



1H2023 FINANCIAL RESULTS BRIEFING

25 AUGUST 2023



Agenda

Key Highlights

1

1H23 Financial Results

2

Final Remarks

3

Q&A Session

4





KEY HIGHLIGHTS



1H2023 Highlights

1

FINANCIAL PERFORMANCE 1H23
BAU EXCLUDING AHAM PERFORMANCE

PROFIT BEFORE TAX

-15.4% YoY RM345.7m 1H23 vs. RM408.5m 1H22

+1.8% YoY RM345.7m 1H23 vs. RM339.7m 1H22

2

ROE

ROE

4.87% 1H23 vs. 5.80% 1H22

3

IMPROVING ASSET QUALITY & RESERVES

GIL

1.78% 1H23 vs. 2.28% 1H22

LLC

131.80% 1H23 vs 80.00% 1H22

4

TAPERING BUSINESS MOMENTUM

LOAN GROWTH

+12.7% 1H23 vs. 15.0% 1H22

5

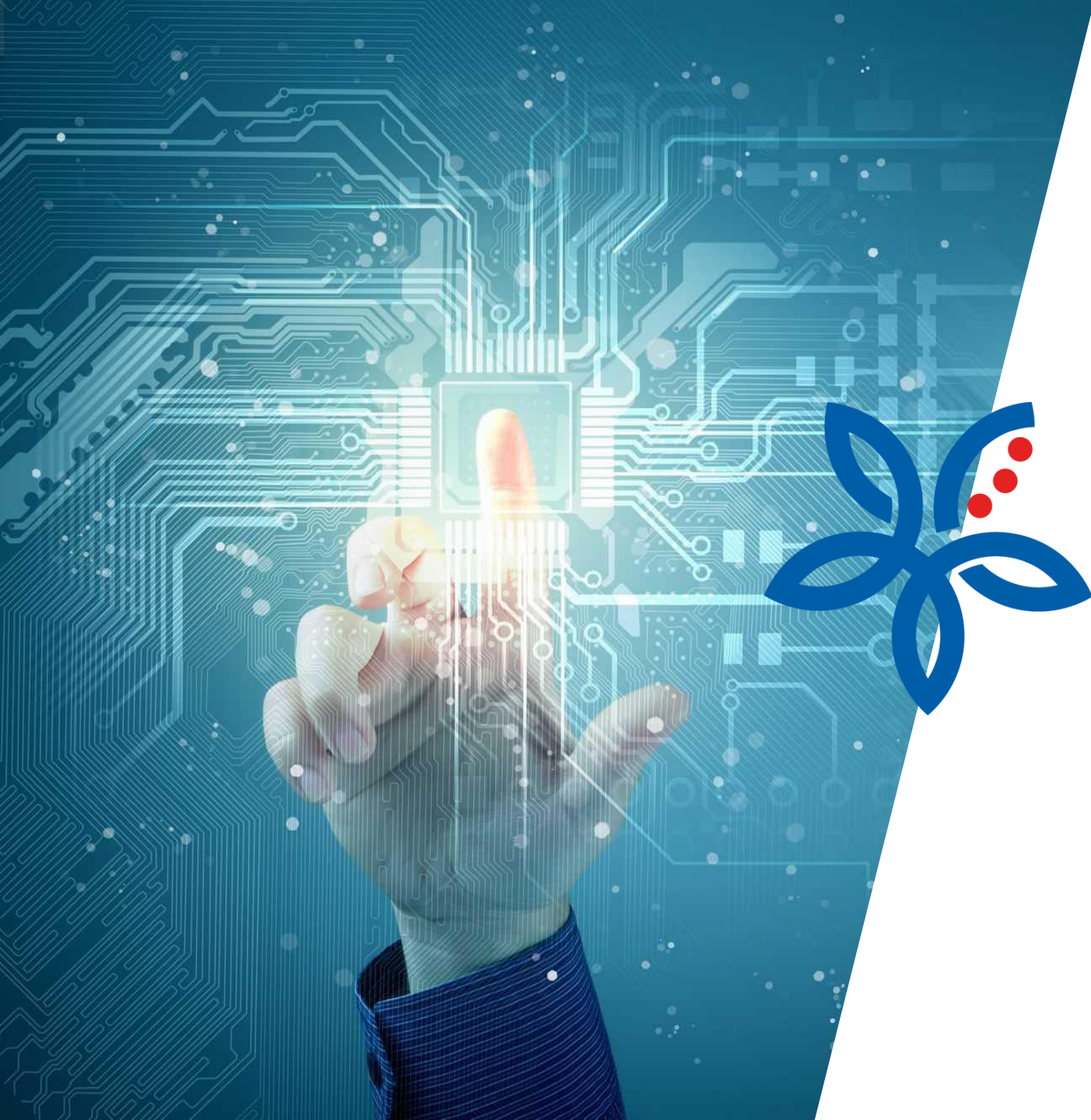
IMPROVING CAPITAL AND LIQUIDITY POSITION

CET 1

14.7% 1H23 vs. 13.4% 1H22

LCR

203.0% 1H23 vs. 154.4% 1H22



1 H2023 FINANCIAL RESULTS

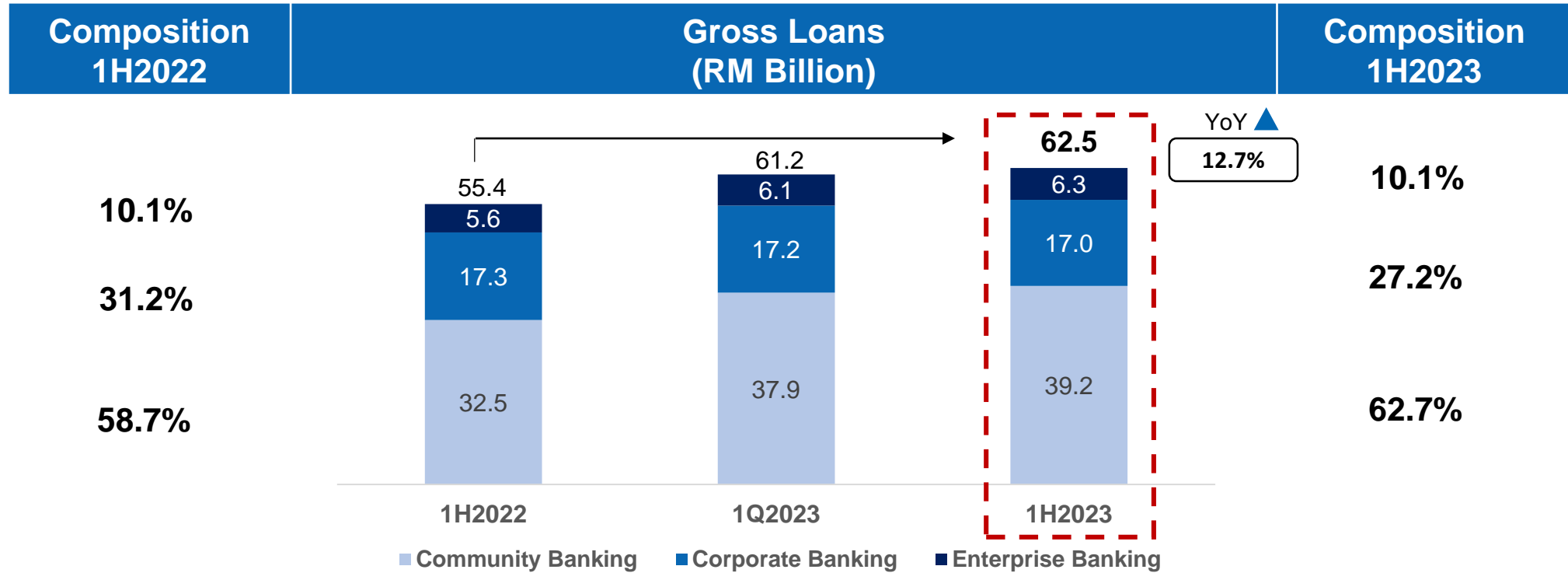


Balance Sheet Highlights

RM Million	1H2022	1Q2023	1H2023	QoQ(%)	YoY(%)
Cash & short-term funds	4,819.2	5,389.0	8,244.2	53.0	71.1
Financial assets/investment	22,569.9	23,136.9	25,351.9	9.6	12.3
Gross loans, advances & financing	55,429.0	61,164.0	62,468.1	2.1	12.7
Less: ECL	(937.7)	(1,405.8)	(1,425.9)	1.4	46.4
Other assets	4,832.5	5,767.8	6,219.1	7.8	28.7
Total Assets	86,676.9	94,051.9	100,857.4	7.2	16.4
Deposit from customers	64,451.6	65,870.4	71,510.5	8.6	11.0
Of which : Current Account	10,616.3	10,703.6	12,009.6	12.2	13.1
Savings Account	3,238.9	3,994.6	4,589.7	14.9	41.7
Total CASA	13,855.2	14,698.2	16,599.3	12.9	19.8
Fixed Deposits, NIDs, MMD & CMD	50,596.3	51,172.2	54,911.2	7.3	8.5
Deposits & placement of banks & other FIs	6,753.7	11,343.6	10,196.4	(10.1)	51.0
Other liabilities	3,043.8	1,803.9	5,161.8	186.1	69.6
Borrowings	2,283.1	4,213.3	3,031.9	(28.0)	32.8
Total Equity	10,144.7	10,820.7	10,956.8	1.3	8.0
Total Liabilities & Equity	86,676.9	94,051.9	100,857.4	7.2	16.4



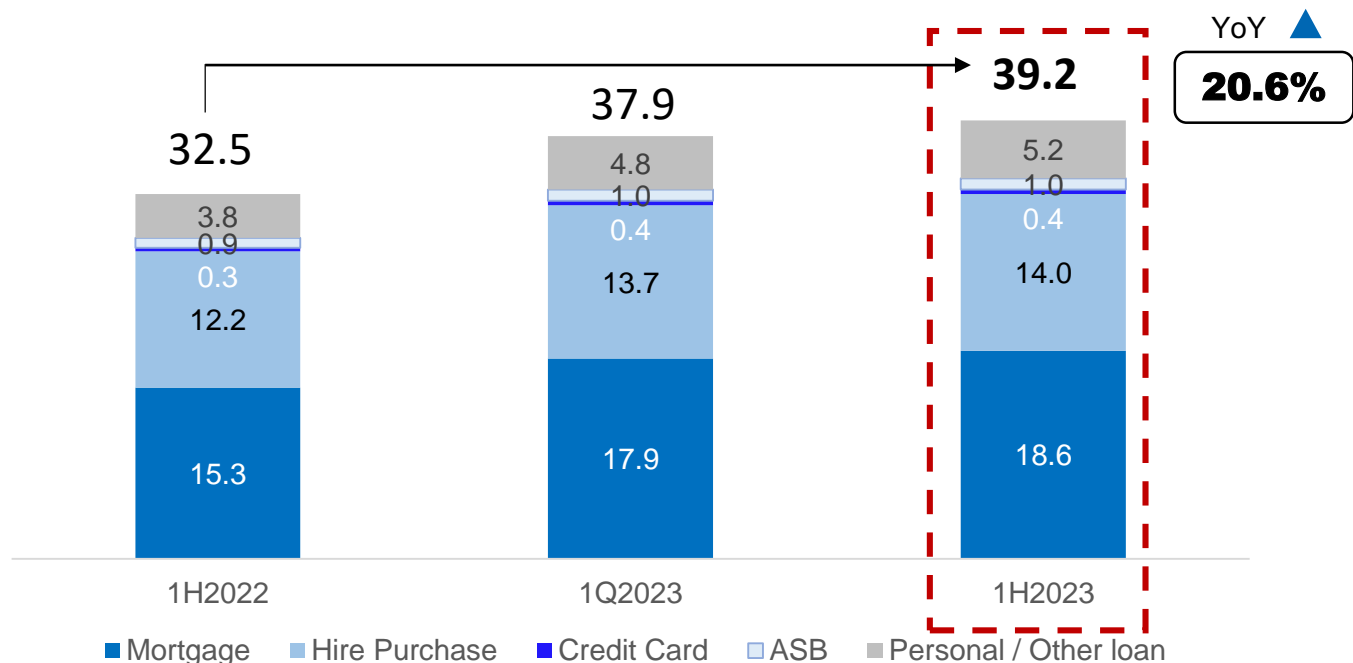
Loans/Financing Momentum Driven By Community and Enterprise Banking



RM Billion	1H2022	1Q2023	1H2023	QoQ (%)	YoY (%)
Community Banking	32.5	37.9	39.2	3.4	20.6
Corporate Banking	17.3	17.2	17.0	(1.2)	(1.7)
Enterprise Banking	5.6	6.1	6.3	3.3	12.5
TOTAL	55.4	61.2	62.5	2.1	12.7



Community Banking: Gross Loans/Financing



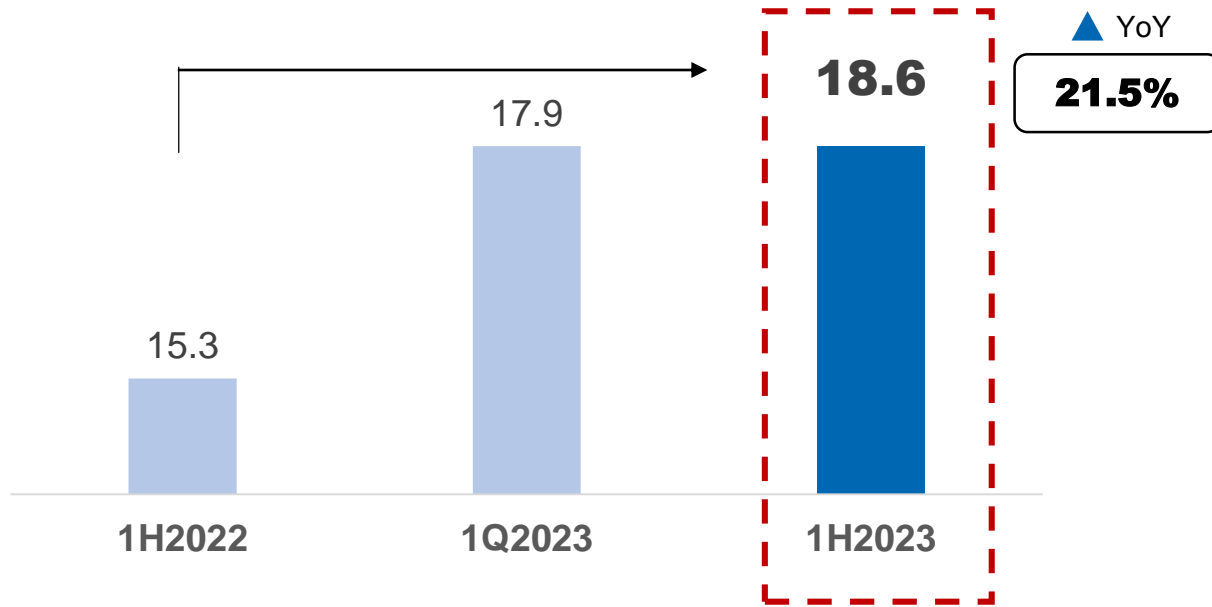
Hausboom Music 2023 in Collaboration with AFFIN

RM Billion	1H2022	1Q2023	1H2023	QoQ (%)	YoY (%)
Mortgage	15.3	17.9	18.6	3.9	21.6
Hire Purchase	12.2	13.7	14.0	2.2	14.8
Credit Card	0.3	0.4	0.4	0.0	33.3
ASB	0.9	1.0	1.0	0.0	11.1
Personal and Other Loans/Financing	3.8	4.8	5.2	8.3	36.8
TOTAL	32.5	37.9	39.2	3.4	20.6

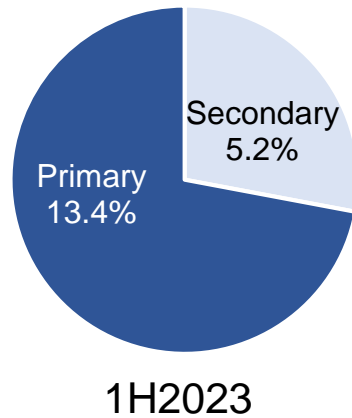
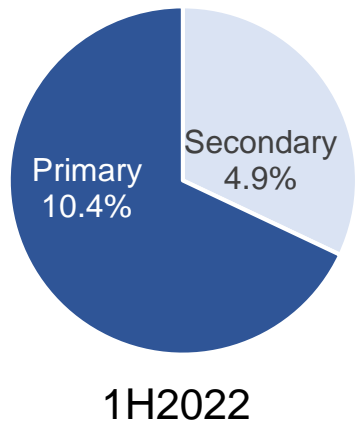


Community Banking: Mortgage Business

Mortgage Loans/Financing (RM Billion)



RM Billion	1H2022	1Q2023	1H2023	QoQ (%)	YoY (%)
Primary	10.4	12.8	13.4	4.7	28.8
Secondary	4.9	5.1	5.2	2.0	6.1
Total	15.3	17.9	18.6	4.5	21.5

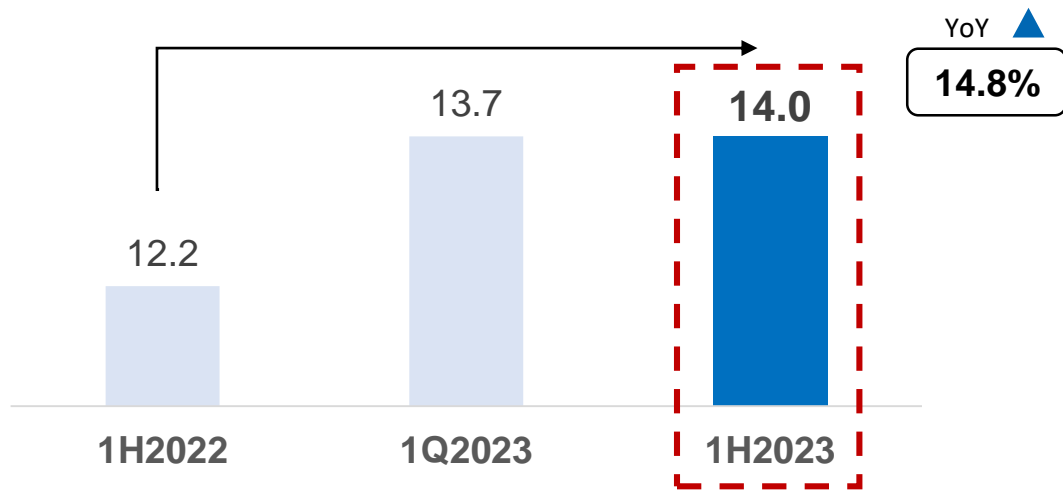


Best Mortgage & Financing Product by Asian Banking and Finance 2023

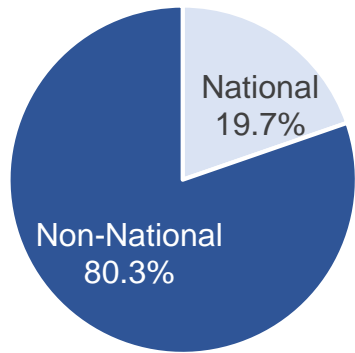


Community Banking: Hire Purchase

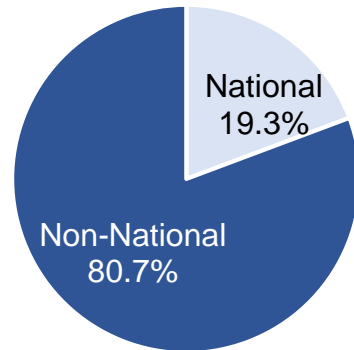
Hire Purchase Loans/Financing (RM Billion)



HP Portfolio Composition (%)



1H2022



1H2023

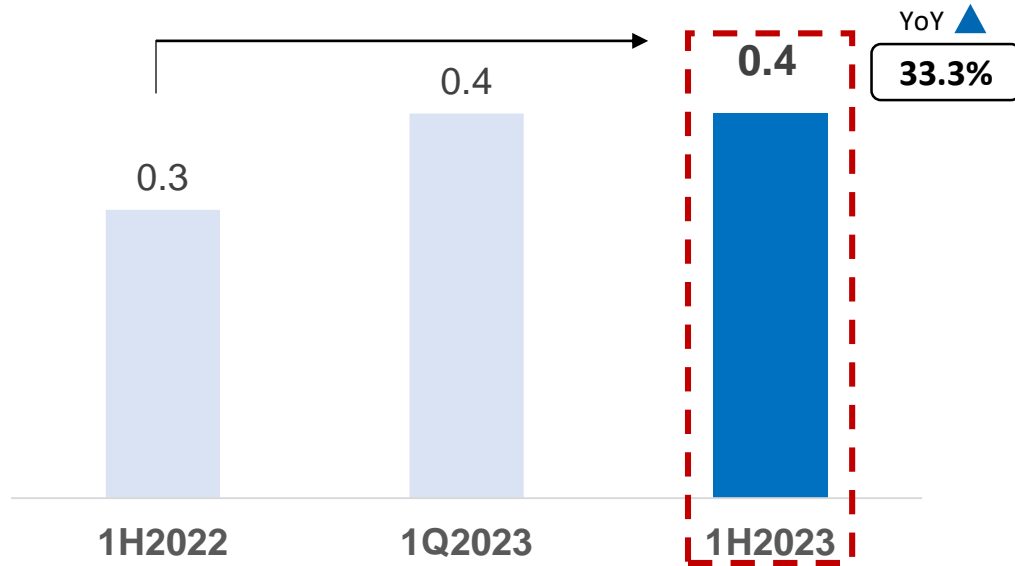
RM Billion	1H2022	1Q2023	1H2023	QoQ (%)	YoY (%)
National cars	2.4	2.5	2.7	8.0	12.5
Non-National cars*	9.8	11.2	11.3	0.9	15.3
Total	12.2	13.7	14.0	2.2	14.8

* non-national cars include staff loan, floor stocking & IHP

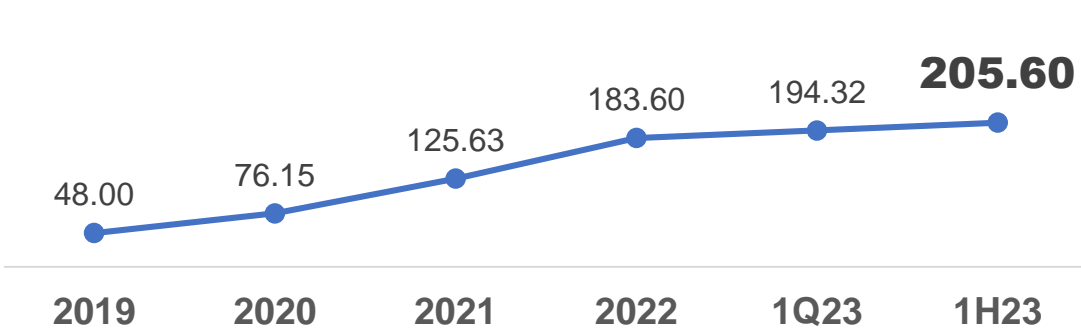


Community Banking: Credit Cards

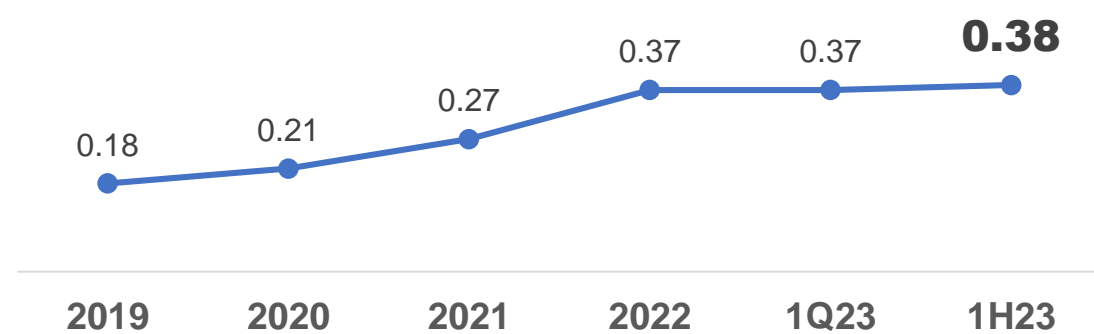
Credit Cards (RM Billion)



Number of Cards ('000)



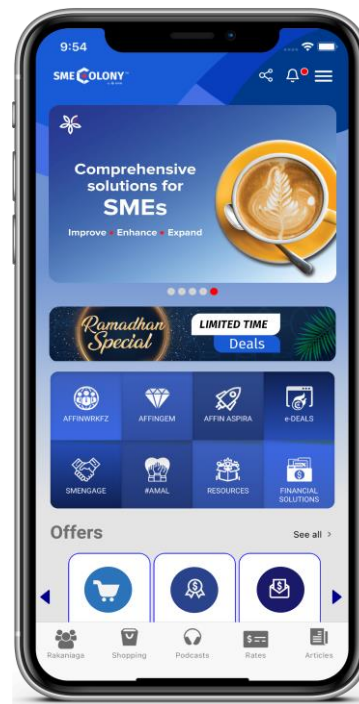
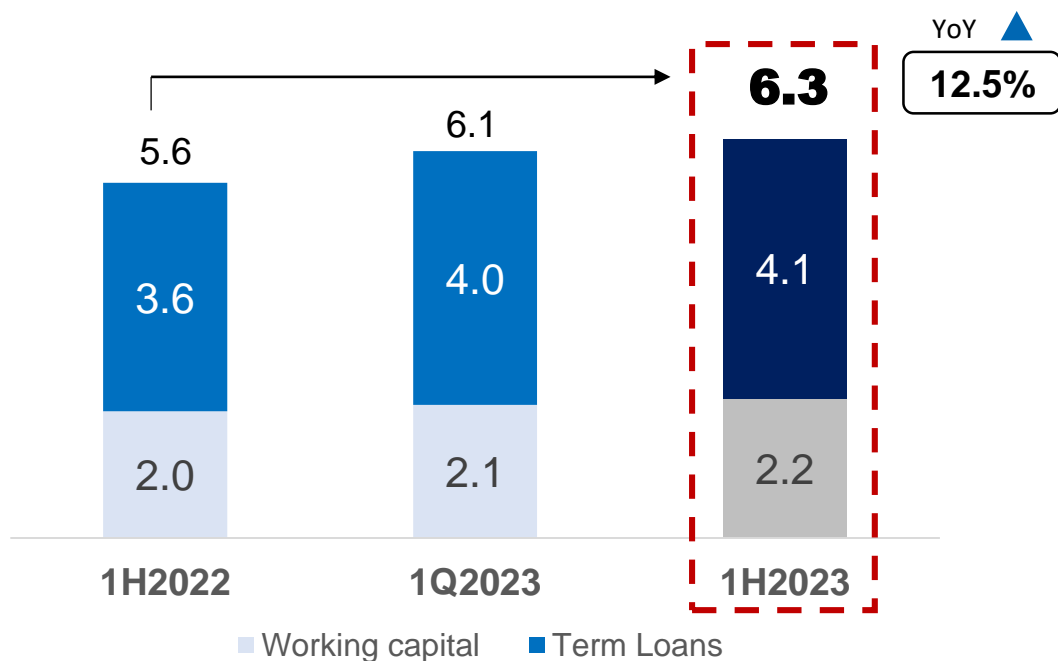
Ending Net Receivable (ENR)





Enterprise Banking: Gross Loans/Financing

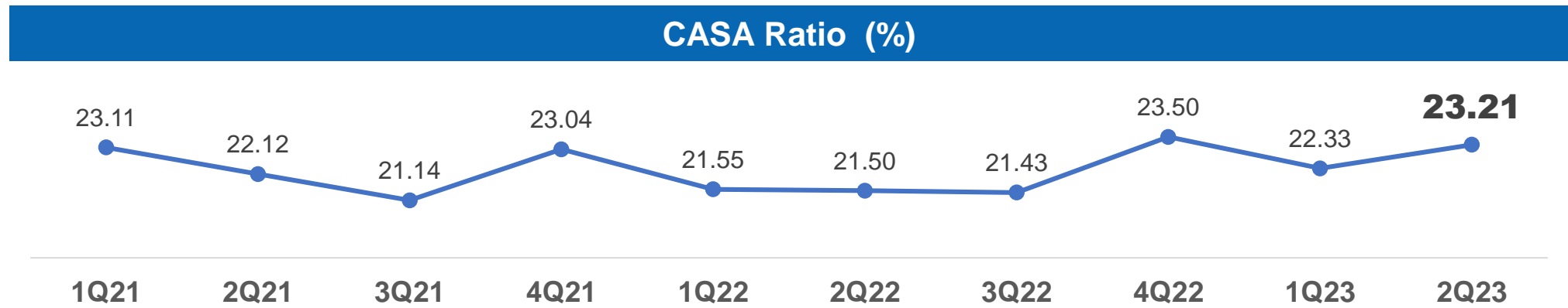
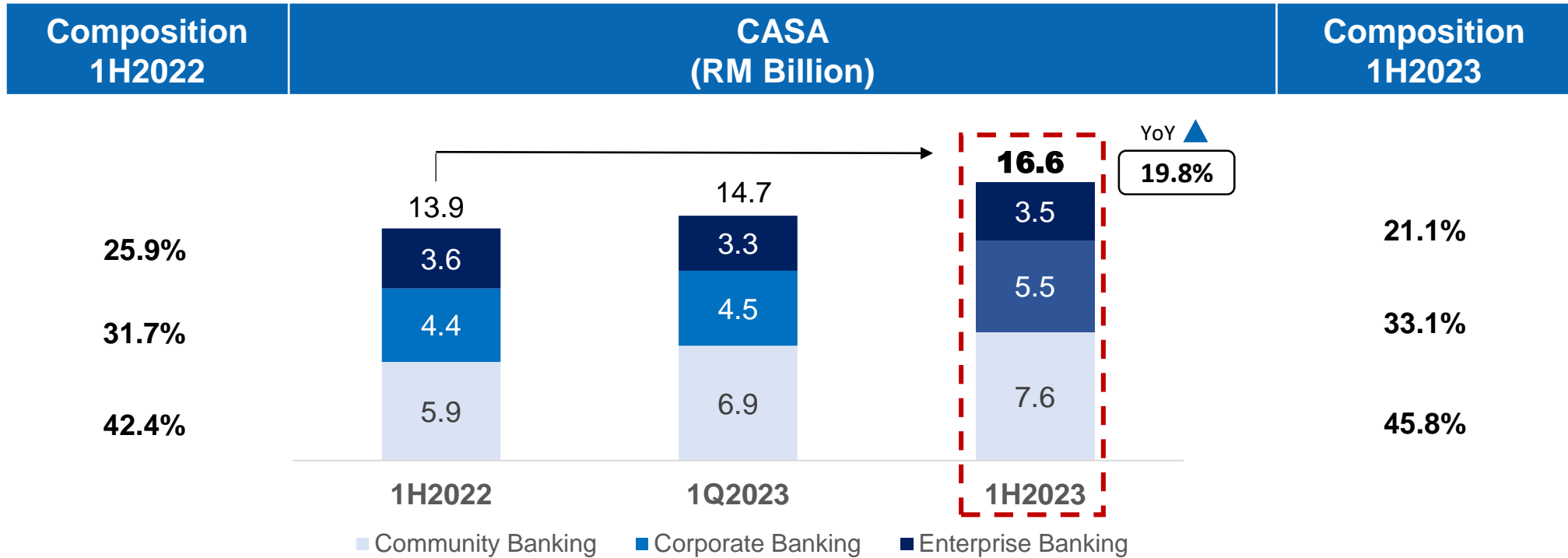
Gross Loans/Financing (RM Billion)



	1H2022	1Q2023	1H2023	QoQ (%)	YoY (%)
Working capital	1.9	2.1	2.2	4.8	15.8
Term Loans	3.7	4.0	4.1	2.5	10.8
Total	5.6	6.1	6.3	3.3	12.5



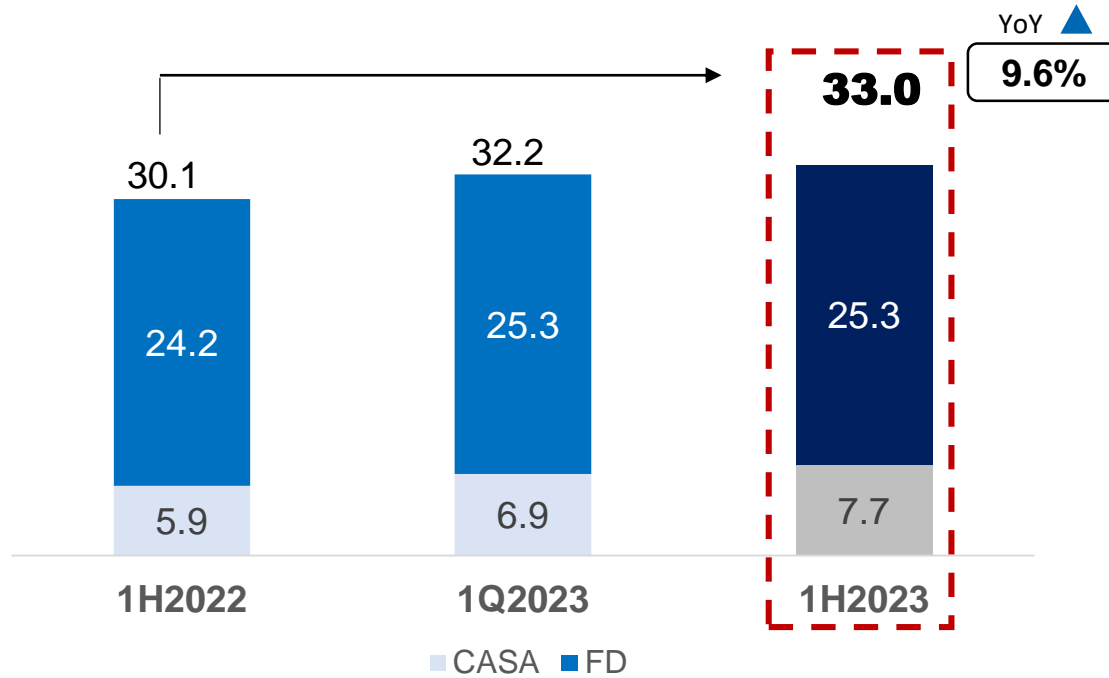
CASA Base Continues to Grow Year-On-Year





Community Banking: Deposits

Deposits (RM Billion)



	1H2022	1Q2023	1H2023
CASA Ratio	19.6%	21.4%	23.3%

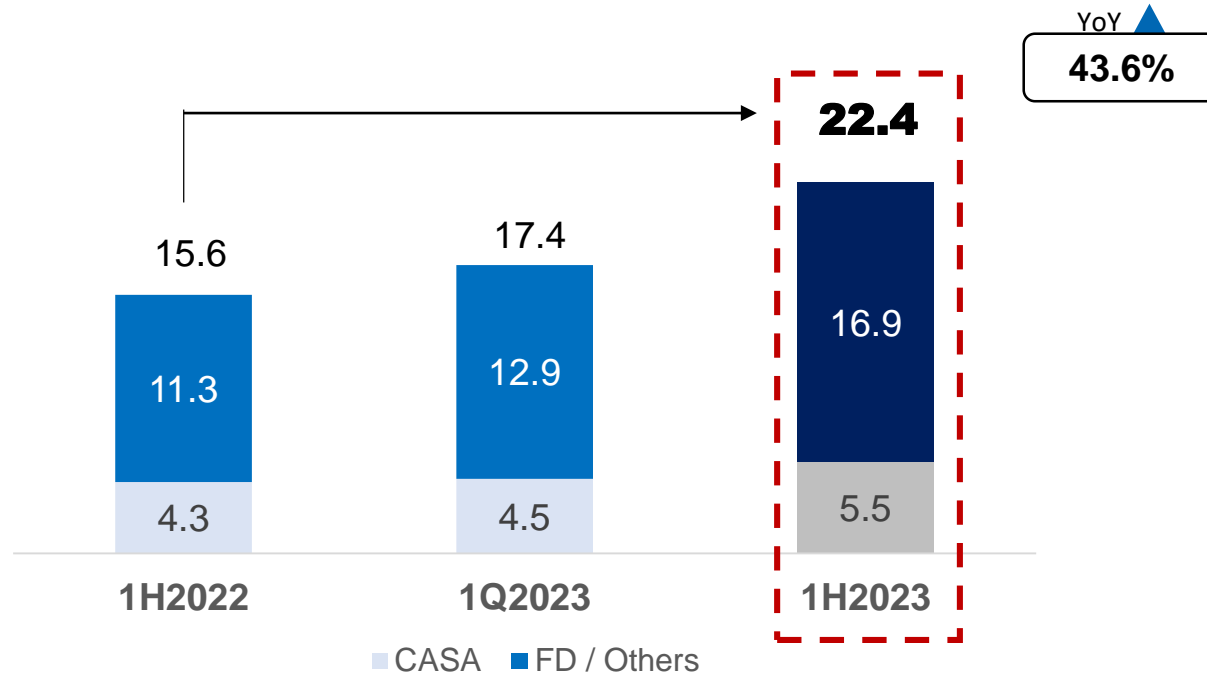


Quarterly Prize Giving Ceremony for the AFFIN Year of Winnings Campaign



Corporate Banking: Deposits

Deposits (RM Billion)



	1H2022	1Q2023	1H2023
CASA Ratio	27.6%	25.9%	24.6%

ADVANCE INTO A NEW DIMENSION

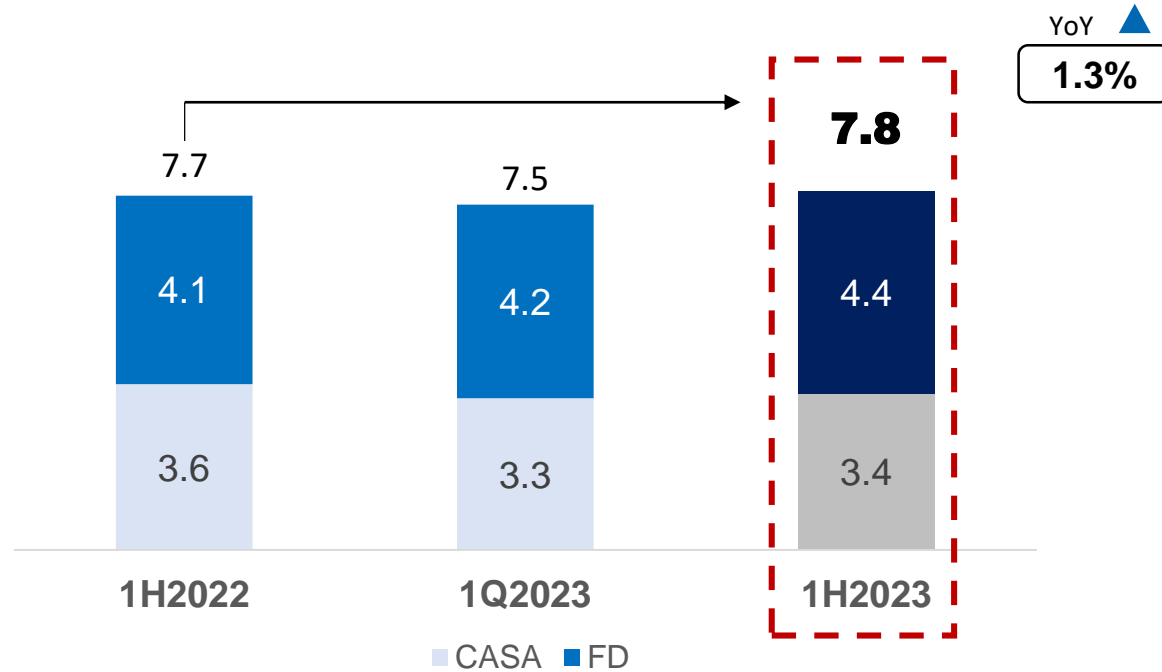
AFFINMAX

AFFIN BANK **AFFIN ISLAMIC**



Enterprise Banking: Deposits

Deposits (RM Billion)



	1H2022	1Q2023	1H2023
CASA Ratio	46.8%	44.0%	43.6%

Digital Business Consultation Basic Package from RM1,988 per month

Promotion code available on SME Colony

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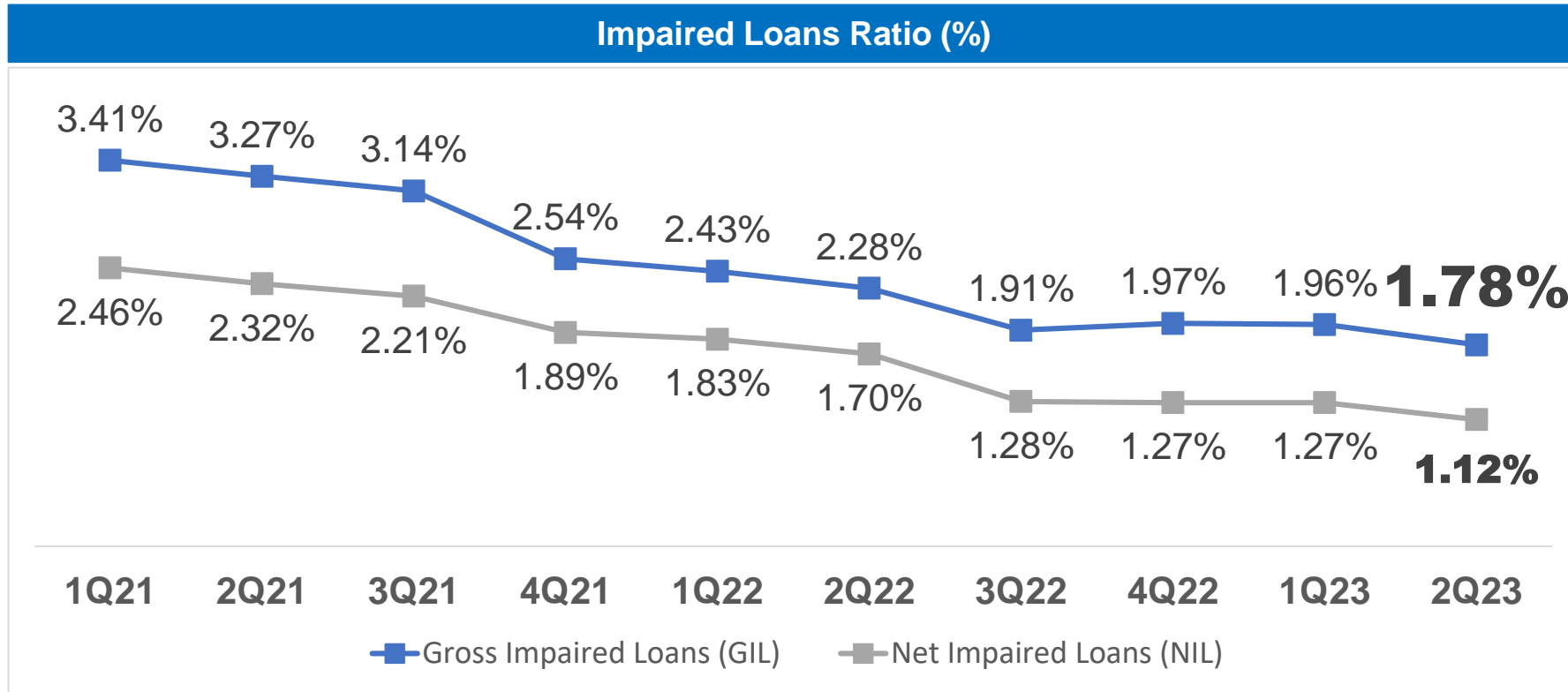
Open to all
Terms and conditions apply

SCAN HERE!

SMEEngage
by CIMB



Consistent Improvement in Impaired Loans/Financing Ratio Despite Headwinds



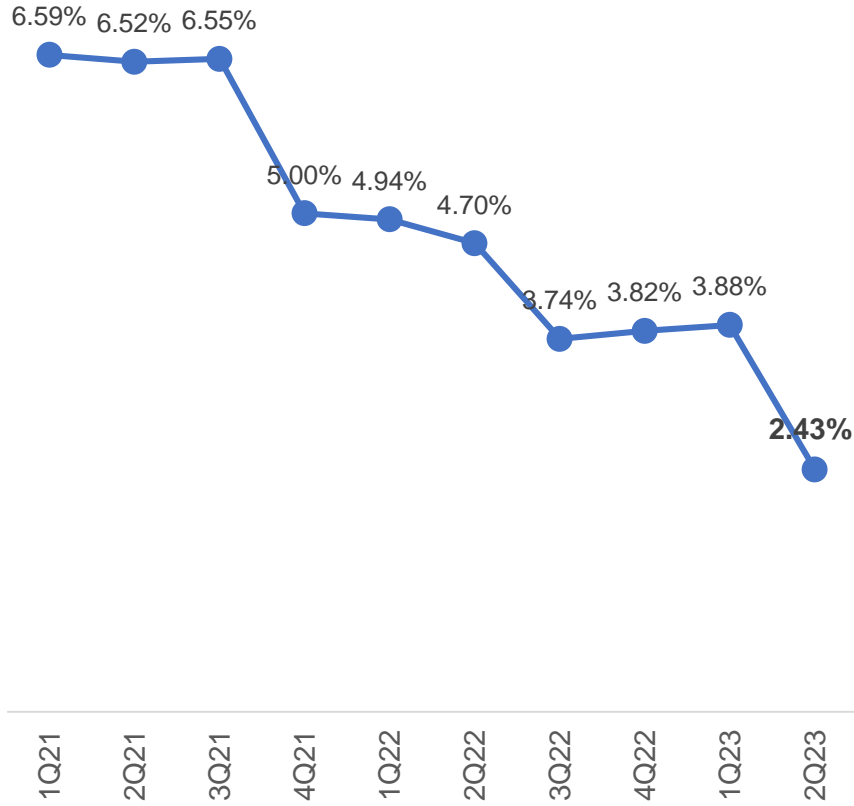
- GIL ratio improved to 1.78% in 2Q23 vs 2.28% 2Q22
 - NIL ratio at 1.12% in 2Q23 vs 1.70% in 2Q22.
 - Recoveries for 1H23 stood at RM73.7m



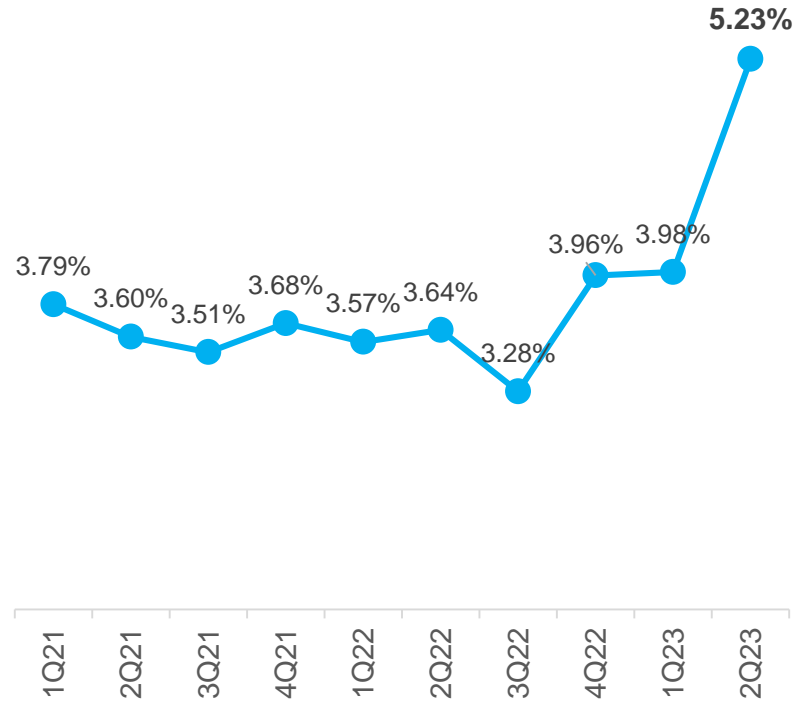
Corporate GIL/F Improvement Aided By Enhanced Account Management

Gross Impaired Loans/Financing Ratio (%)

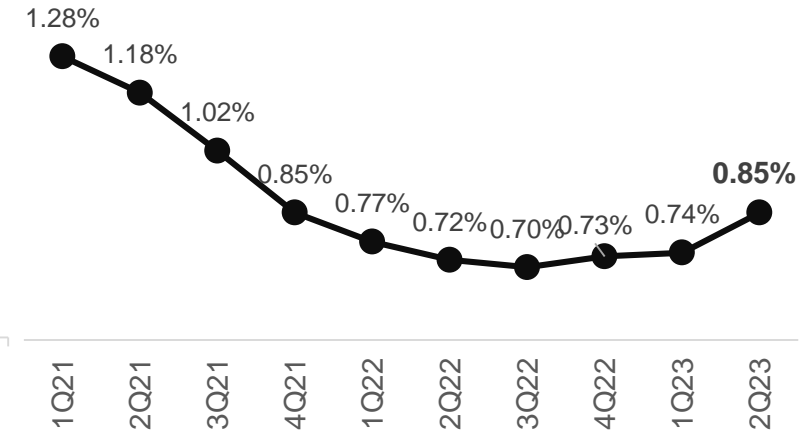
Corporate



Enterprise

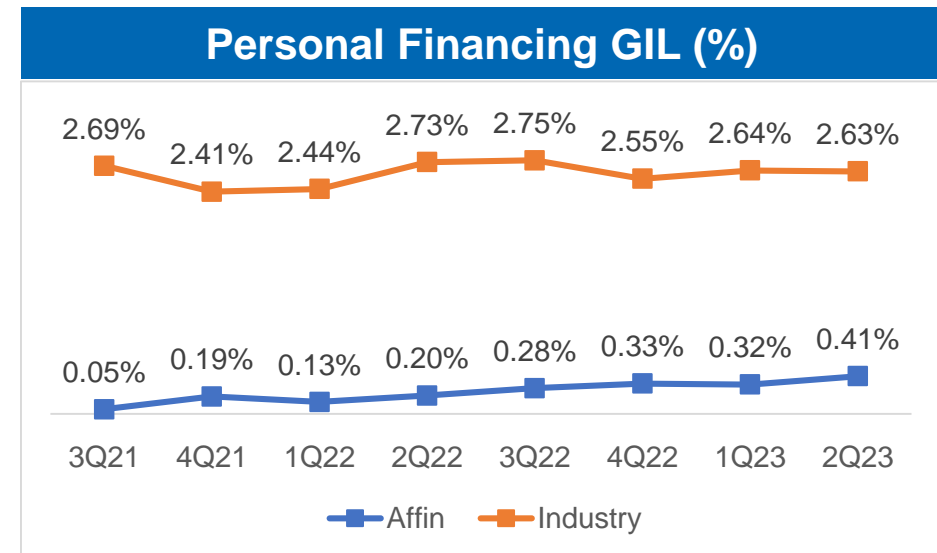
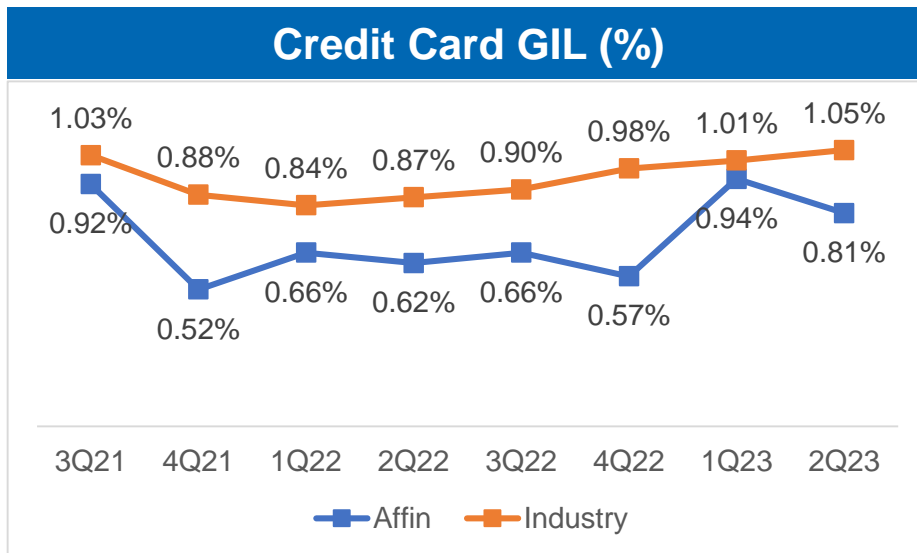
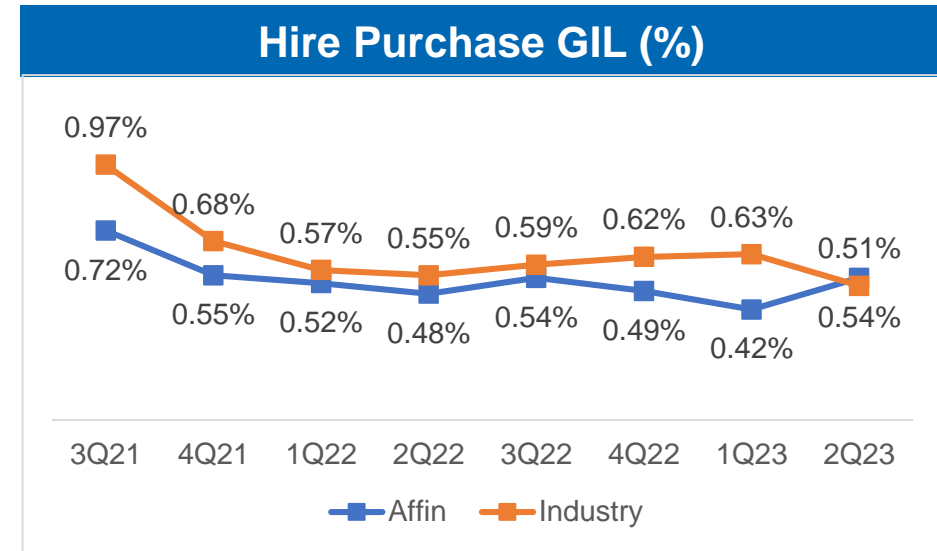
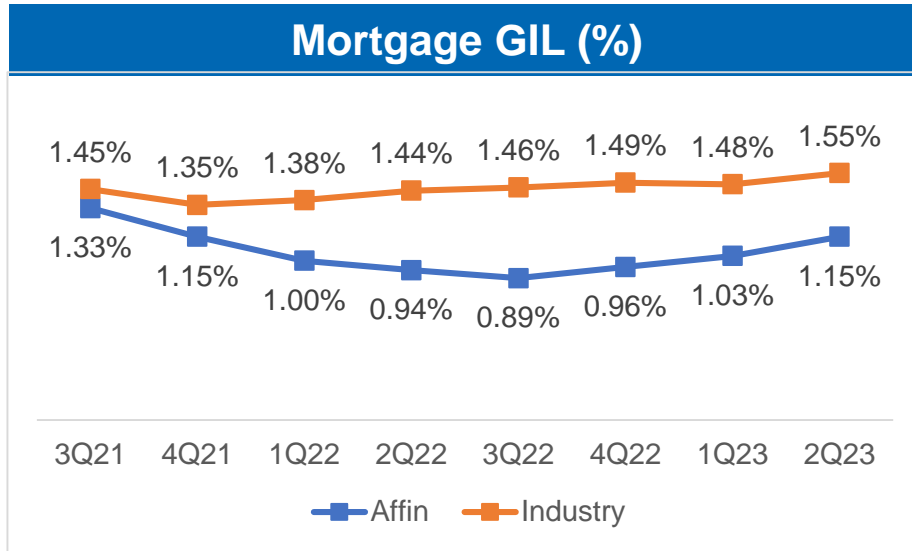


Community



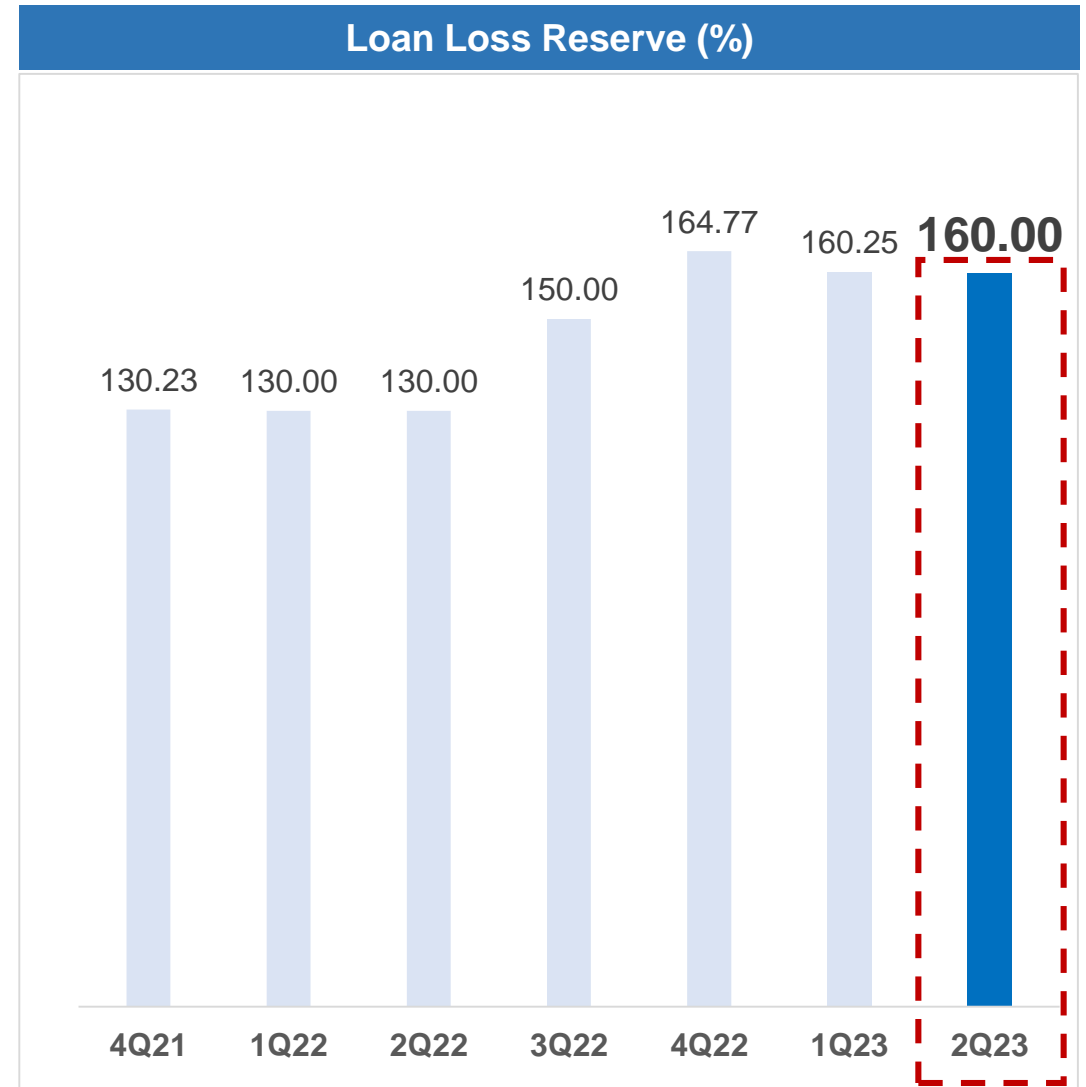
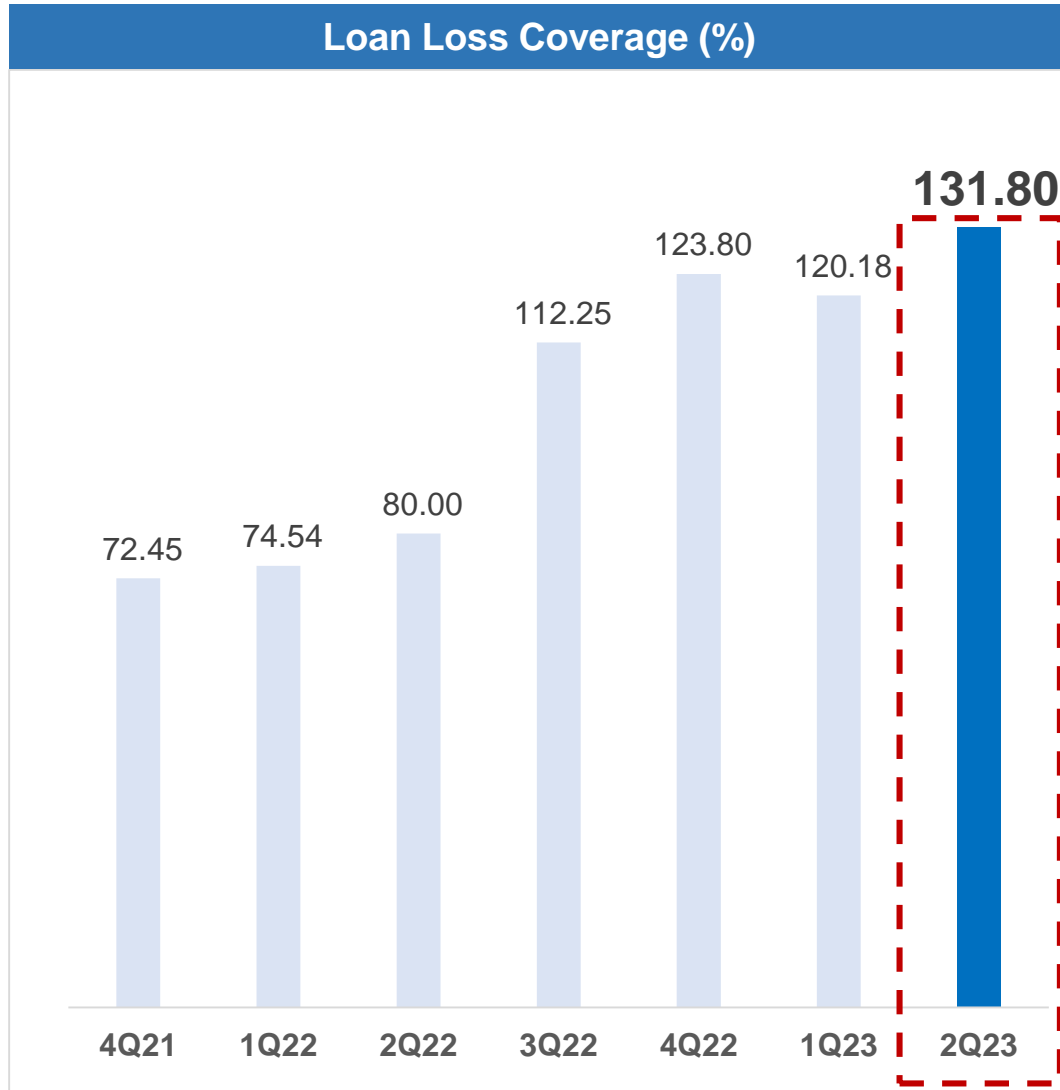


Continuing Efforts to Maintain GIL/F Ratios For Community Banking below Industry Levels





LLC & LLR remains above 100%



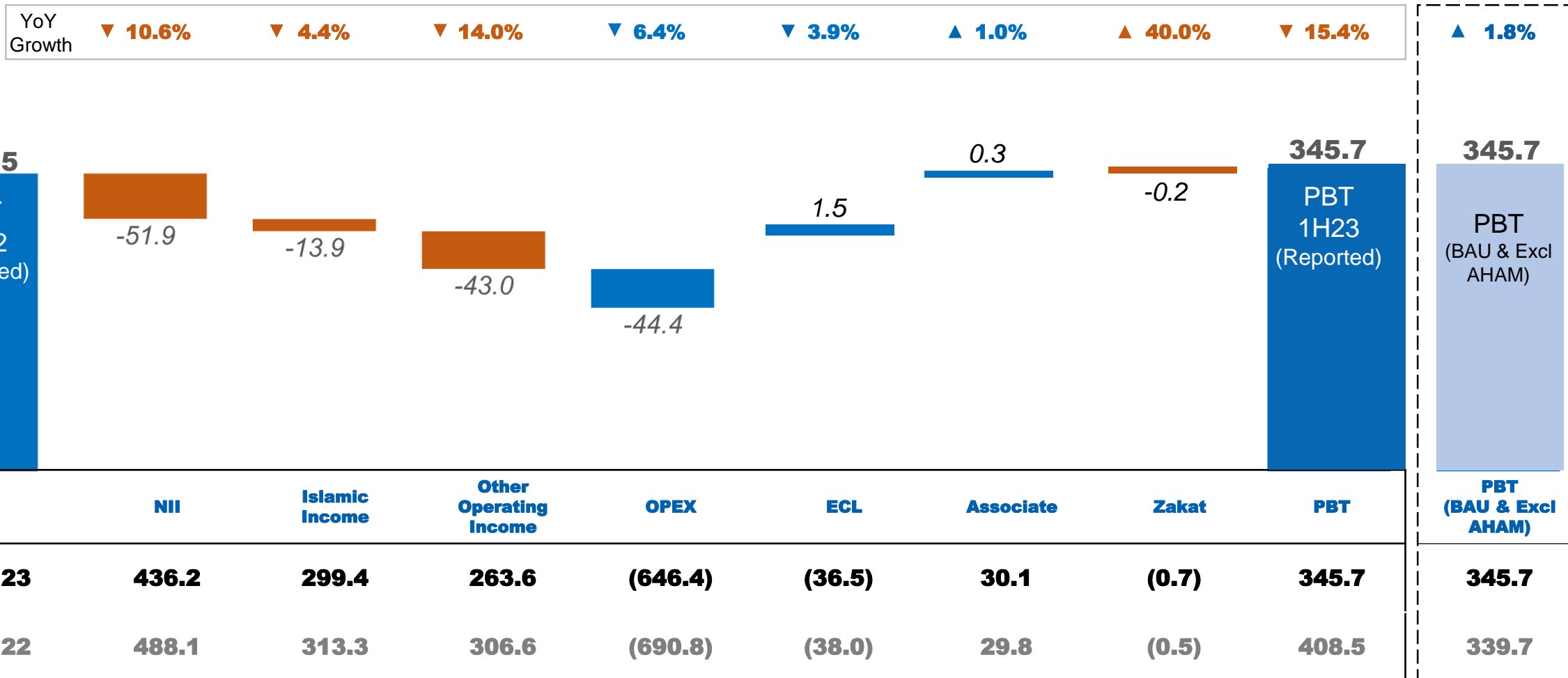


Income Statement

RM Million	Quarter		QoQ	YTD		YoY
	1Q2023	2Q2023	(%)	1H2022	1H2023	(%)
Net Interest Income	233.6	202.5	(13.3)	488.1	436.2	(10.6)
Income from Islamic Banking Business	154.1	145.3	(5.7)	313.3	299.4	(4.4)
Other operating Income	106.6	156.9	47.2	306.6	263.6	(14.0)
<i>of which :</i>						
<i>Net Fee and Commission Income</i>	66.2	65.4	(1.3)	286.6	131.6	(54.1)
<i>Net Gains on Financial Instruments</i>	15.5	36.9	>100.0	20.0	52.5	>100.0
<i>Other Income</i>	24.9	54.6	>100.0	-	79.5	-
Net Income	494.3	504.9	2.1	1,108.0	999.1	(9.8)
Operating Expenses	(330.0)	(316.4)	(4.1)	(690.8)	(646.4)	(6.4)
Allowances for Impairment Losses	13.3	(49.8)	>(100.0)	(38.0)	(36.5)	(3.9)
Share of results of Associate	18.7	11.4	(39.1)	29.8	30.1	1.0
Zakat	-	(0.7)	>(100.0)	(0.5)	(0.7)	40.0
Profit Before Taxation	196.3	149.3	(31.5)	408.5	345.7	(15.4)
Profit Before Taxation (BAU and excl AHAM)	196.3	149.3	(31.5)	339.7	345.7	1.8
Taxation	(47.4)	(36.1)	(31.3)	(98.2)	(83.5)	(15.0)
Profit After Taxation	148.9	113.2	(31.6)	310.3	262.2	(28.4)



P&L Walk YoY

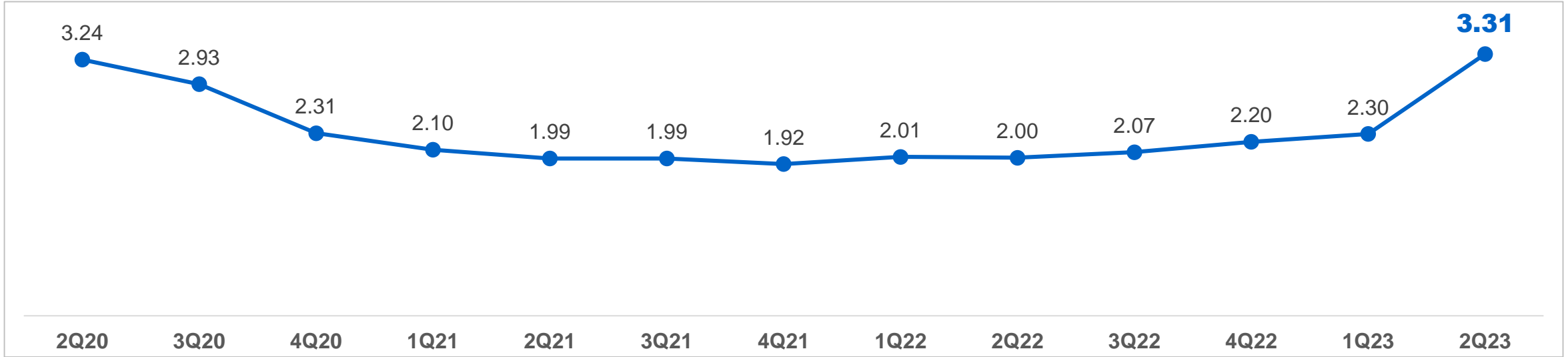


■ Positive growth
 ■ Contraction movement

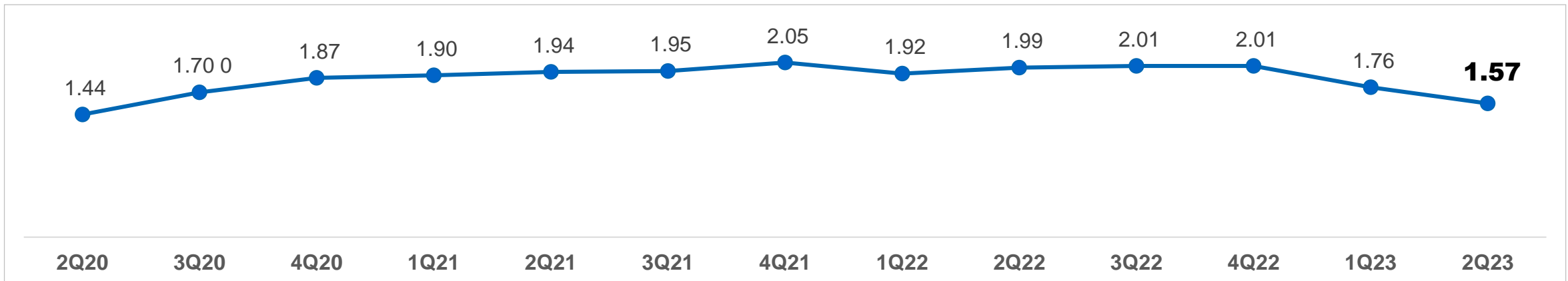


Intense Deposit Competition Resulting In Higher Rates

Cost of Funds (%)



Net Interest Margin (%)

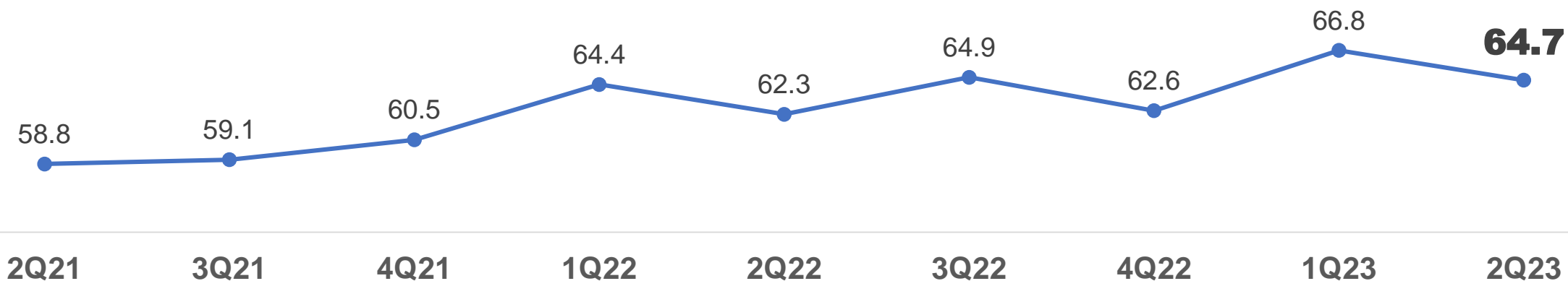




CIR Remains Elevated Arising From NIM Compression

RM Million	Quarter		QoQ	YTD		YoY
	1Q2023	2Q2023	%	1H2022	1H2023	%
Personnel costs	202.1	195.6	(3.2)	433.7	397.7	(8.3)
Promotion & marketing related expenses	11.4	10.7	(6.1)	29.7	22.1	(25.6)
Establishment related expenses	75.8	74.5	(1.7)	169.8	150.3	(11.5)
General & administrative expenses	40.7	35.6	(12.5)	57.6	76.3	32.5
TOTAL	330.0	316.4	(4.1)	690.8	646.4	(6.4)
Cost to Income ratio (%)	66.8%	64.0%		62.3%	64.7%	
JAWS Position (%)	16.3	(0.7)		(2.2)	(3.4)	

Cost to Income Ratio (%)



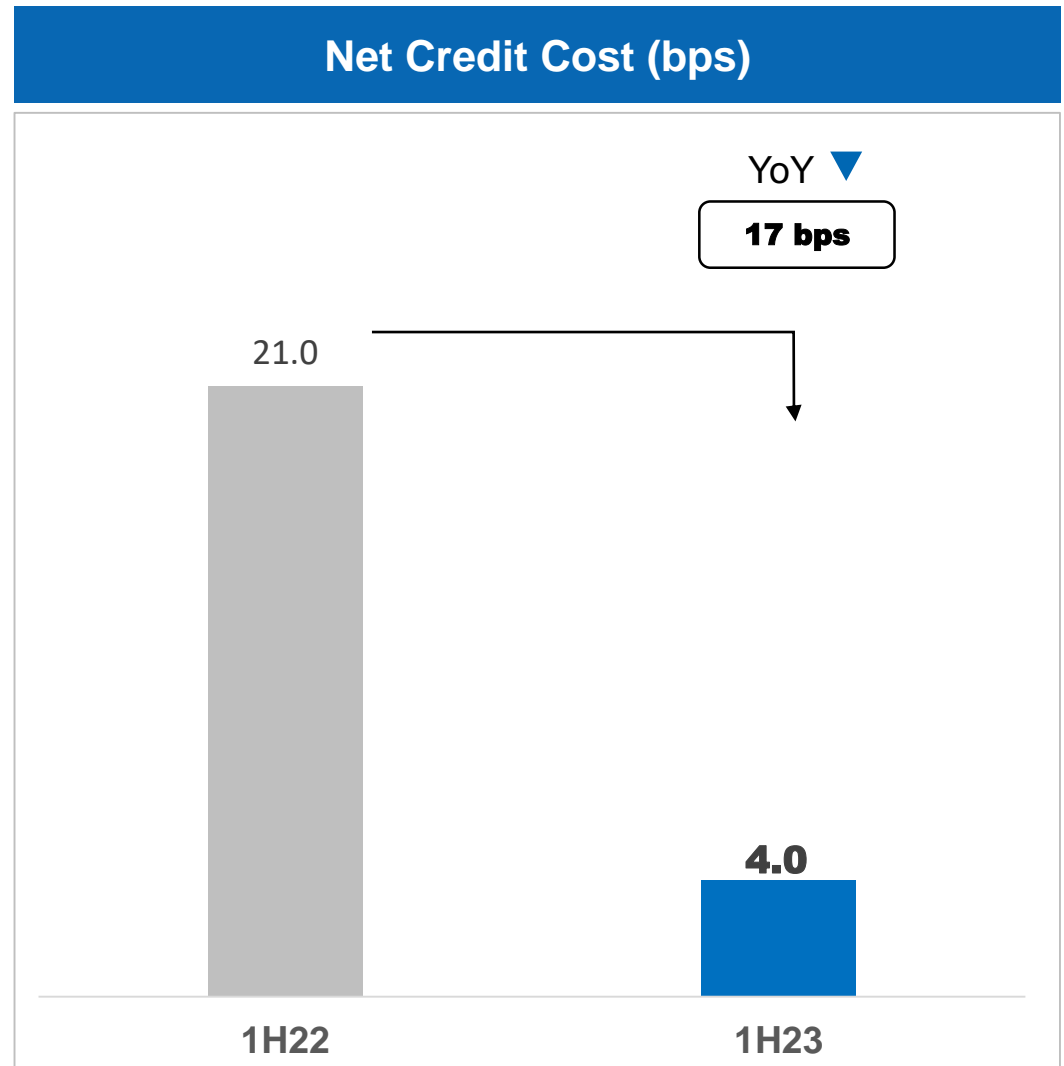
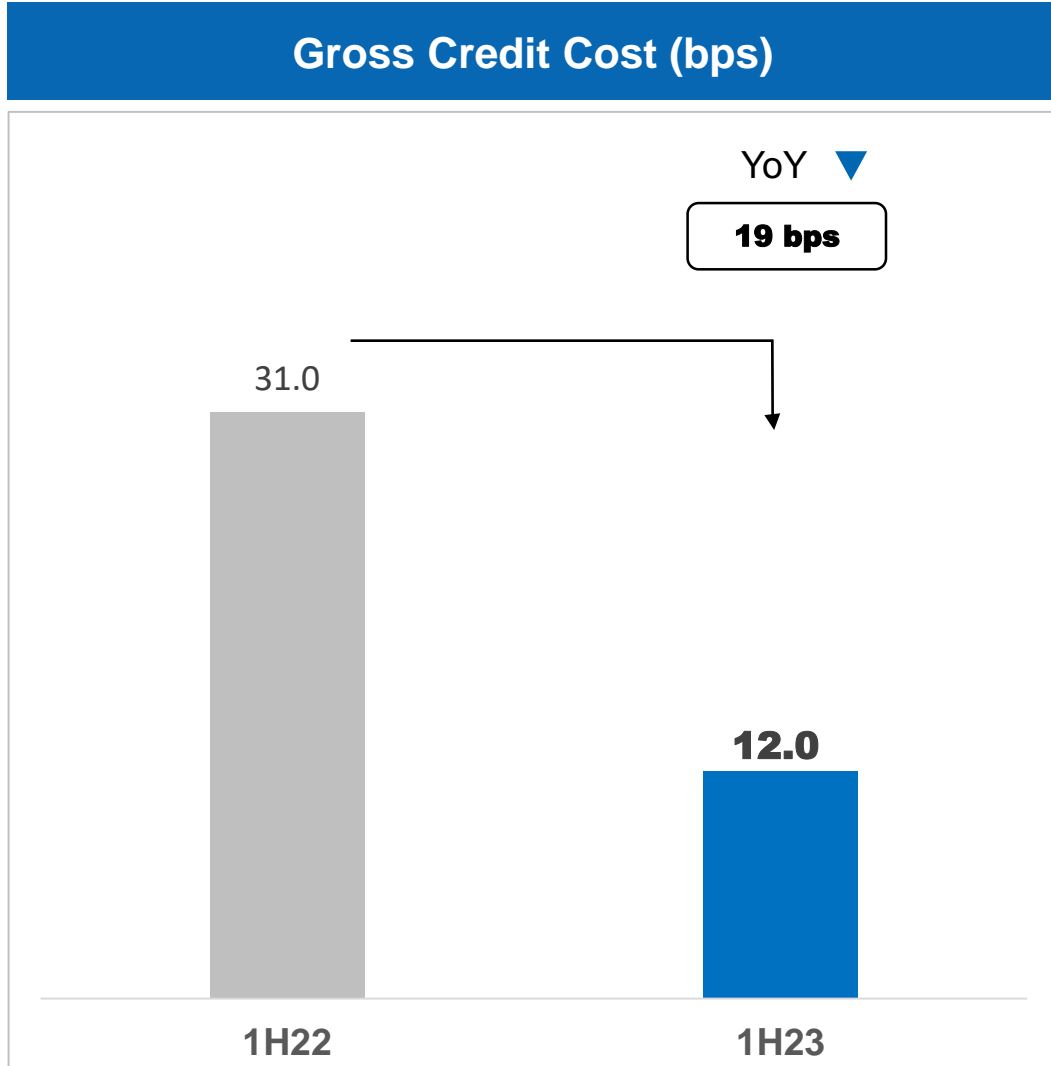


Improvement in Fee Based Income Excluding AHAM

RM Million	Quarter		QoQ	YTD		YoY
	1Q2023	2Q2023	(%)	1H2022	1H2023	(%)
Fees & Commission	43.2	54.6	26.4	59.5	97.8	53.5
Stockbroking @net brokerage	15.2	3.1	(79.6)	39.9	18.3	(54.1)
Portfolio management fees	-	-	-	154.4	-	(100.0)
Wealth income	6.8	7.5	10.3	25.2	14.3	(5.2)
Advisory income	1.0	0.2	(80.0)	5.4	1.2	(47.7)
Other Income	24.9	54.5	>100.0	2.2	79.5	>100.0
Net Fee and Commission Income	91.1	119.9	31.6	286.6	211.1	(26.4)
Net Gains on Financial Instruments	15.5	37.0	>100.0	20.0	52.5	>100.0
Other Operating Income	106.6	156.9	47.2	306.6	263.6	(14.0)
Other Operating Income (BAU without AHAM)	106.6	156.9	47.2	151.1	263.6	74.4



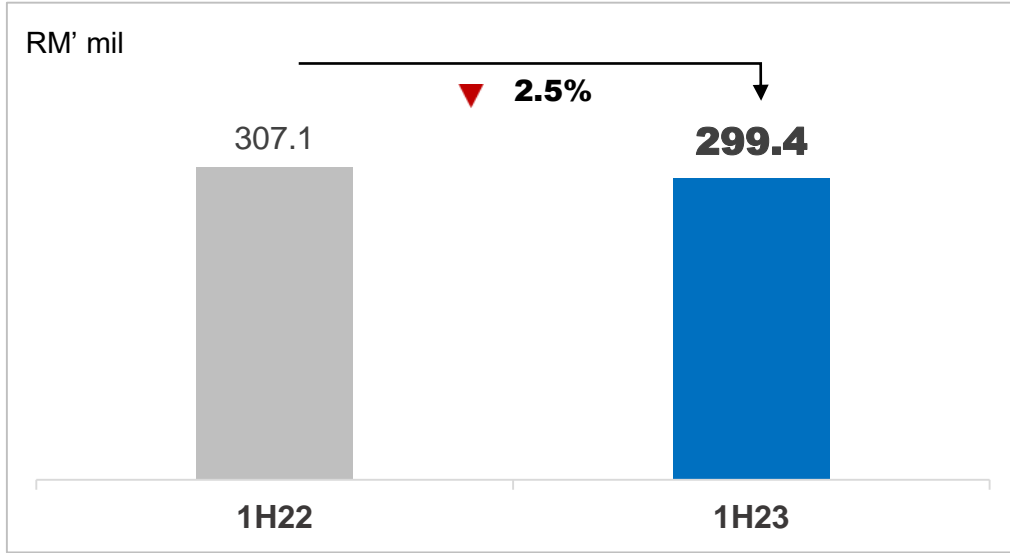
Credit Cost down by 19 bps YoY



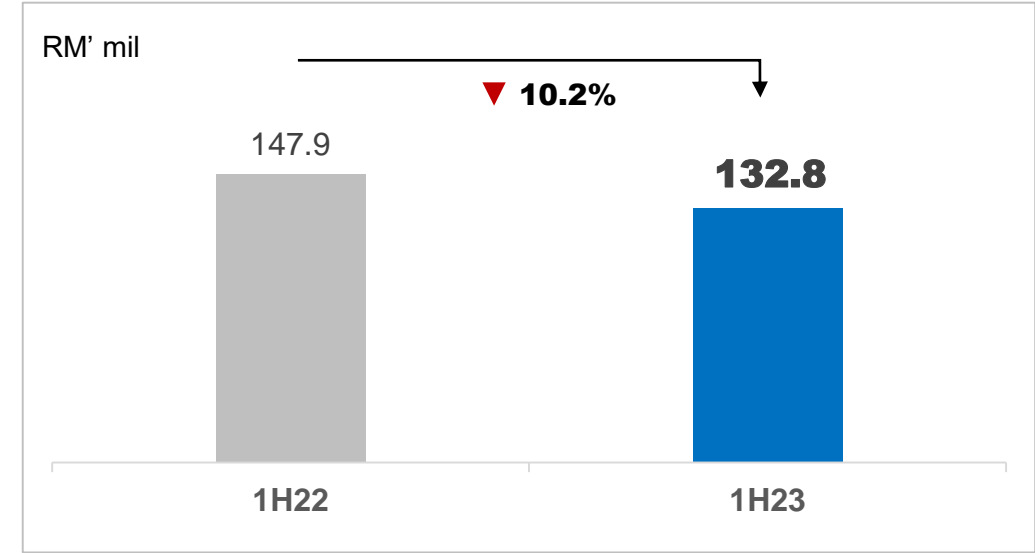


AFFIN Islamic : Reduction In PBT Due NPM Compression

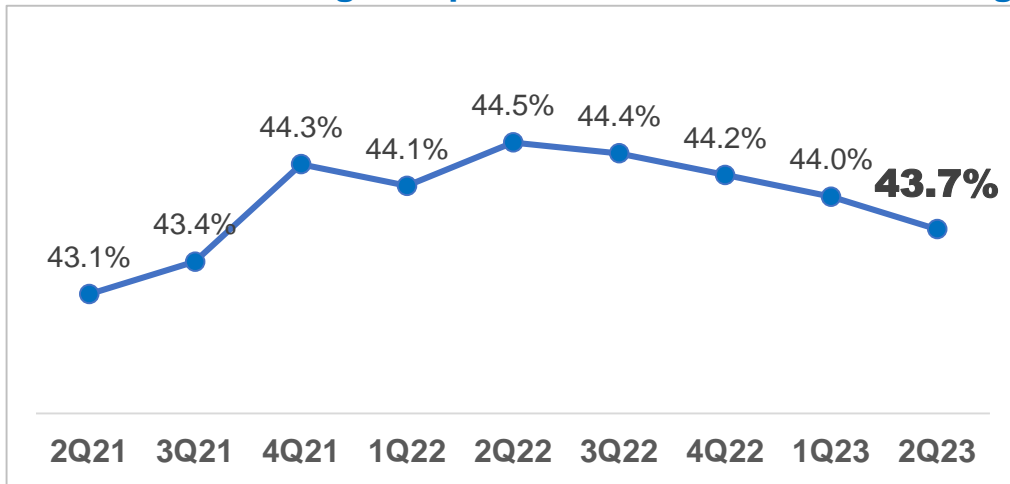
Islamic Income



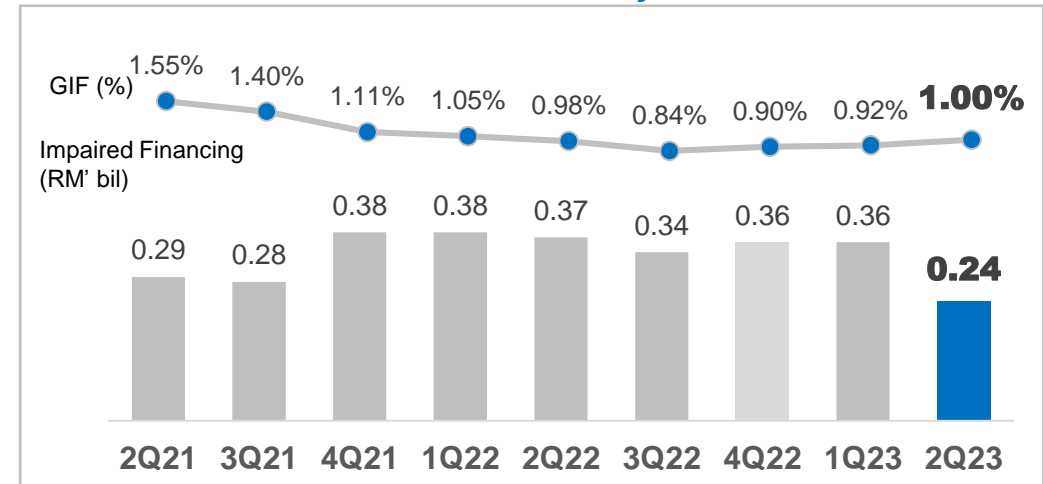
Profit Before Tax



Islamic Financing Composition / Total Gross Financing



Asset Quality





PBT Contribution by Subsidiaries and Associates

Entity / RM Million	Quarter		QoQ %	YTD		YoY %		
	1Q2023	2Q2023		1H2022	1H2023			
Affin Bank (Bank Level)	79.0	103.4	▲	30.9	131.0	182.4	▲	39.2
Affin Islamic Bank	80.1	52.8	▼	(34.0)	147.9	132.8	▼	(10.2)
Affin Hwang Investment Bank	19.3	11.9	▼	(38.1)	31.0	31.2	▲	0.7
Affin Hwang Asset Management	-	-	-	-	68.8	-	▼	(100.0)
Generali Insurance Malaysia Berhad	19.8	11.4	▼	(42.4)	25.8	31.2	▲	20.9
Generali Life Insurance Malaysia Berhad	(1.1)	-	▲	100.0	4.1	(1.1)	▼	>(100.0)
Affin Moneybrokers Sdn Bhd	0.6	0.6	-	-	0.7	1.2	▲	71.4
Consol Adjustment	(1.4)	(30.8)	▲	>(100.0)	(0.8)	(32.0)	▲	>(100.0)
AFFIN Bank Group	196.3	149.3	▼	(23.9)	408.5	345.7	▼	(15.4)
AFFIN Bank Group (Underlying excluding AHAM profit)	196.3	149.3	▼	(23.9)	339.7	345.7	▲	1.8



Capital Position Remains Resilient

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		
		2021	2022	1H2023	2021	2022	1H2023	2021	2022	1H2023
AFFIN BANK BERHAD	Group	14.20	15.60	14.73	15.82	16.99	16.80	21.09	19.44	19.36
	Bank	13.21	14.59	13.71	14.79	15.97	16.20	20.47	17.17	17.55
AFFIN ISLAMIC BANK BERHAD	Bank	12.14	12.97	12.38	13.87	14.50	13.83	19.03	19.36	18.31
AFFIN HWANG INVESTMENT BANK BERHAD	Group	31.43	42.92	33.07	32.51	42.92	33.07	33.03	43.52	33.66
	Bank	45.80	55.45	39.50	45.80	55.45	39.50	46.58	56.21	40.21



Key Ratios

RATIO(%)	Quarter		QoQ		YTD		YoY	
	1Q2023	2Q2023	Fav/(adv)		1H2022	1H2023	Fav/(Adv)	
PROFITABILITY								
Return on Equity	5.49	4.18	▼	(1.31)	5.80	4.87	▼	(0.93)
Net Interest Margin	1.76	1.33	▼	(0.43)	1.99	1.57	▼	(0.42)
Cost to Income Ratio (BAU)	66.76	62.68	▼	(4.08)	62.34	64.70	▲	2.36
LIQUIDITY								
CASA Ratio	22.33	23.21	▲	0.88	21.50	23.21	▲	1.71
Liquidity Coverage Ratio	207.77	203.00	▼	(4.79)	154.40	203.00	▲	48.58
ASSET QUALITY								
Gross Impaired Loan Ratio	1.96	1.78	▼	(0.18)	2.28	1.78	▼	(0.50)
Loan Loss Coverage Ratio	120.18	131.80	▲	11.62	80.00	131.80	▲	51.80
Loan Loss Reserve Ratio	160.25	160.00	▼	0.25	130.00	160.00	▲	30.00
CAPITAL								
CET 1 Capital Ratio	14.64	14.73	▲	0.09	13.44	14.73	▲	1.29
Tier 1 Capital Ratio	15.97	16.80	▲	0.83	14.93	16.80	▲	1.87
Total Capital Ratio	18.64	19.36	▲	0.71	18.20	19.36	▲	1.16



FINAL REMARKS



Final Remarks



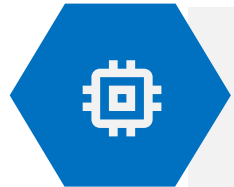
Group total asset surpassed RM100b on track with our A25 transformation plan.



Scaling up our high margin businesses and fee-based income through FX, Bancassurance, Wealth Management and Trade.



Our new Retail Mobile App is **System Ready, currently in pilot mode, to launch in September 2023**. This will spearhead CASA attack in future.

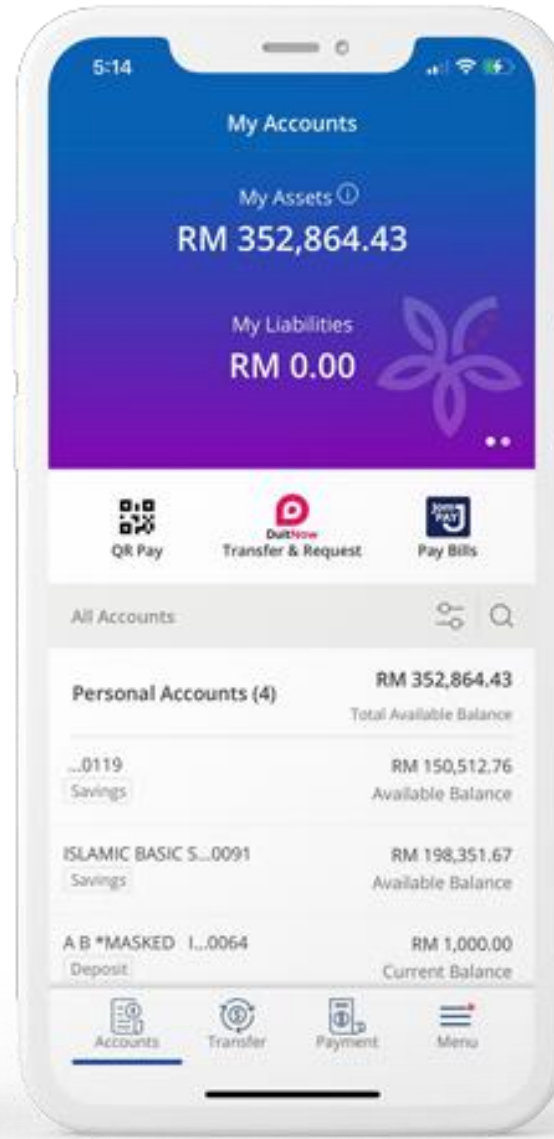
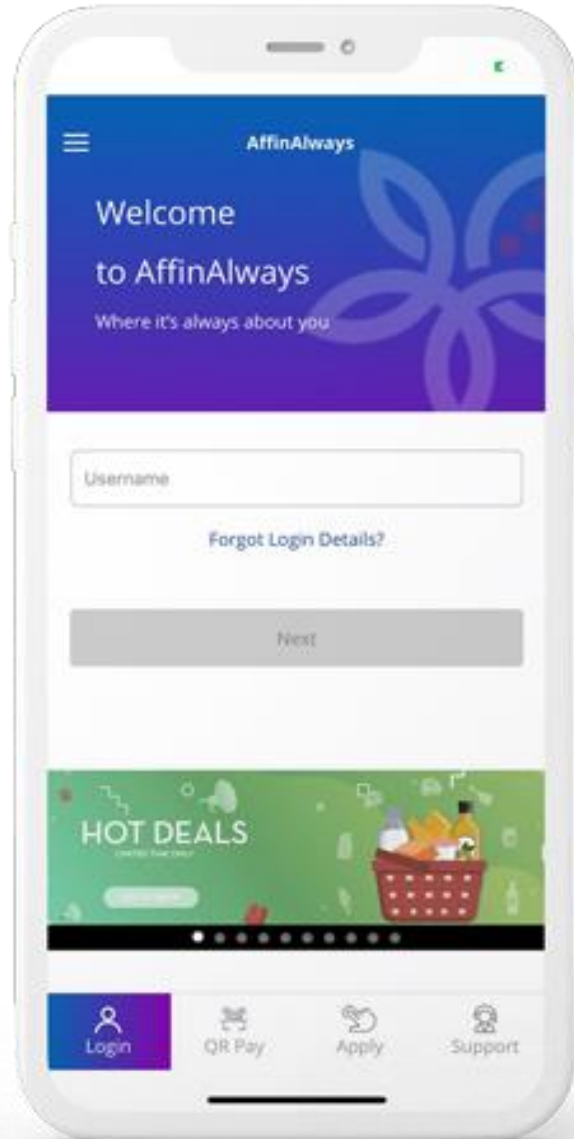
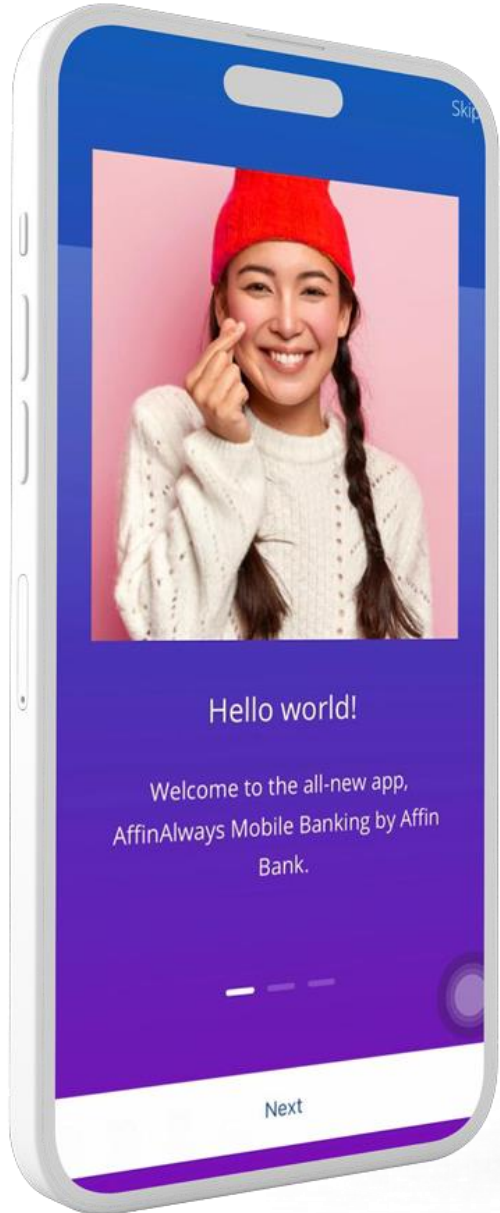


In line with expected economic headwinds, the Group continues to **ensure sufficient buffers over its loans/financing exposures (LLC/LLR)** and continues to be **vigilant on asset quality**.



ESG financing was 5.1% as at 1H23 against our 10% target in 2025.

New Mobile Banking App Poised For September 2023





Guidance for FY2023

	Budget FY2023	Guidance FY2023
Loan Growth	12.0%	12.0%
NIM	2.11%	1.86%
CIR	57.5%	60%
Gross Credit Cost	30bps	30bps
ROE / PBT (RM)	7.0% 1,000m	5.8% 850m
Gross Impaired Loan	1.90%	2.00%
Loan Loss Coverage	100%-110%	100%-110%
ESG Financing Target	7.5%	8.0%

END OF PRESENTATION

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