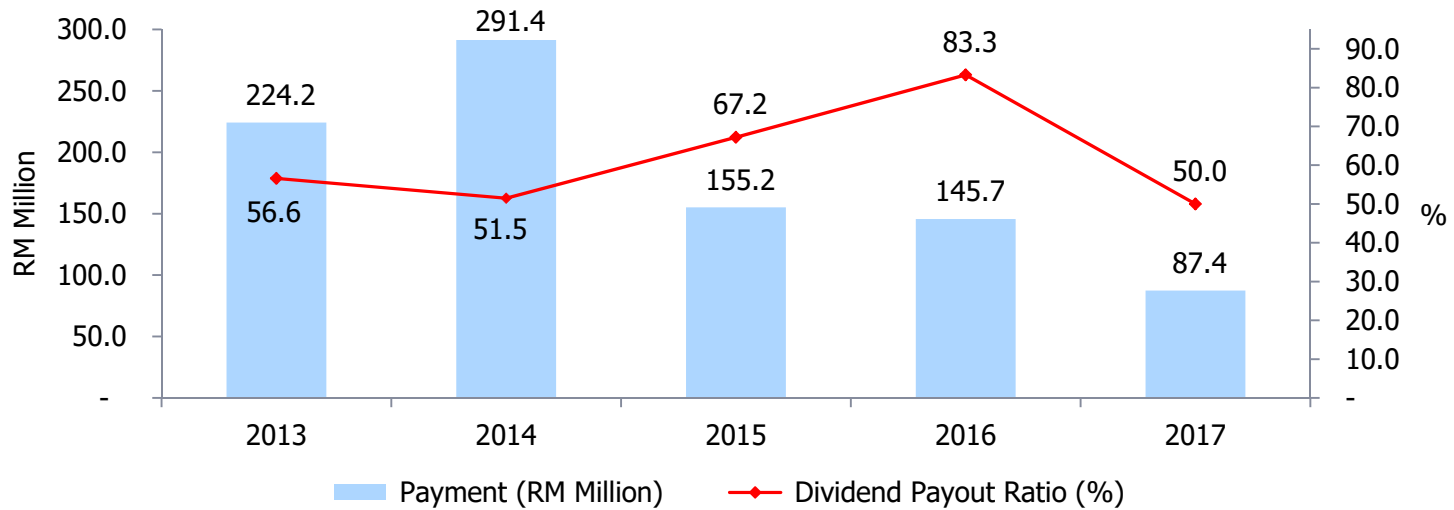


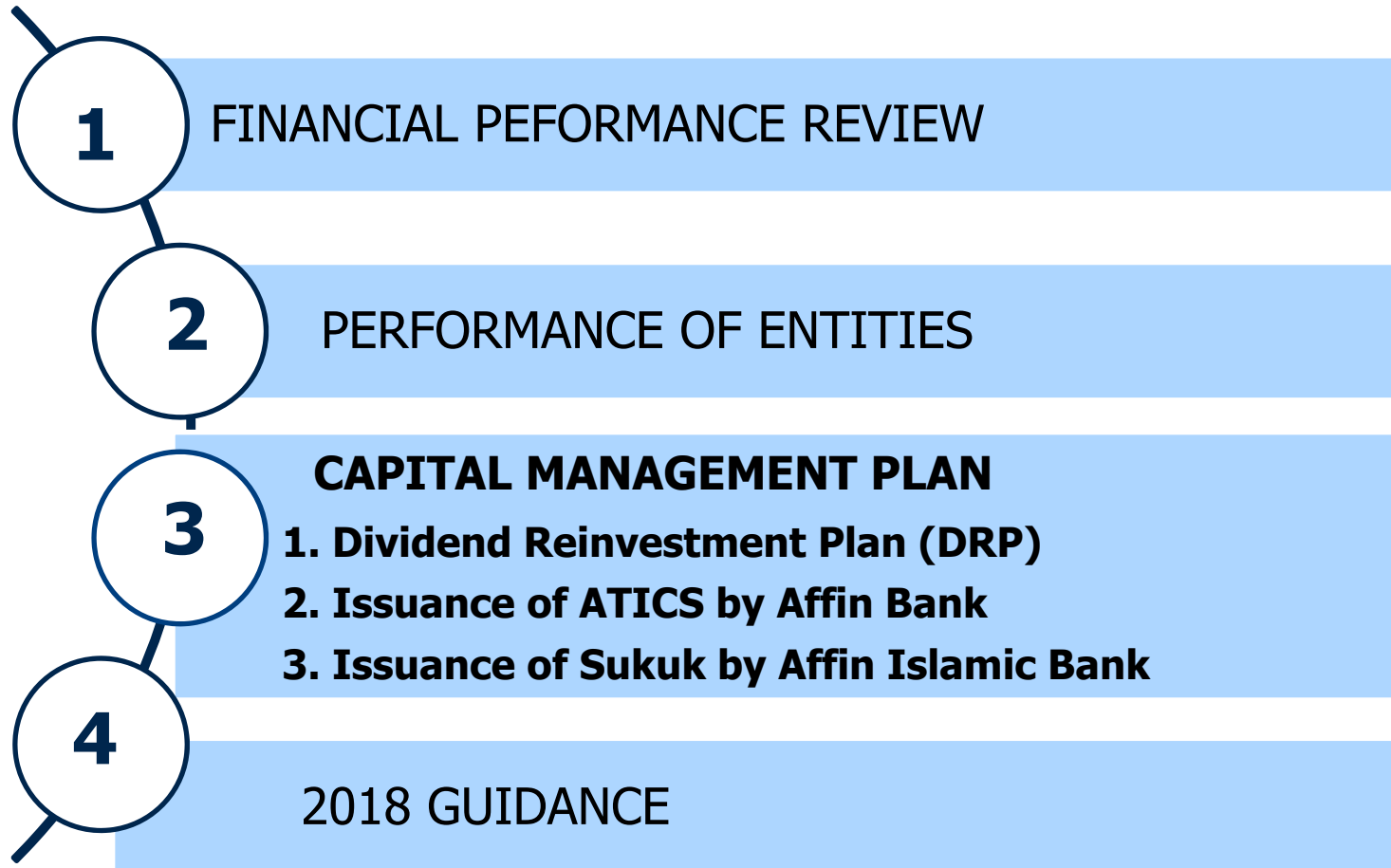
GROSS DIVIDEND & DIVIDENDS PAYOUT RATIO

Gross Dividends Per Share (sen)



Dividends Payout Ratio





Background and Rationale

- ▶ The shareholders had at the EGM held on 15 May 2018 approved the DRP
- ▶ **Rationale** : Strengthens capital position of the Bank
 Improves liquidity through the issuance of new shares
 Additional avenue for the shareholders to increase their equity participation in the Bank

Utilisation of cash retained arising from the DRP

- ▶ Working capital requirements and/or other requirements of the Bank

First DRP

- ▶ The Bank had declared an interim dividend in respect of the financial year ending 31 December 2018 of 5.00 sen per ordinary share or a total dividend payout of RM97,147,427 based on the issued share capital of 1,942,948,547.
- ▶ The Board had also determined that the DRP be applied to the Interim Dividend and 100% of the said interim dividend can be elected and reinvested in new shares of the Bank ("First DRP")
- ▶ Bank Negara Malaysia had granted its approval for the Bank to increase its share capital amounting up to RM97,147,427 pursuant to the First DRP

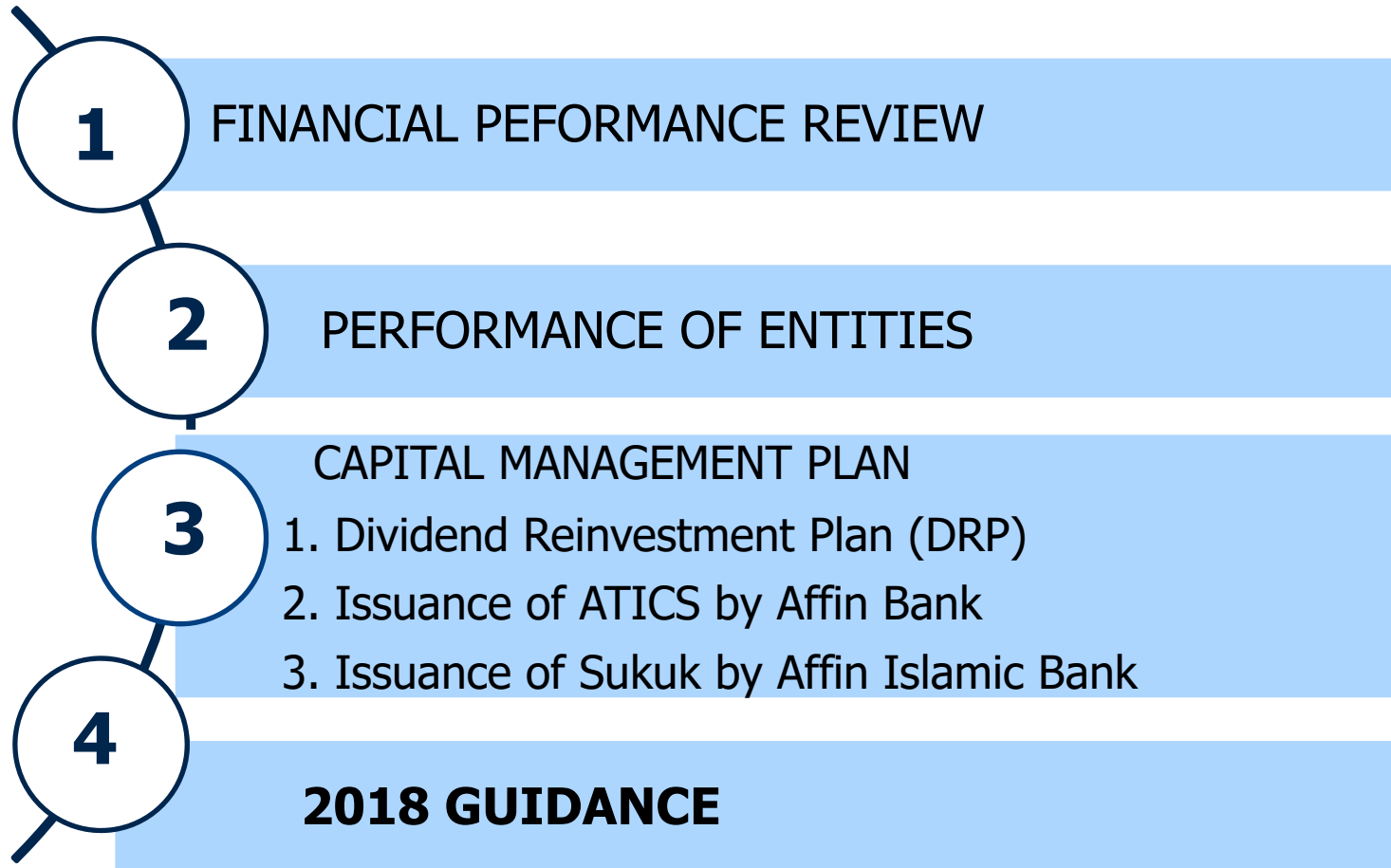
Timeframe for implementation of the First DRP

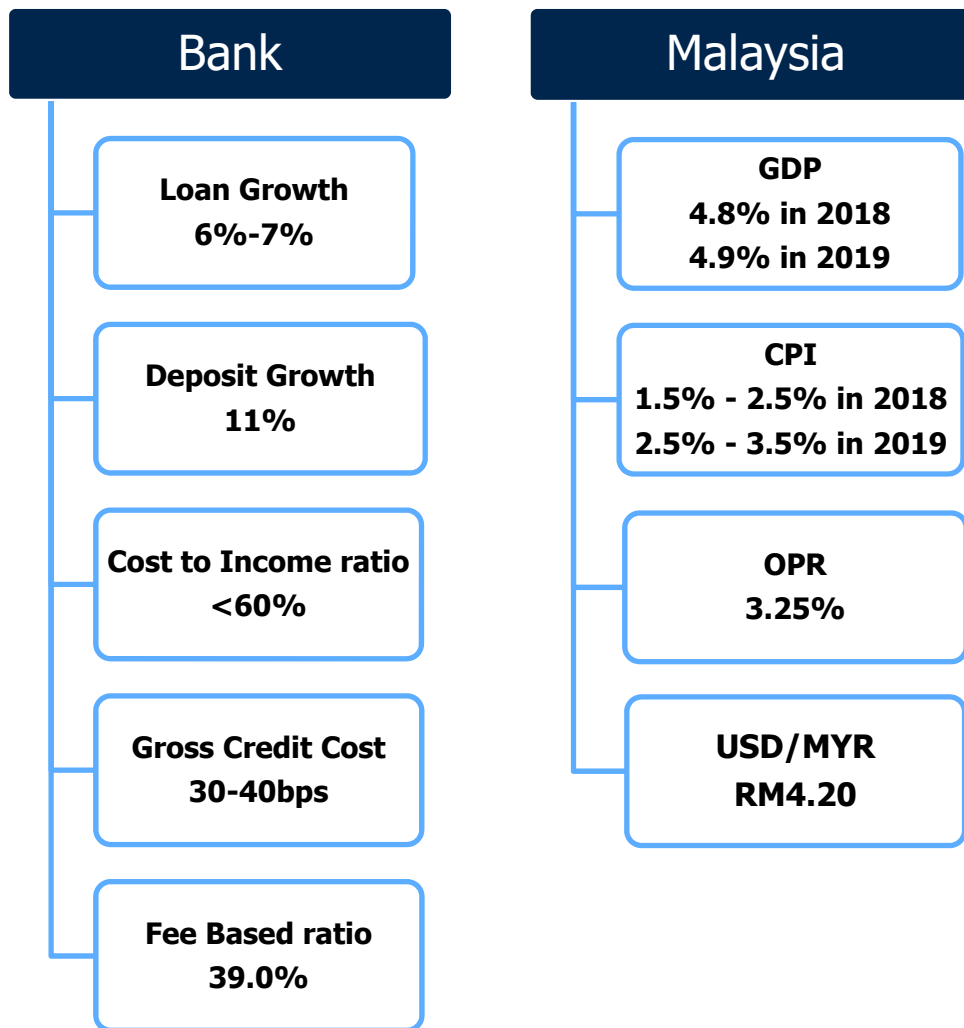
- ▶ The first DRP is expected to be completed by end January 2019.

- The Bank had on 2 July 2018 successfully established an Additional Tier 1 Capital Securities (“ATICS”) programme of RM3.0 billion in nominal value (“ATICS Programme”)
- On 31 July 2018, the Bank issued RM500 million ATICS
- The tenure of the ATICS issued is perpetual on a non-callable 5 years.
- The ATICS issued from the ATICS Programme qualified as Basel III – compliant Additional Tier 1 Capital of the Bank

- Affin Islamic Bank, a wholly-owned subsidiary of the Bank had on 3 October 2018 successfully established an Islamic Medium Term Notes programme (“Sukuk Programme”) of up to RM5.0 billion in nominal value
- To date, Affin Islamic Bank had issued the following under the programme:-

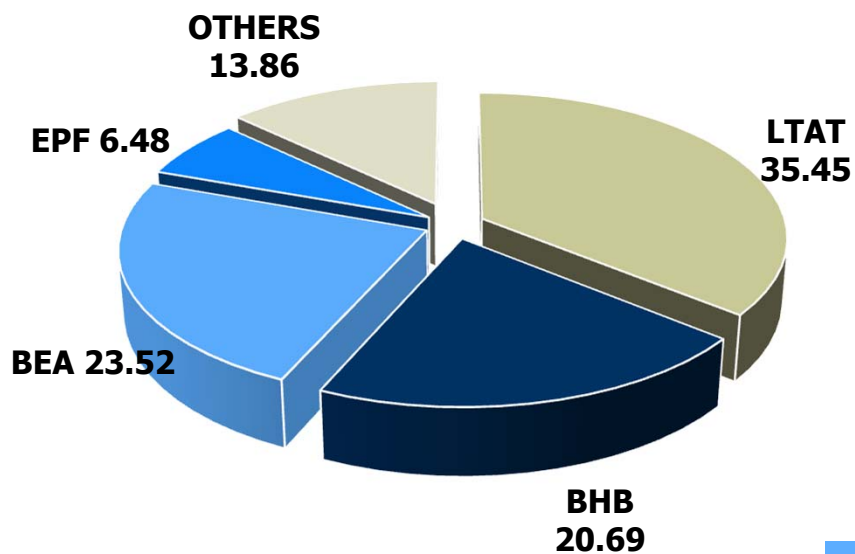
Issuance Date	Description	Nominal Value (RM' million)	Tenure
18.10.2018	BASEL III - Compliant Additional Tier 1 Capital Sukuk Wakalah	300	Perpetual non-callable 5 years
23.10.2018	BASEL III - Compliant Tier 2 Sukuk Murabahah	800	10 years non-callable 5 years



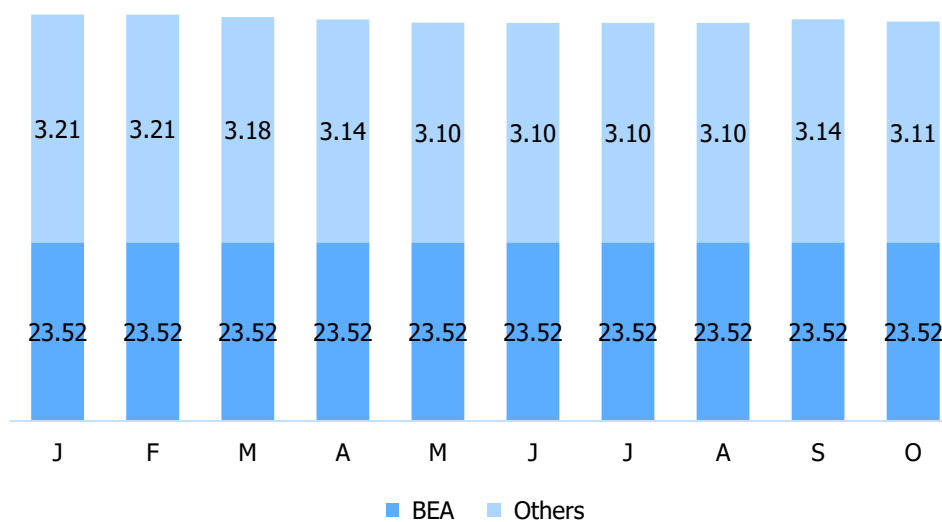


SHAREHOLDING PATTERN AS AT 31 OCTOBER 2018

Substantial Shareholders (%)



Foreign Shareholdings (%)



JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT
26.73	26.73	26.70	26.66	26.62	26.62	26.62	26.62	26.66	26.63

For any enquiries, please email to ir@affinbank.com.my or call us at +603-2055-9005 (Investor Relations Department)

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