



3Q2023 FINANCIAL RESULTS BRIEFING

17 November 2023



Agenda

Key Highlights

1

3Q23 Financial Results

2

Final Remarks

3

Q&A Session

4



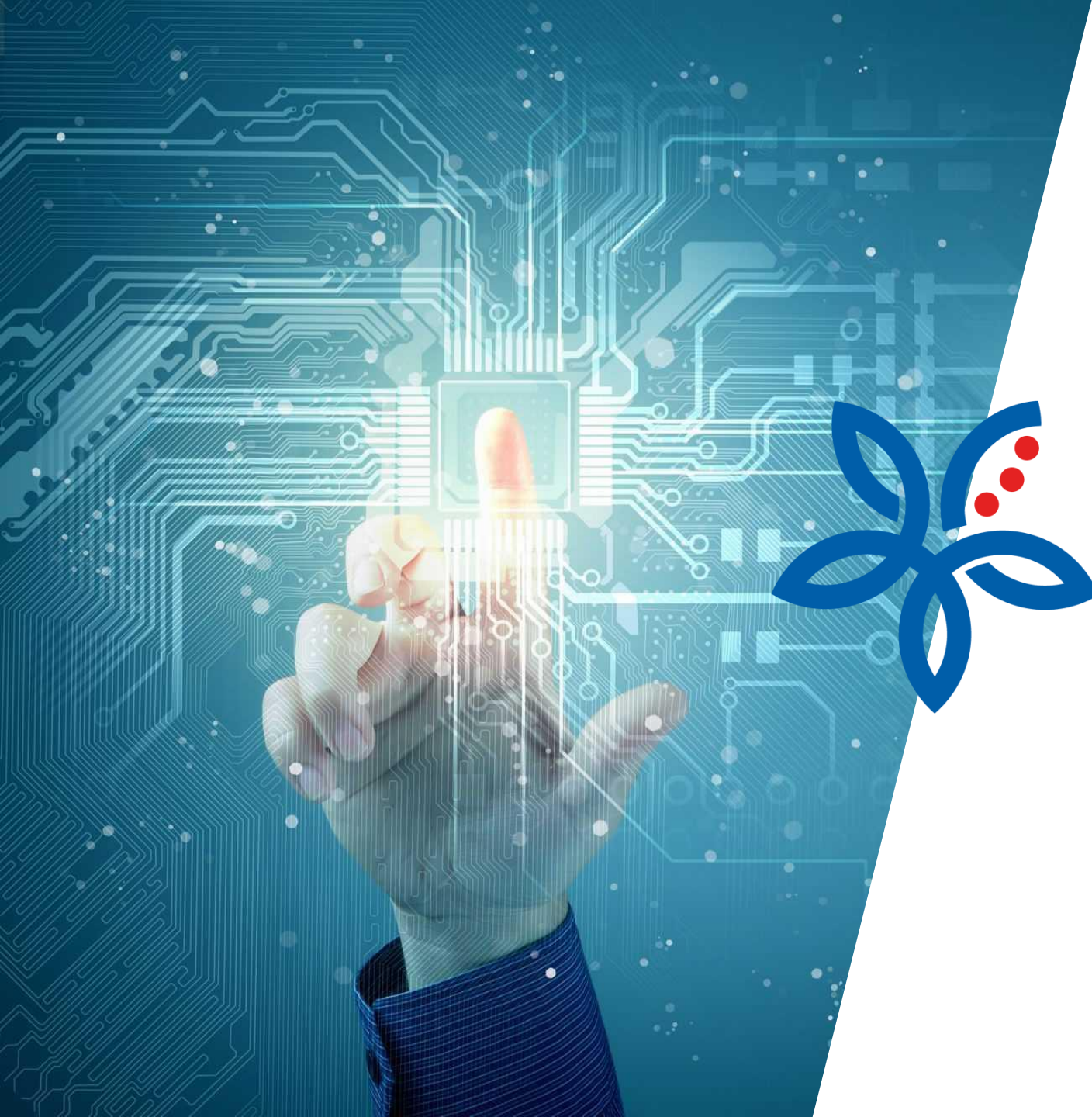


KEY HIGHLIGHTS



3Q2023 Highlights

1	3Q23 PROFIT BEFORE TAX (PBT)	PROFIT BEFORE TAX -66.1% YoY RM449.7m 9M23 vs. RM1,324.9m 9M22	
	3Q23 PBT (BAU EXCLUDING AHAM PERFORMANCE)	-9.2% YoY RM449.7m 9M23 vs. RM495.3m 9M22	
2	CASA RATIO	CASA 23.23% 9M23 vs. 21.43% 9M22	
3	IMPROVING ASSET QUALITY & RESERVES	GIL 1.84% 9M23 vs. 1.91% 9M22	LLC 127.13% 9M23 vs 112.3% 9M22
4	TAPERING BUSINESS MOMENTUM	LOAN GROWTH +12.3% 9M23 vs. +16.6% 9M22	
5	STABLE CAPITAL AND LIQUIDITY POSITION	CET 1 14.6% 9M23 vs. 16.3% 9M22	LCR 175.9% 9M23 vs. 174.0% 9M22



**3Q2023
FINANCIAL
RESULTS**

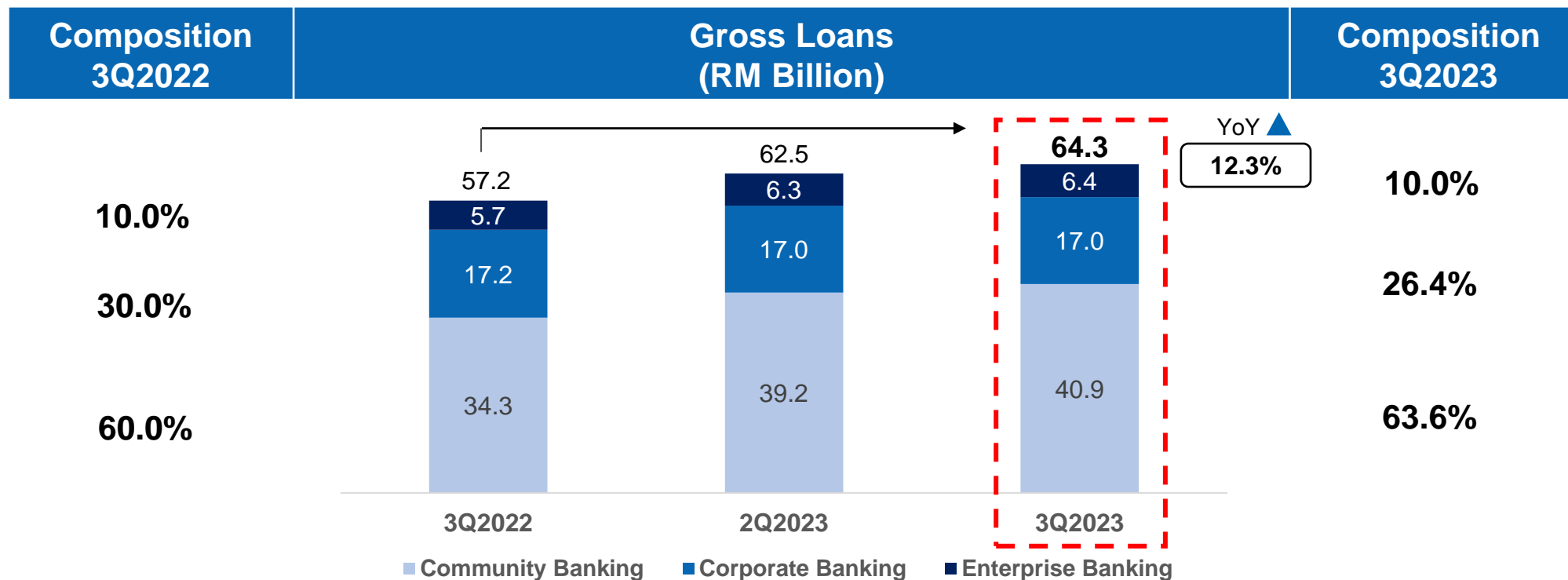


Balance Sheet Highlights

RM Million	3Q2022	2Q2023	3Q2023	QoQ(%)	YoY(%)
Cash & short-term funds	3,857.4	8,244.2	4,967.0	-39.8	28.8
Financial assets/investment	21,966.8	25,351.9	28,141.4	11.0	28.1
Gross loans, advances & financing	57,249.7	62,468.1	64,290.1	2.9	12.3
Less: ECL	(1,186.4)	(1,425.9)	(1,468.8)	3.0	23.8
Other assets	4,791.3	6,219.1	6,219.7	0.0	29.7
Total Assets	86,678.8	100,857.4	102,149.4	1.3	17.8
Deposit from customers	63,959.9	71,510.5	71,629.8	0.2	12.0
Of which : Current Account	9,824.4	12,009.6	11,790.5	-1.8	20.0
Savings Account	3,880.1	4,589.7	4,852.1	5.7	25.1
Total CASA	13,704.5	16,599.3	16,642.6	0.3	21.4
Fixed Deposits, NIDs, MMD & CMD	50,255.3	54,911.2	54,987.2	0.1	9.4
Deposits & placement of banks & other FIs	7,210.1	10,196.4	11,424.1	12.0	58.4
Other liabilities	1,665.2	5,161.8	5,563.7	7.8	234.1
Borrowings	2,895.4	3,031.9	2,531.8	-16.5	-12.6
Total Equity	10,948.2	10,956.8	11,000.0	0.4	0.4
Total Liabilities & Equity	86,678.8	100,857.4	102,149.4	1.3	17.8



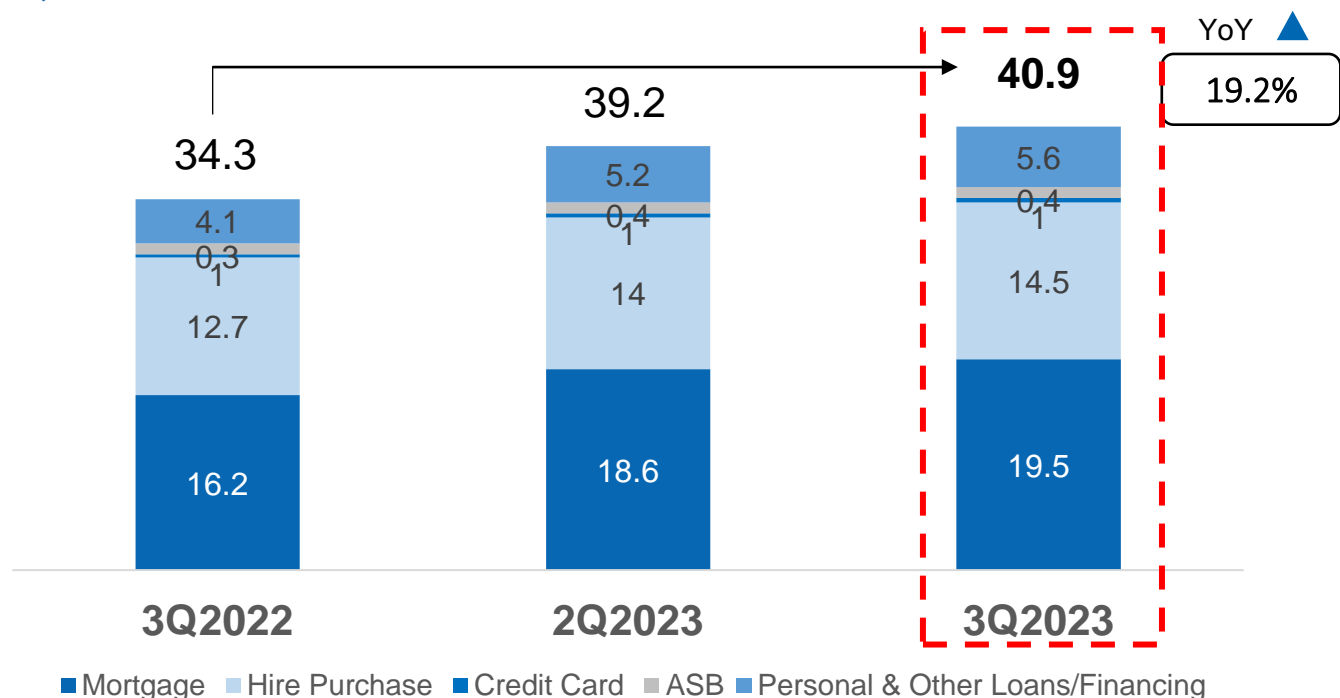
Growth Continue to be Powered by Community and Enterprise Banking



RM Billion	3Q2022	2Q2023	3Q2023	QoQ (%)	YoY (%)
Community Banking	34.3	39.2	40.9	4.4	19.2
Corporate Banking	17.2	17.0	17.0	-0.3	-1.4
Enterprise Banking	5.7	6.3	6.4	2.3	13.1
TOTAL	57.2	62.5	64.3	2.9	12.3



Community Banking: Gross Loans/Financing

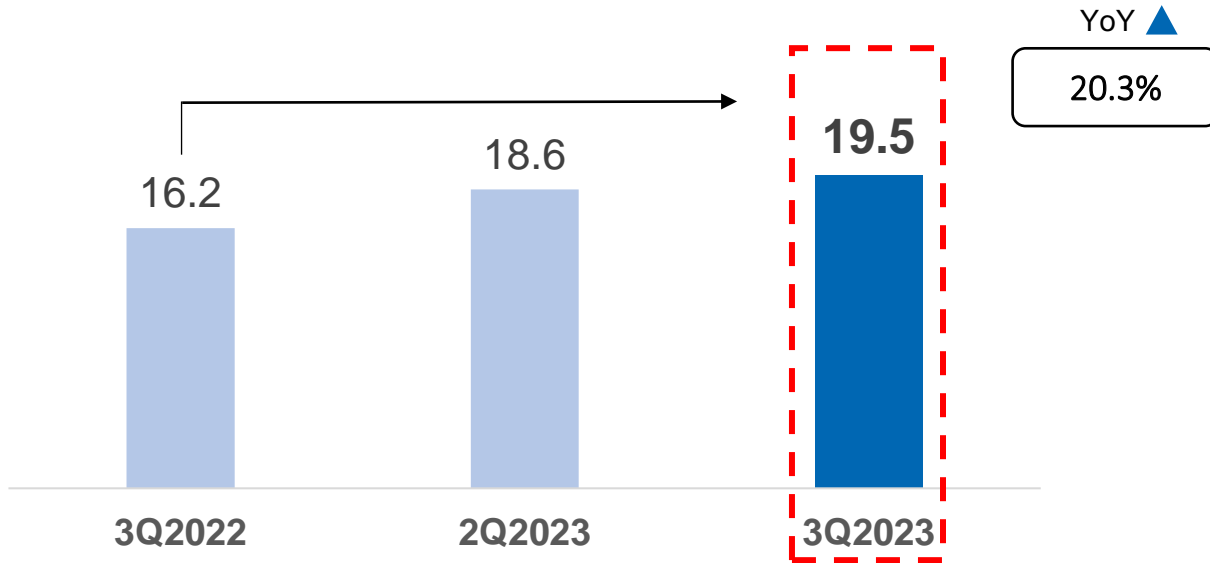


RM Billion	3Q2022	2Q2023	3Q2023	QoQ (%)	YoY (%)
Mortgage	16.2	18.6	19.5	4.8	20.3
Hire Purchase	12.7	14.0	14.5	3.0	14.2
Credit Card	0.3	0.4	0.4	8.7	27.5
ASB	1.0	1.0	1.0	1.9	0.2
Personal and Other Loans/Financing	4.1	5.2	5.6	7.1	33.3
TOTAL	34.3	39.2	40.9	4.4	19.2

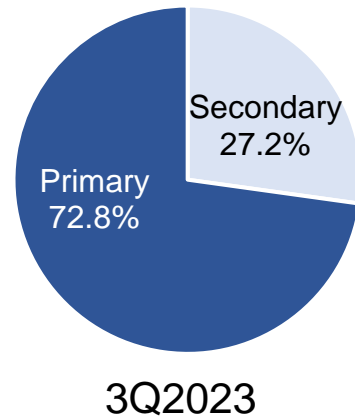
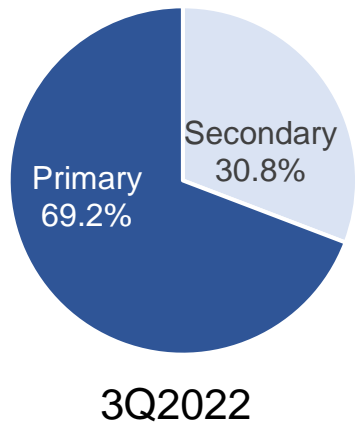


Community Banking: Mortgage Business

Mortgage Loans/Financing (RM Billion)



RM Billion	3Q2022	2Q2023	3Q2023	QoQ (%)	YoY (%)
Primary	11.2	13.4	14.2	6.0	26.8
Secondary	5.0	5.2	5.3	1.9	6.0
Total	16.2	18.6	19.5	4.8	20.3

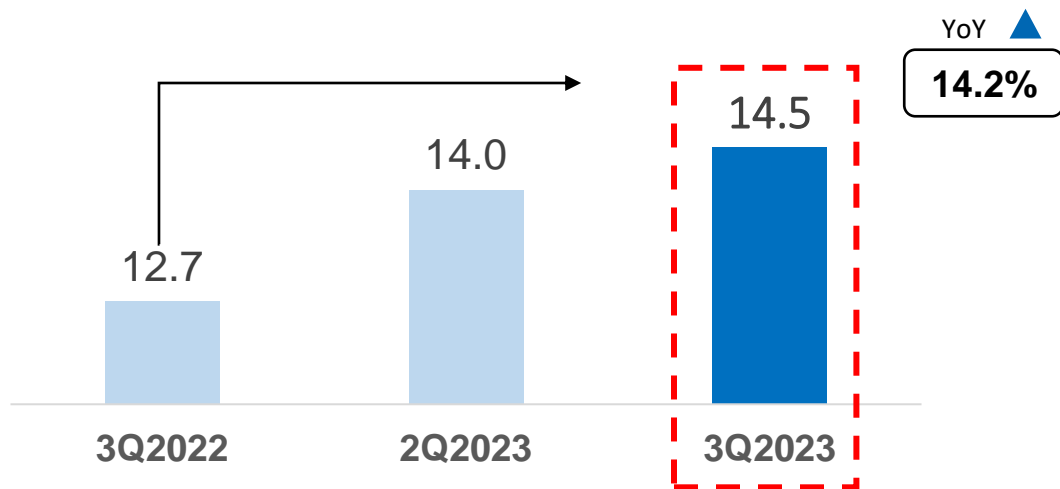


Best Mortgage & Financing Product by Asian Banking and Finance 2023

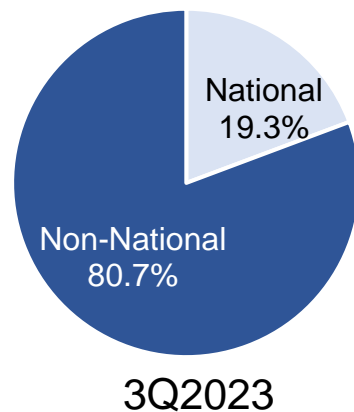
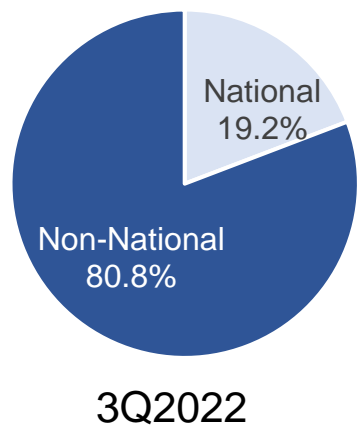


Community Banking: Hire Purchase

Hire Purchase Loans/Financing (RM Billion)



HP Portfolio Composition (%)



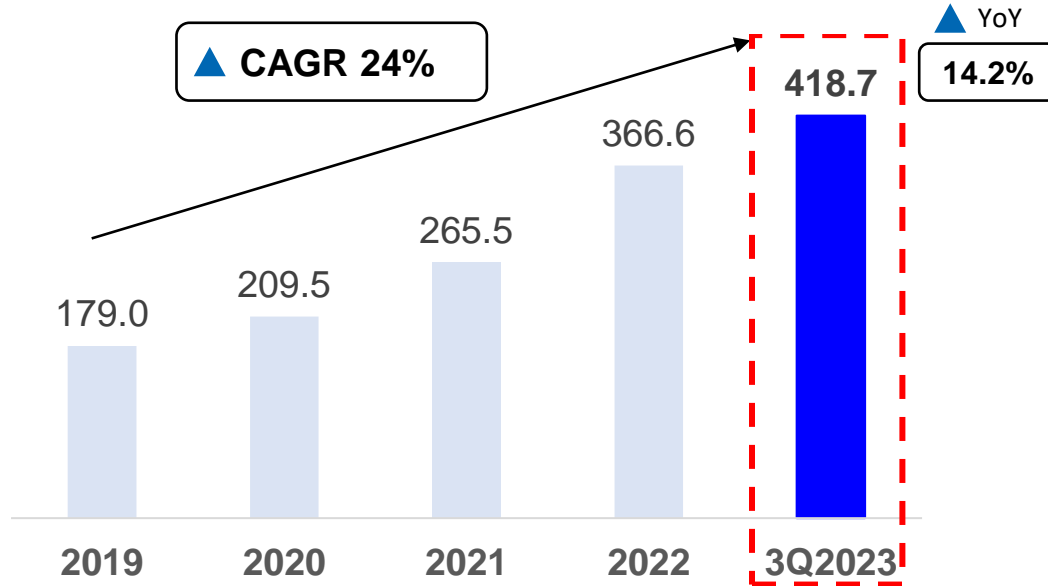
RM Billion	3Q2022	2Q2023	3Q2023	QoQ (%)	YoY (%)
National cars	2.4	2.7	2.9	7.4	20.8
Non-National cars*	10.3	11.3	11.6	2.7	12.6
Total	12.7	14.0	14.5	3.0	13.9

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

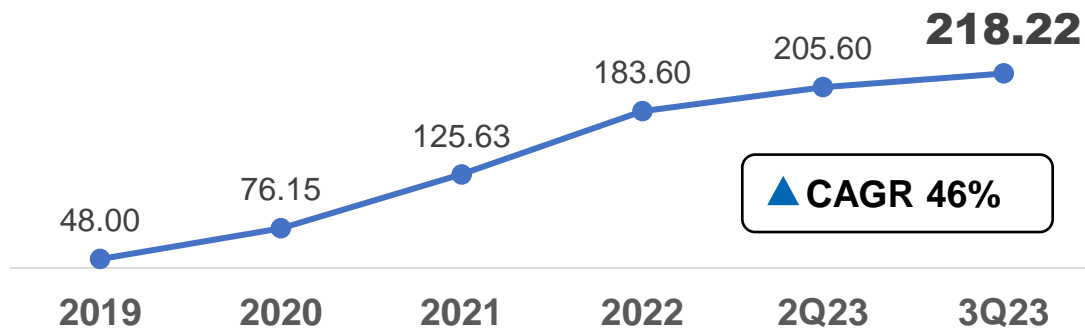


Community Banking: Credit Cards

Credit Cards (RM Million)



Number of Cards ('000)



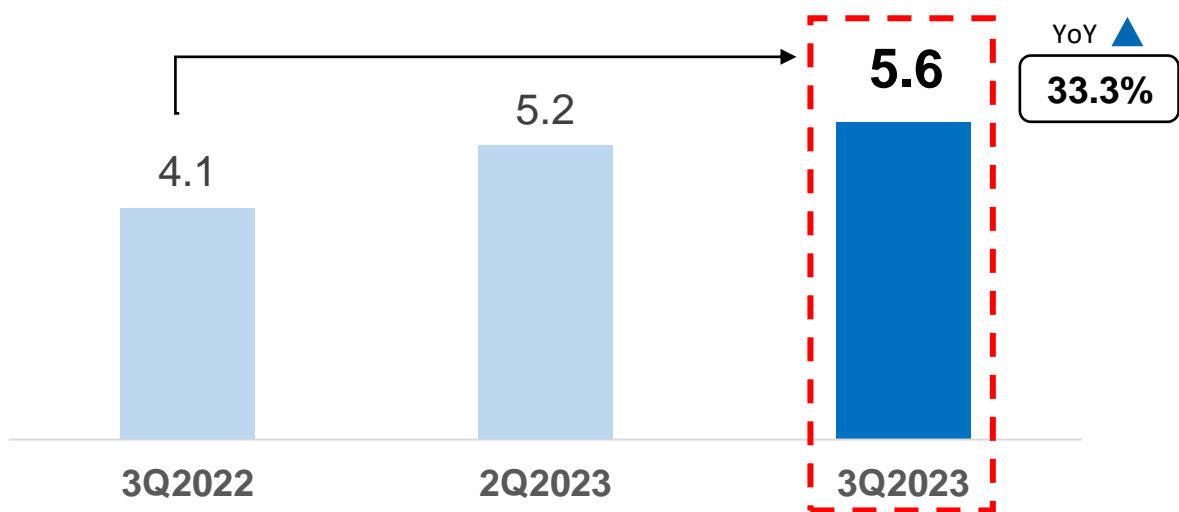
Revolver vs Transactor Ratio (%)

	3Q2022	2Q2023	3Q2023	QoQ (%)	YoY (%)
Revolver	20.9%	19.7%	19.0%	-0.7%	-1.9%
Transactor	79.1%	80.3%	81.0%	0.7%	1.9%

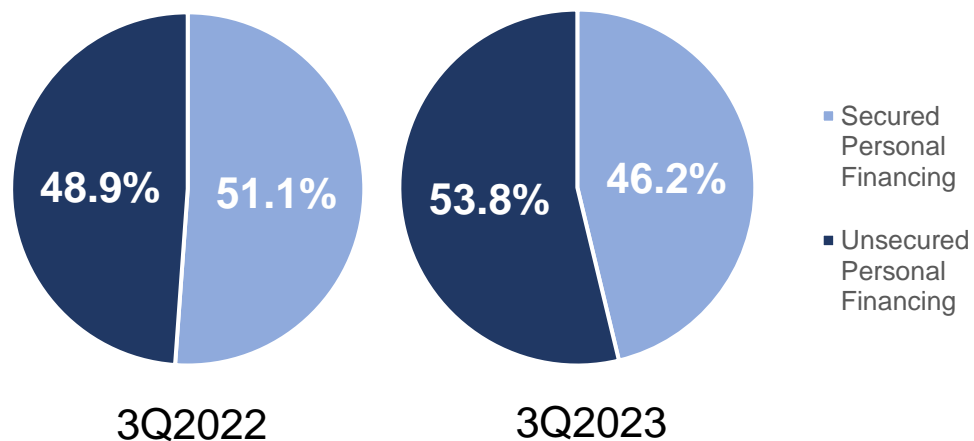


Community Banking: Personal and Other Loans/Financing

Personal Financing (RM Billion)



Personal Financing Composition (%)

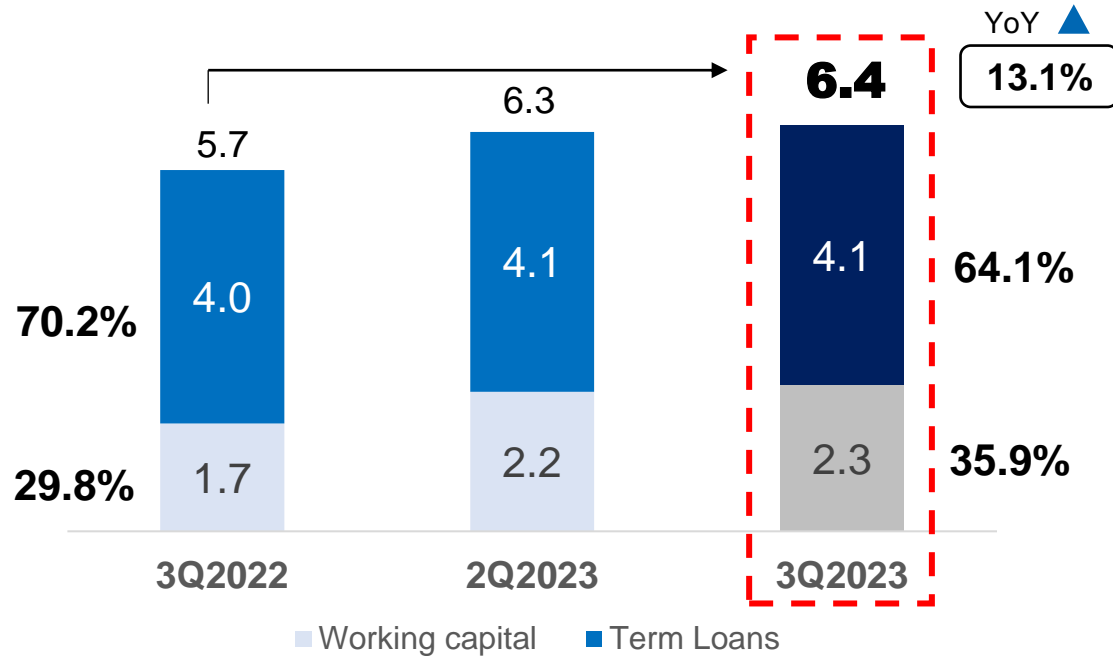


RM Billion	3Q2022	2Q2023	3Q2023	QoQ (%)	YoY (%)
Secured Personal Financing	2.1	2.4	2.6	5.4%	23.5%
Unsecured Personal Financing	2.0	2.7	3.0	9.7%	50.3%
Total	4.1	5.1	5.6	7.7%	36.6%



Enterprise Banking: Gross Loans/Financing

Gross Loans/Financing (RM Billion)

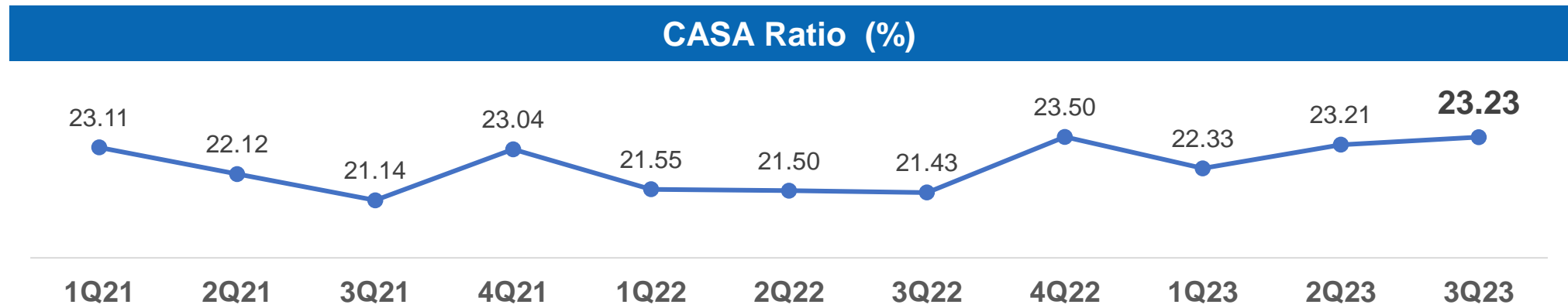
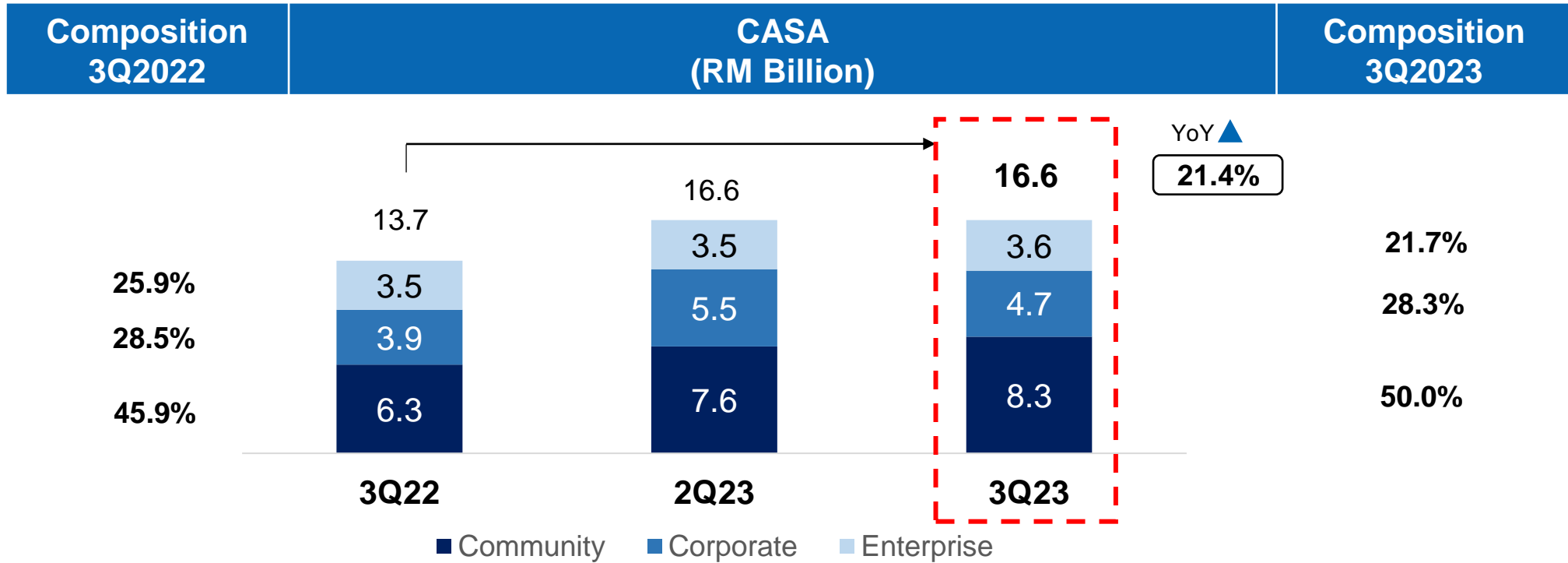


Best Bank for SMEs in Malaysia at the Asia Money Best Bank Awards 2023

	3Q2022	2Q2023	3Q2023	QoQ (%)	YoY (%)
Working capital	1.7	2.2	2.3	5.9	33.5
Term Loans	4.0	4.1	4.1	0.5	4.5
Total	5.7	6.3	6.4	2.3	13.1



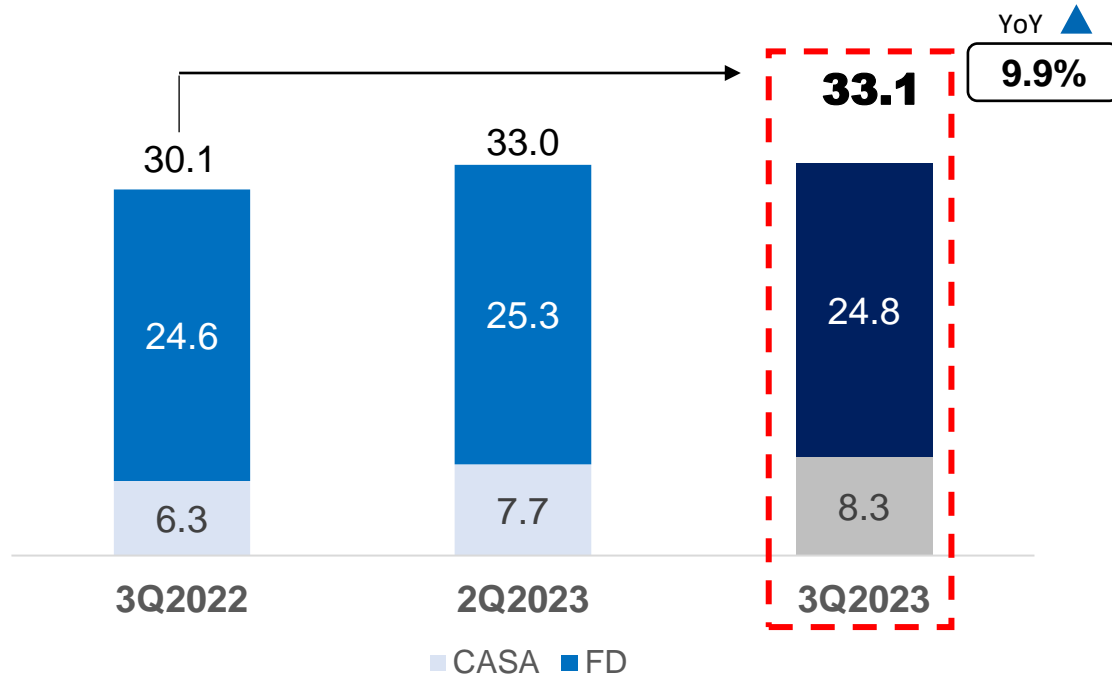
CASA Base Continues to Grow YoY



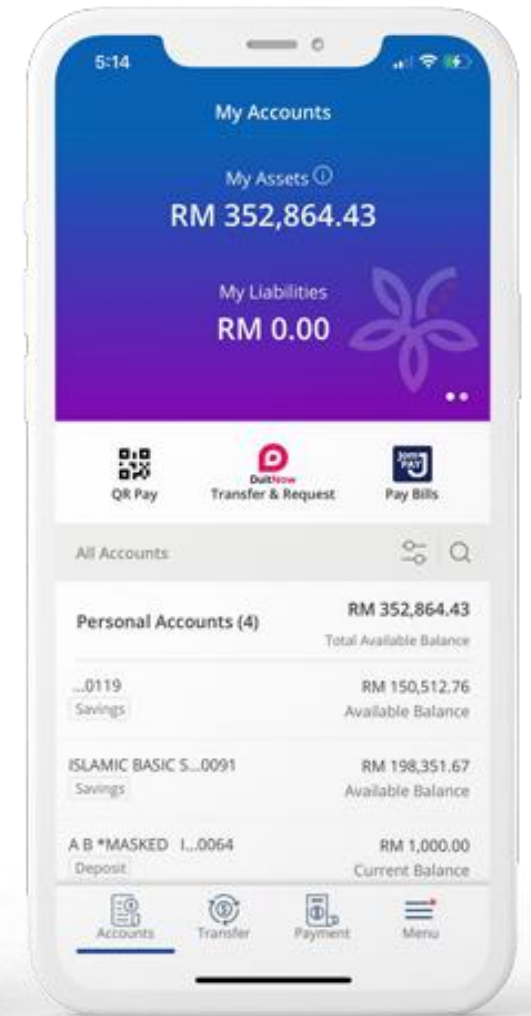
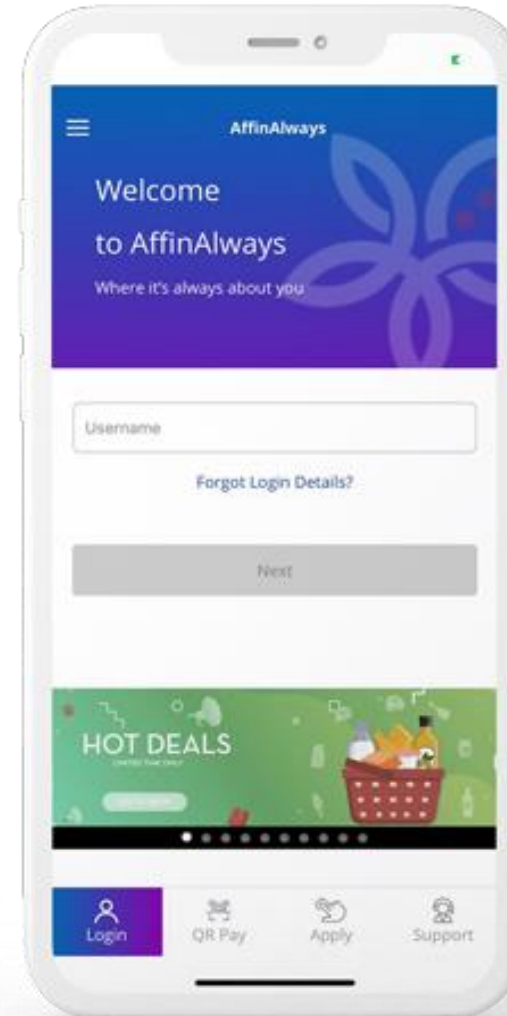


Community Banking: Deposits

Deposits (RM Billion)

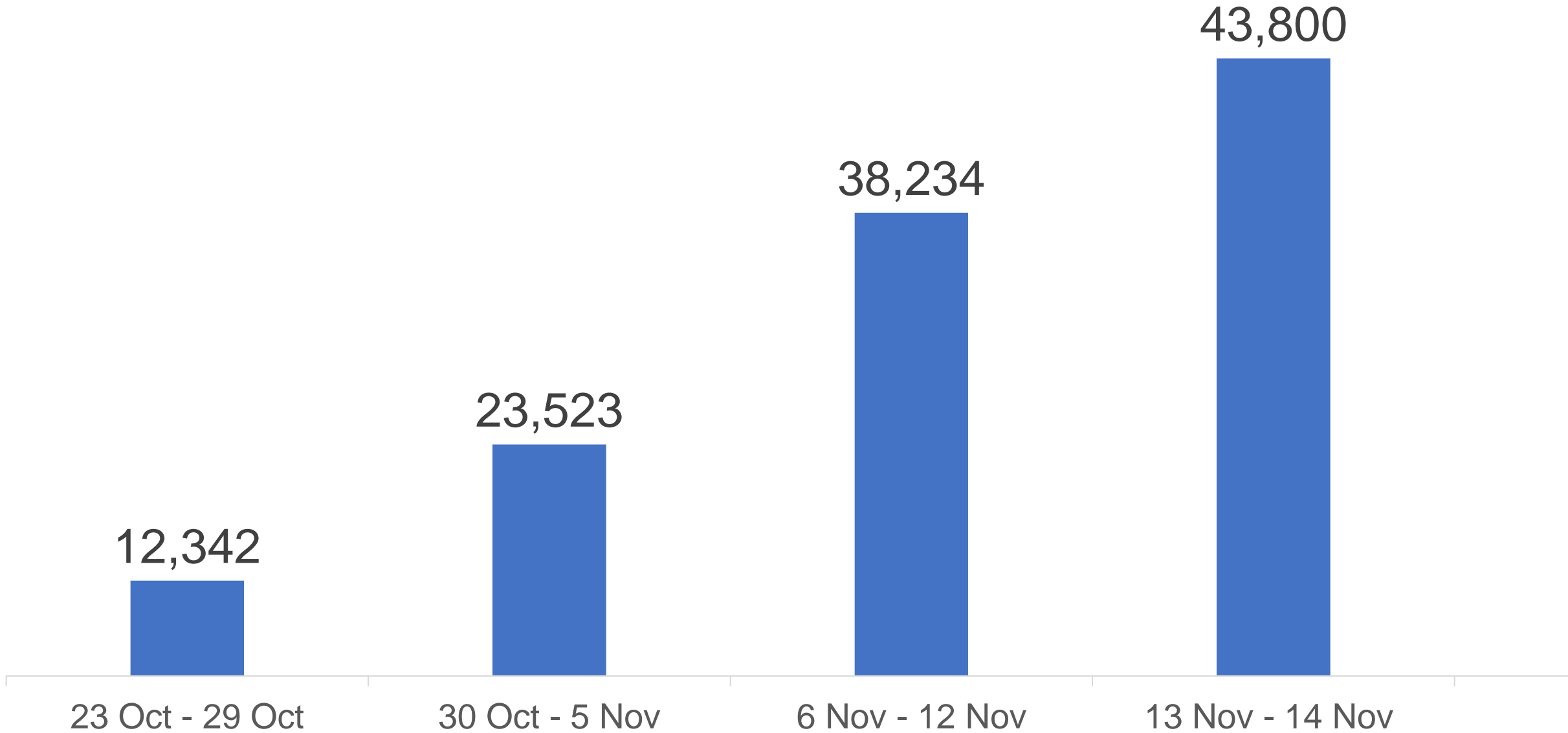


	3Q2022	2Q2023	3Q2023
CASA Ratio	20.3%	23.3%	25.3%





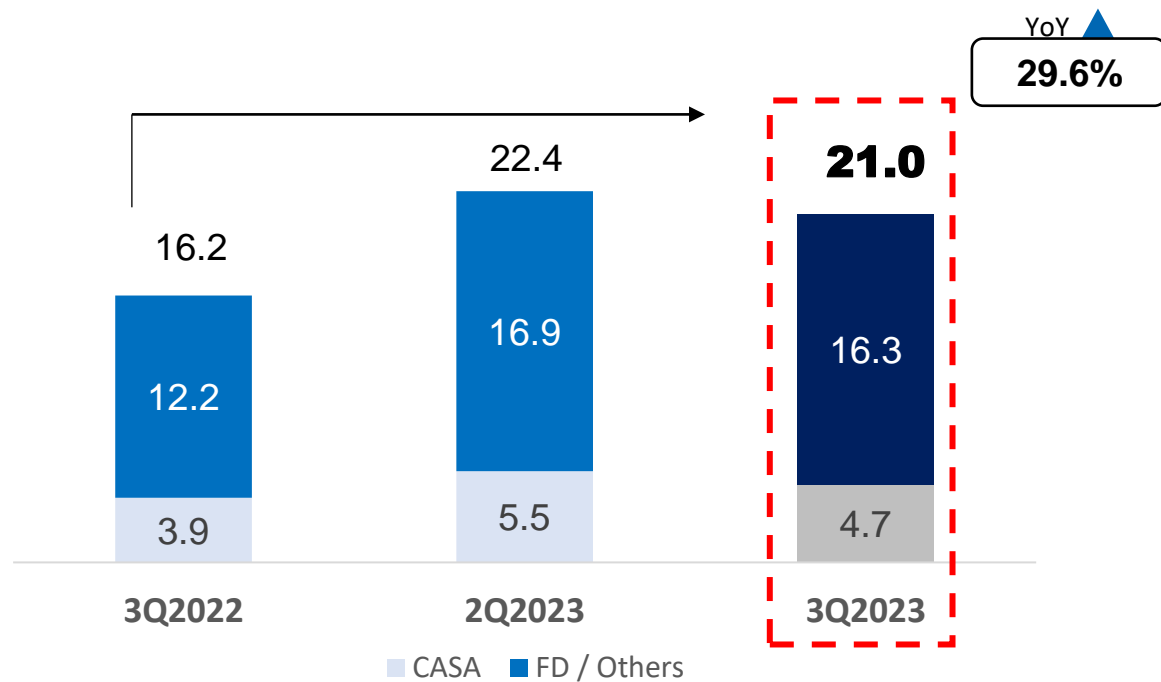
Growth of New Retail Mobile App Downloads Since Launch on 22 Oct





Corporate Banking: Growing CASA Deposits

Deposits (RM Billion)



	3Q2022	2Q2023	3Q2023
CASA Ratio	37.8%	24.6%	22.3%

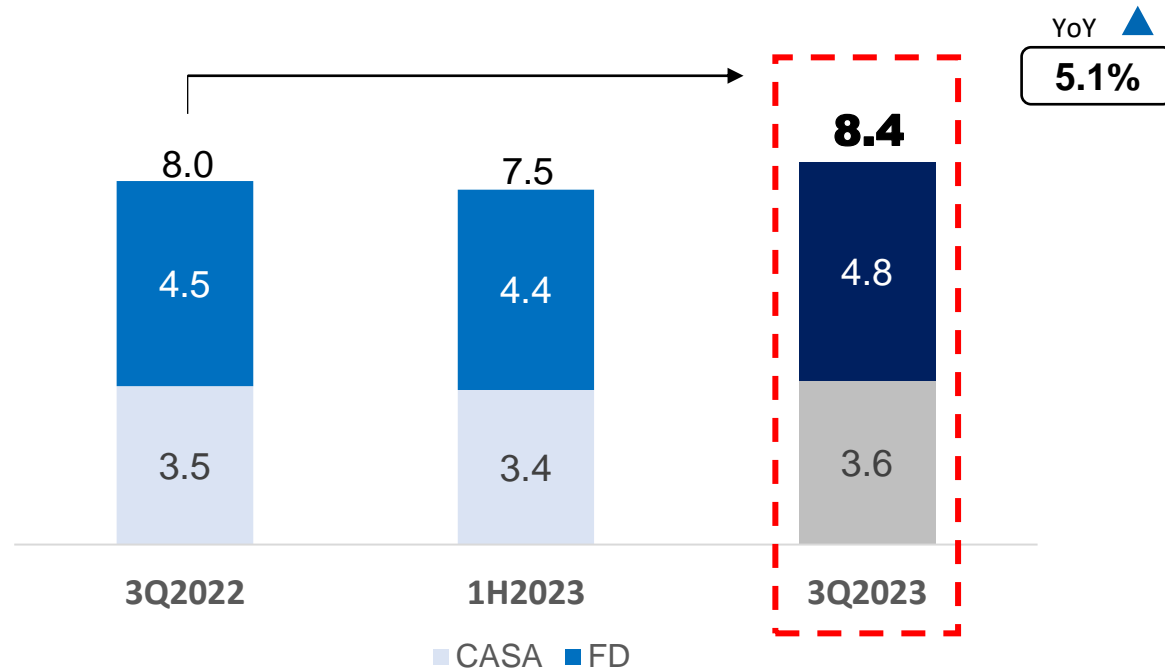


AFFINMAX 2.0 with enhanced capabilities launched

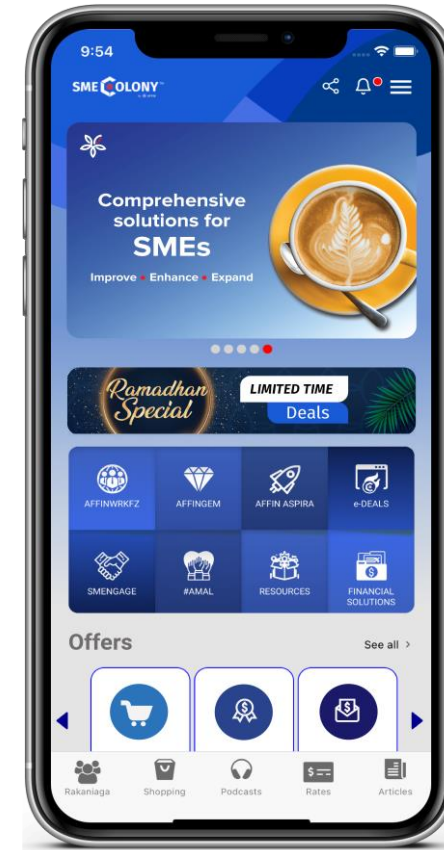


Enterprise Banking: Deposits

Deposits (RM Billion)

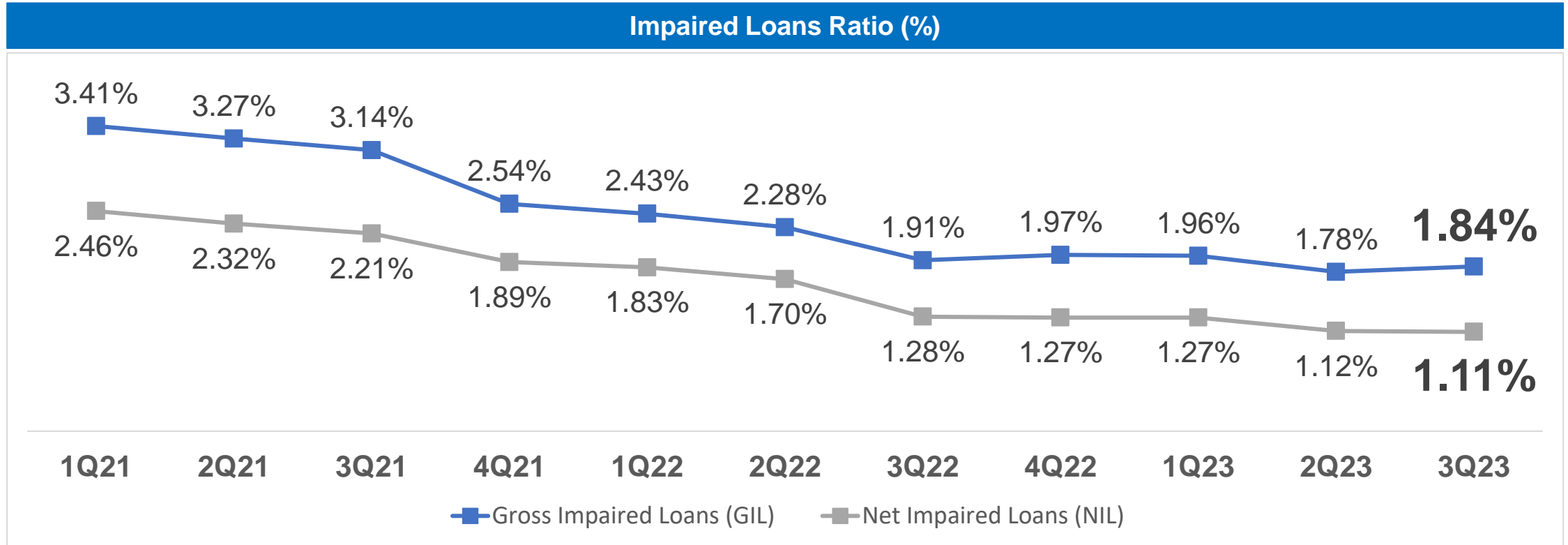


	3Q2022	2Q2023	3Q2023
CASA Ratio	43.6%	43.6%	42.9%





Maintaining GIL levels below 2% amidst challenging environment



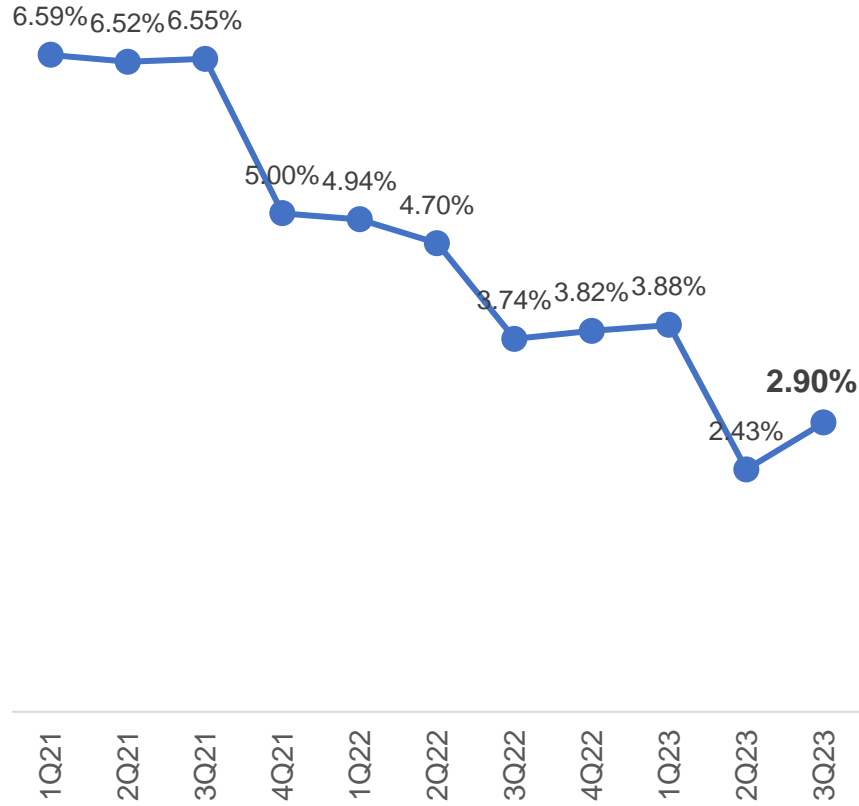
- Recoveries for 9M23 stood at RM123.4m
- Recoveries for 3Q23 were RM 49.7m



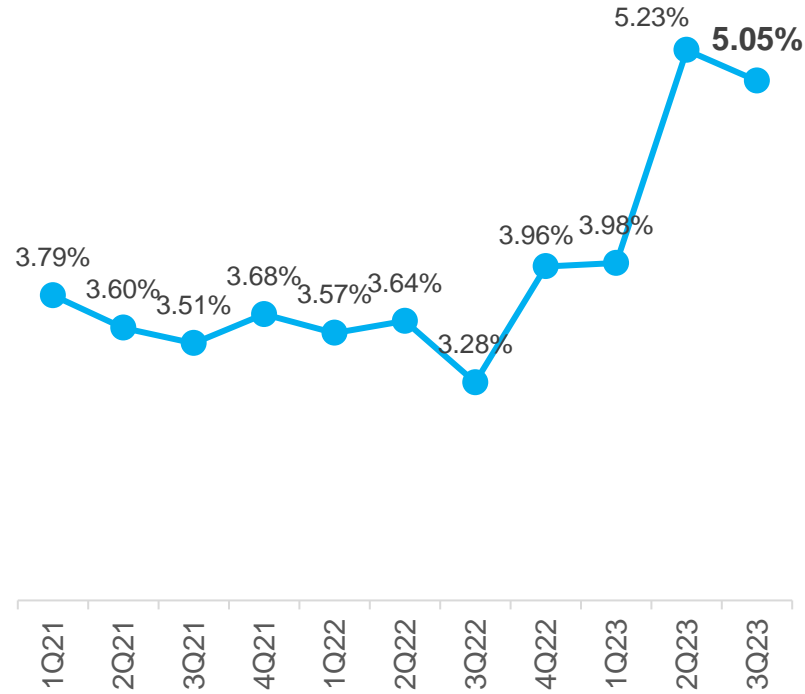
Continuous Asset Quality Monitoring of Portfolios Across the Group

Gross Impaired Loans/Financing Ratio (%)

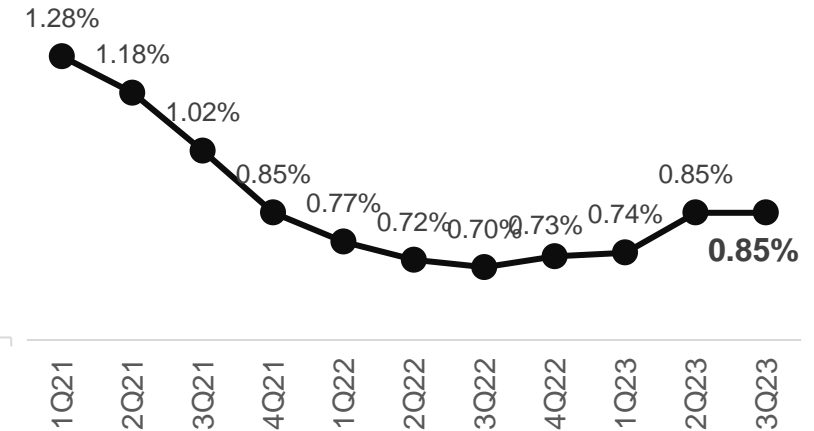
Corporate



Enterprise

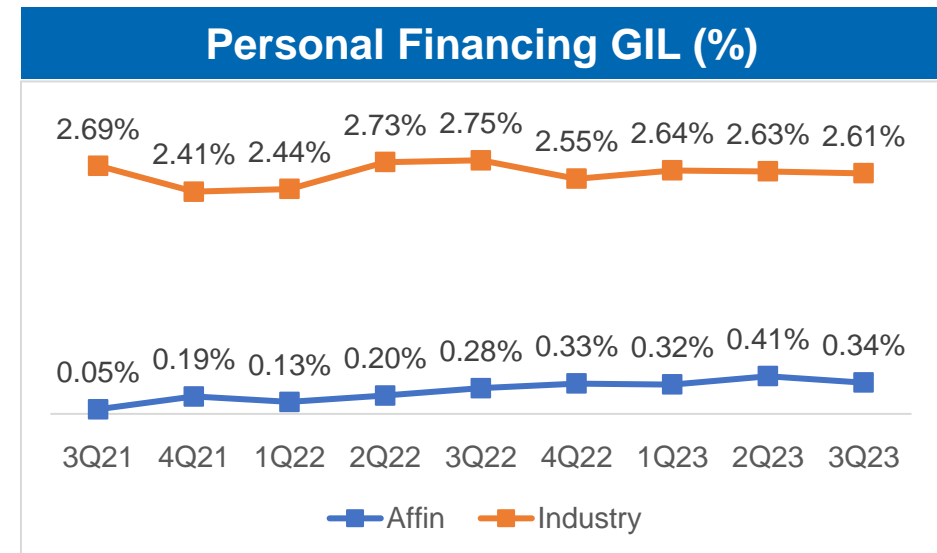
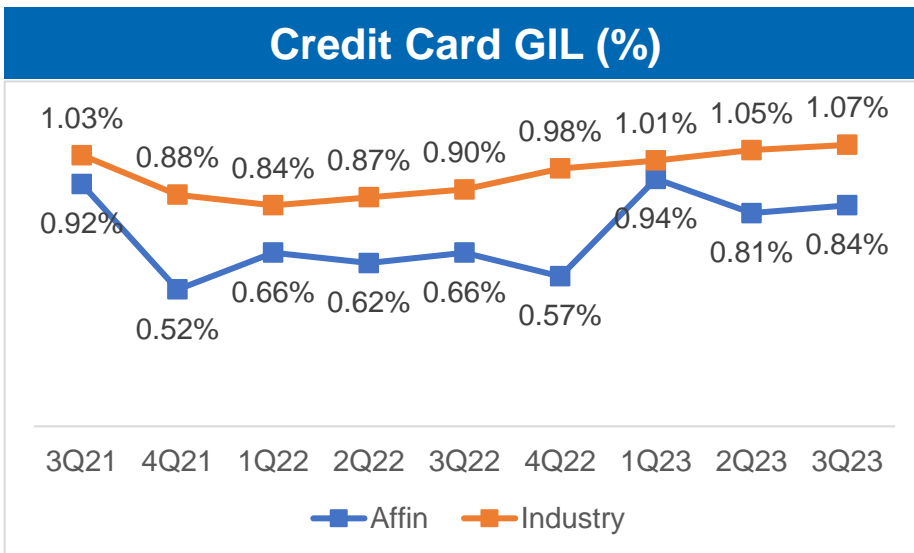
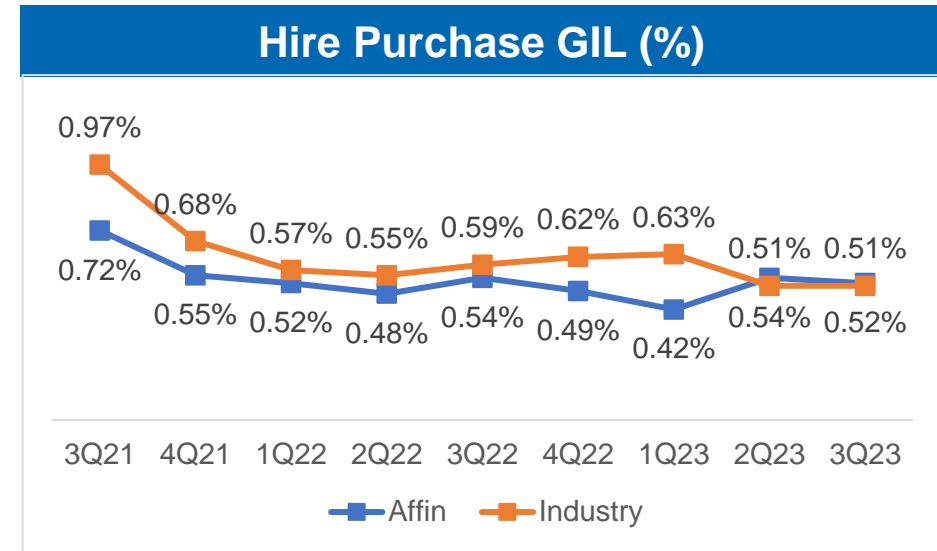
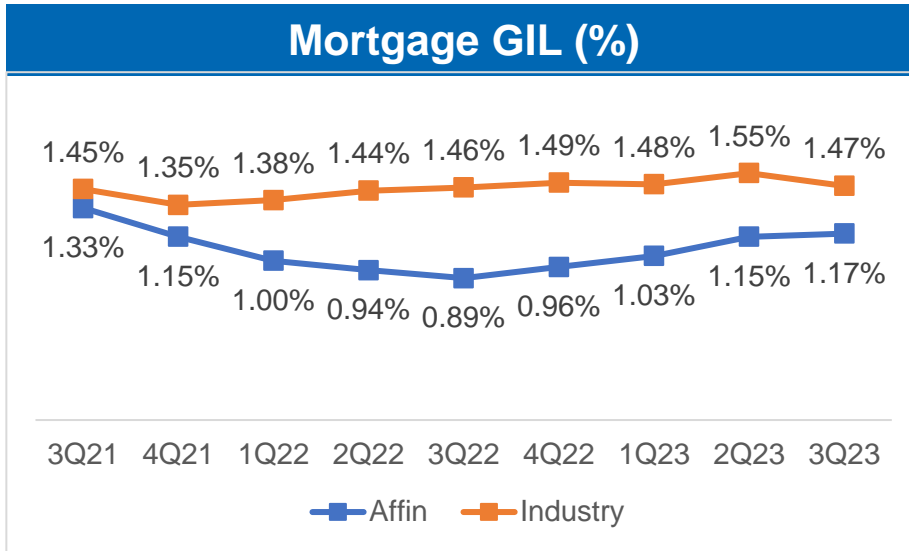


Community



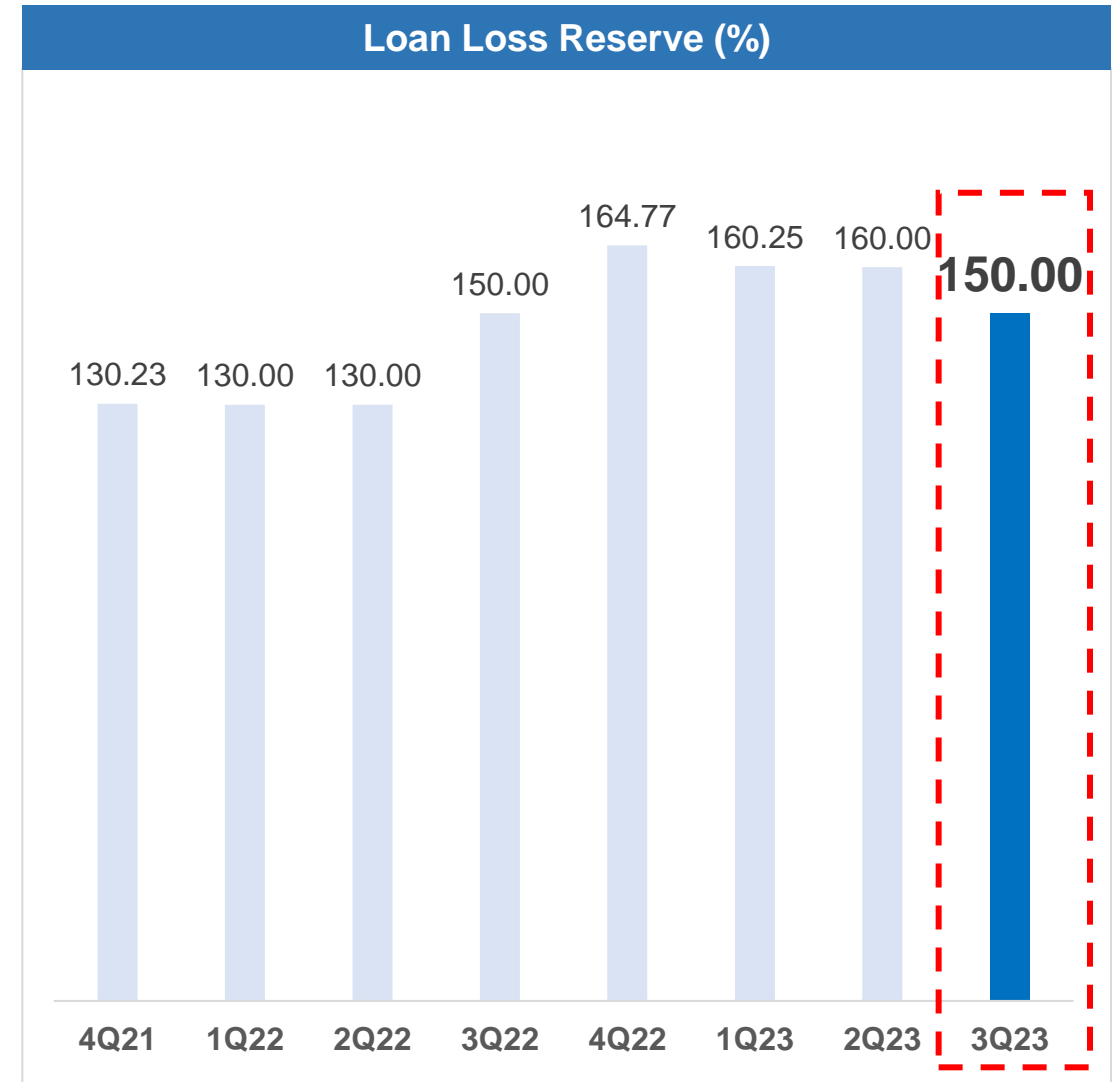
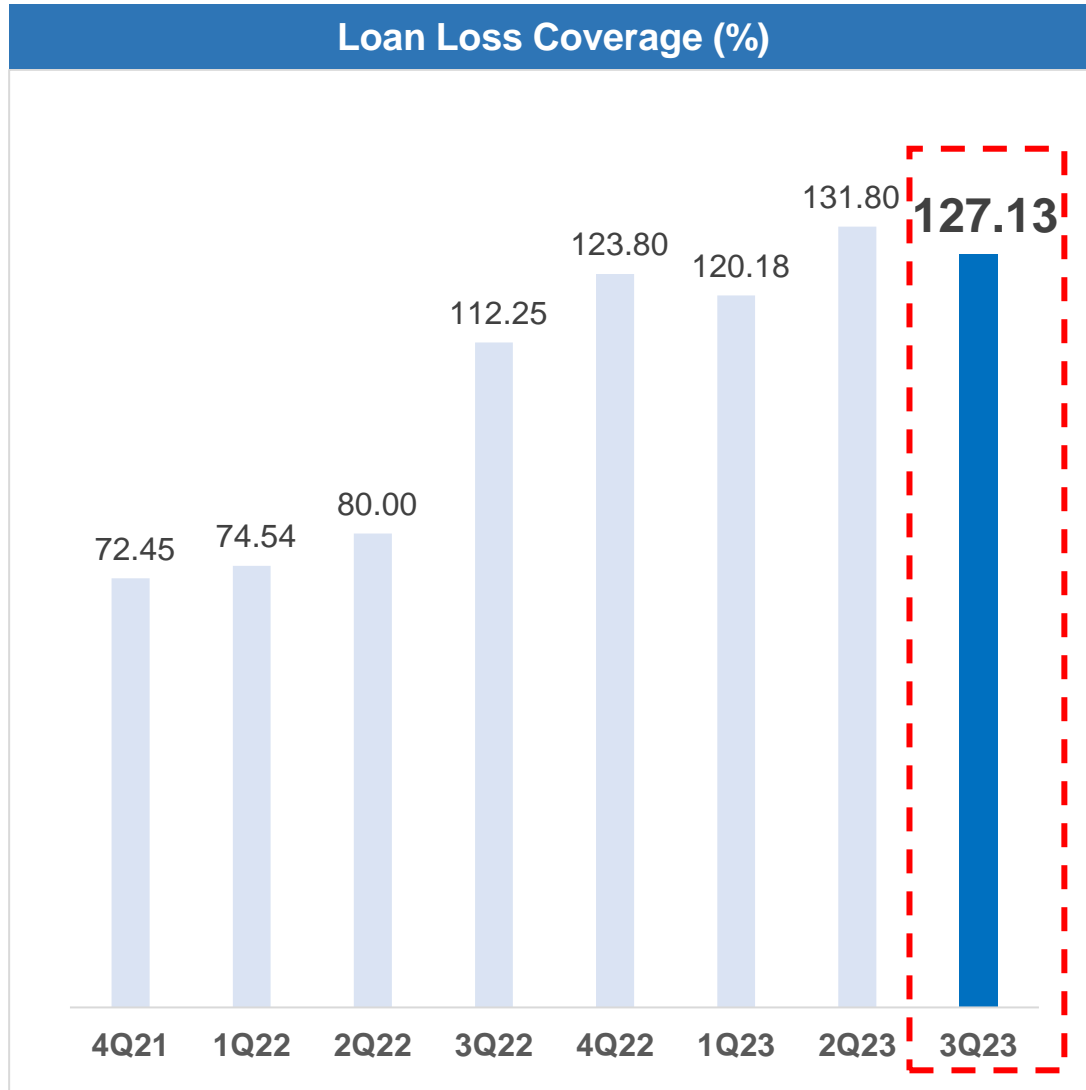


Keeping GIL levels below industry levels





LLC & LLR remains above 100%





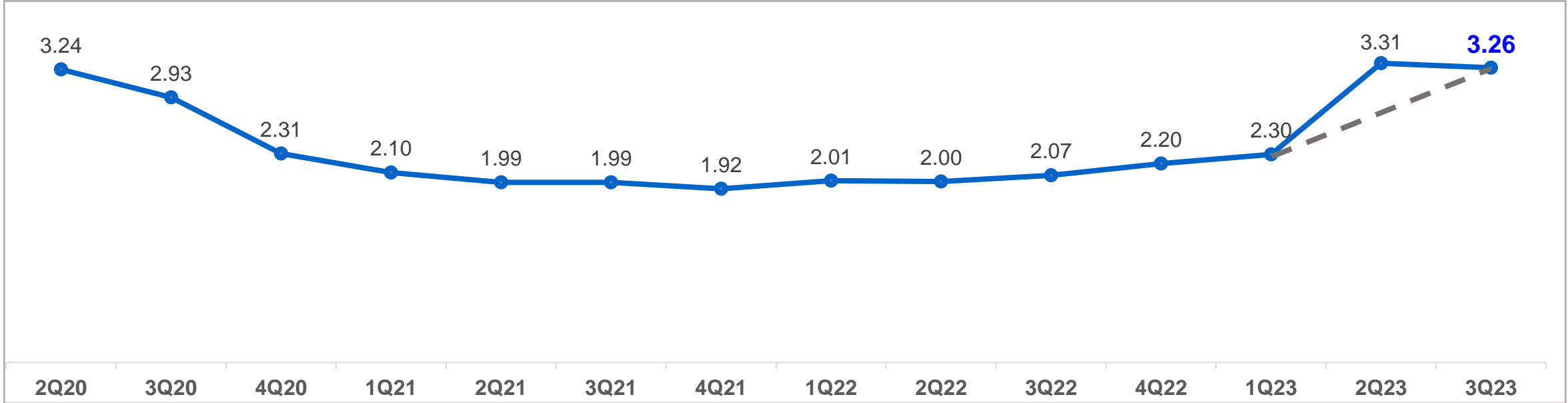
Income Statement

RM Million	Quarter		QoQ	YTD		YoY
	2Q2023	3Q2023	(%)	9M2022	9M2023	(%)
Net Interest Income	202.5	169.4	(16.3%)	756.1	605.6	-19.9%
Income from Islamic Banking Business	145.3	144.9	(0.3%)	503.6	444.3	-11.8%
Other operating Income	156.9	186.1	18.6%	1,470.9	449.6	-69.4%
<i>of which :</i>						
<i>Net Fee and Commission Income</i>	65.4	56.7	(13.3%)	364.8	188.3	-48.4%
<i>Net Gains on Financial Instruments</i>	36.9	83.1	125.2%	33.3	135.6	307.2%
<i>Other Income</i>	54.6	46.3	(15.2%)	1,072.8	125.7	-88.3%
Net Income	504.9	500.4	(0.9%)	2,730.6	1,499.5	-45.1%
Operating Expenses	(316.4)	(374.3)	18.3%	(1,074.4)	(1,020.7)	-5.0%
Allowances for Impairment Losses	(49.8)	(26.4)	(47.0%)	(354.0)	(63.9)	-81.9%
Share of results of Associate	11.4	7.3	(36.0%)	25.1	37.4	49.0%
Zakat	(0.7)	(2.0)	185.7%	(2.4)	(2.6)	8.3%
Profit Before Taxation	149.3	104.1	-30.3%	1,324.9	449.7	-66.1%
Profit Before Taxation (BAU and excl AHAM)	149.3	104.1	-30.3%	495.3	449.7	-9.2%
Taxation	(36.1)	(3.6)	-90.0%	(138.0)	(87.0)	-37.0%
Profit After Taxation	113.2	100.5	-11.2%	1,186.9	362.7	-69.4%
Profit After Taxation (BAU and excl AHAM)	149.3	100.5	-11.2%	357.3	362.7	1.5%

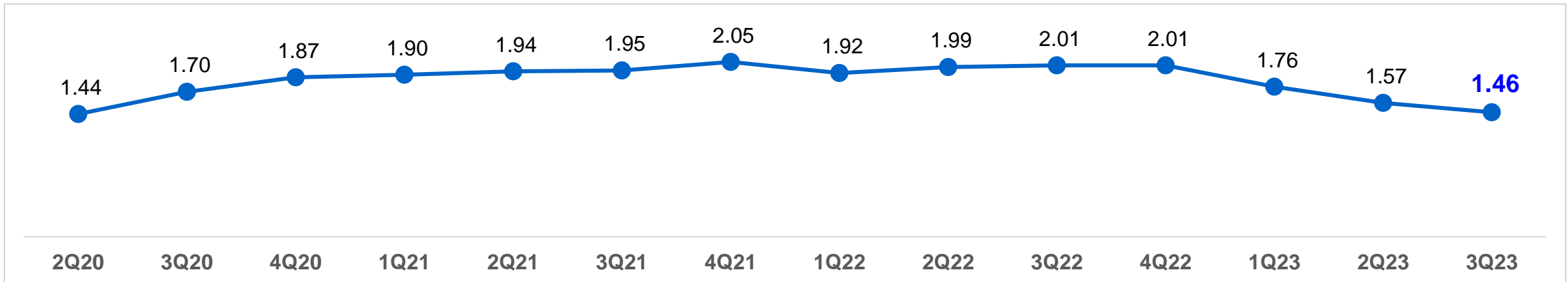


NIM Compression Continues as Full Impact of Higher Deposit Rates are Realised

Cost of Funds (%)



Net Interest Margin (%)

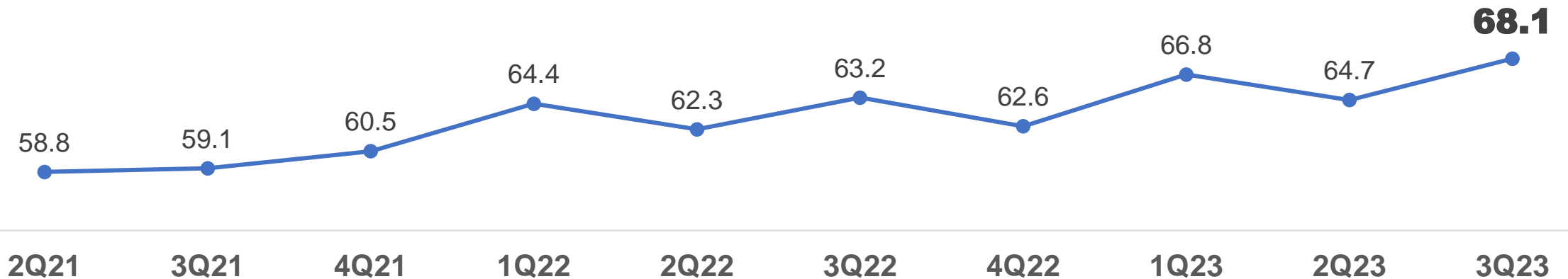




CIR Climbs as Revenues are Affected by the NIM Compression

RM Million	Quarter		QoQ	YTD		YoY
	2Q2023	3Q2023	%	9M2022	9M2023	%
Personnel costs	195.6	232.7	19.0	682.5	630.4	3.0
Promotion & marketing related expenses	10.7	11.5	7.5	40.8	33.6	-2.6
Establishment related expenses	74.5	96.3	29.3	246.0	246.6	5.8
General & administrative expenses	35.6	33.8	-5.1	105.1	110.1	17.0
TOTAL	316.4	374.3	18.3	1,074.4	1,020.7	-5.0
Cost to Income ratio (%)	64.0%	74.8%		63.2%	68.1%	
JAWS Position (%)	6.2	(19.2)		(4.5)	(11.5)	

Cost to Income Ratio (%)















Focus on Growing Fee Based Income Continues

RM Million	Quarter		QoQ	YTD		YoY
	2Q2023	3Q2023	(%)	9M2022	9M2023	(%)
Fees & Commission	54.6	14.8	(72.9)	95.6	108.0	13.0
Stockbroking @net brokerage	3.1	16.0	416.1	46.3	45.2	(2.4)
Portfolio management fees	-	-	-	178.2	-	(100.0)
Wealth income	7.5	8.8	17.3	37.1	23.0	(38.0)
Advisory income	0.2	1.9	850.0	7.6	3.1	(55.3)
Other Income	54.5	93.7	71.9	1,072.8	134.7	(87.4)
Net Fee and Commission Income	120.0	103.0	(14.2)	1,437.6	314.0	(78.2)
Net Gains on Financial Instruments	36.9	83.1	125.2	33.3	135.6	307.2
Other Operating Income	156.9	186.1	18.3	1,470.9	449.6	-69.4
Other Operating Income (BAU without AHAM)	156.9	186.1	18.6	229.1	449.6	96.2



Building Our Investment Banking Franchise

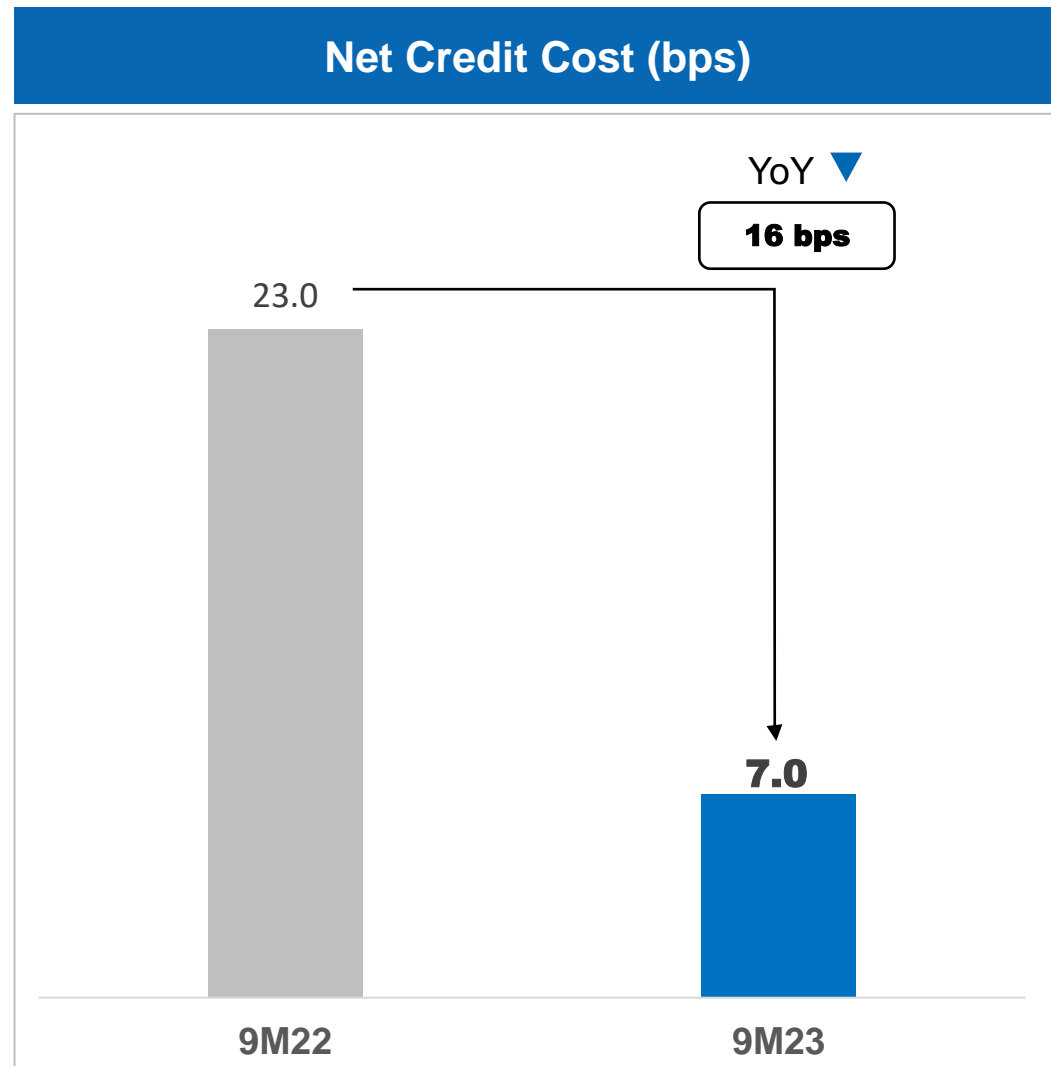
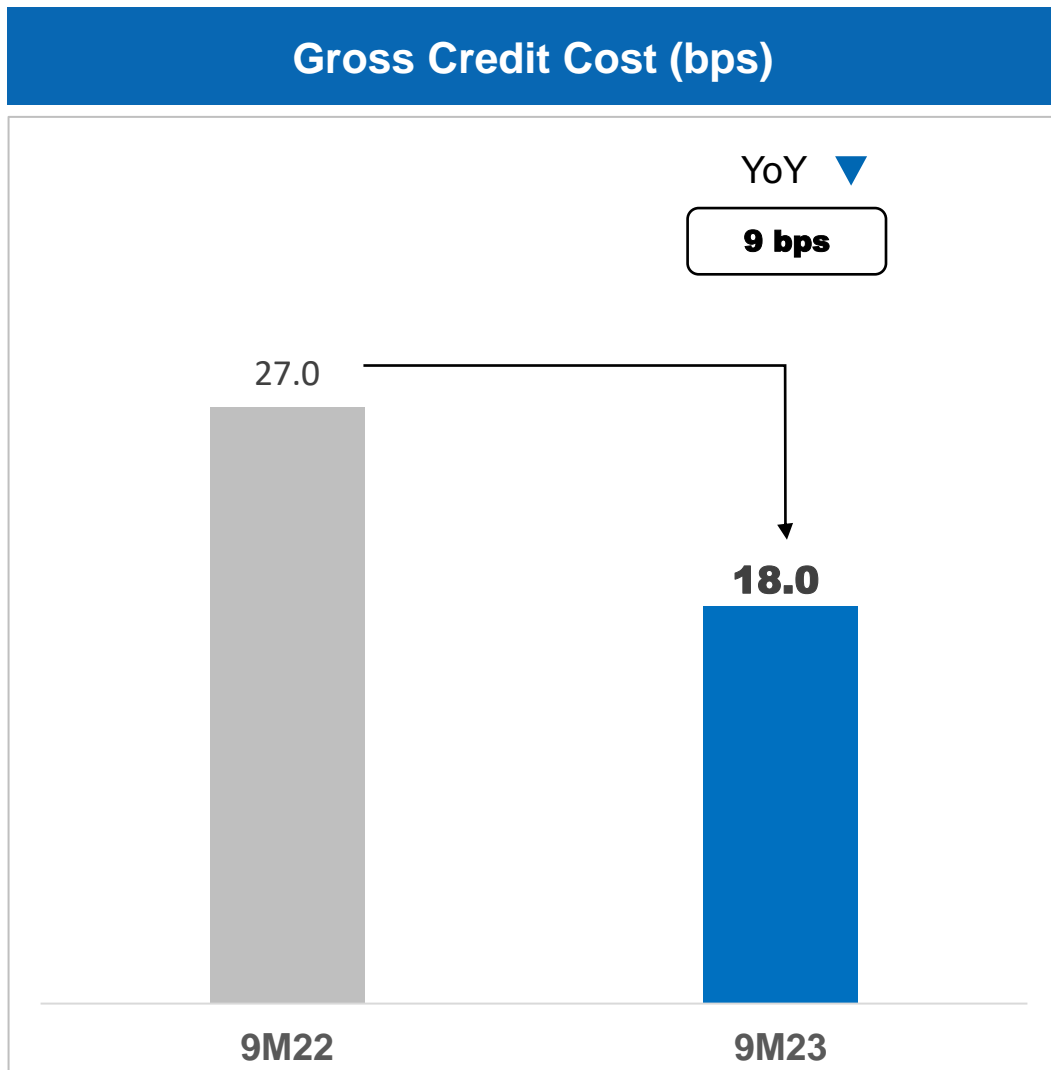
Debt Capital Market League Table as at September 2023

	Market Share (%)		Ranking	
	FYE '22	YTD '23	FYE '22	YTD '23
 CIMB	21.24	26.78	2	1
 Maybank	24.08	20.66	1	2
 RHB	16.40	17.49	3	3
 AmInvestment Bank	11.29	13.82	4	4
 AFFIN HWANG INVESTMENT BANK	3.38	4.81	8	5
 UOB	3.59	3.52	7	6
 BANK ISLAM	2.90	3.18	10	7
 HongLeong	4.48	2.82	5	8
 HSBC	3.12	2.61	9	9
 kenanga	1.29	1.64	12	10





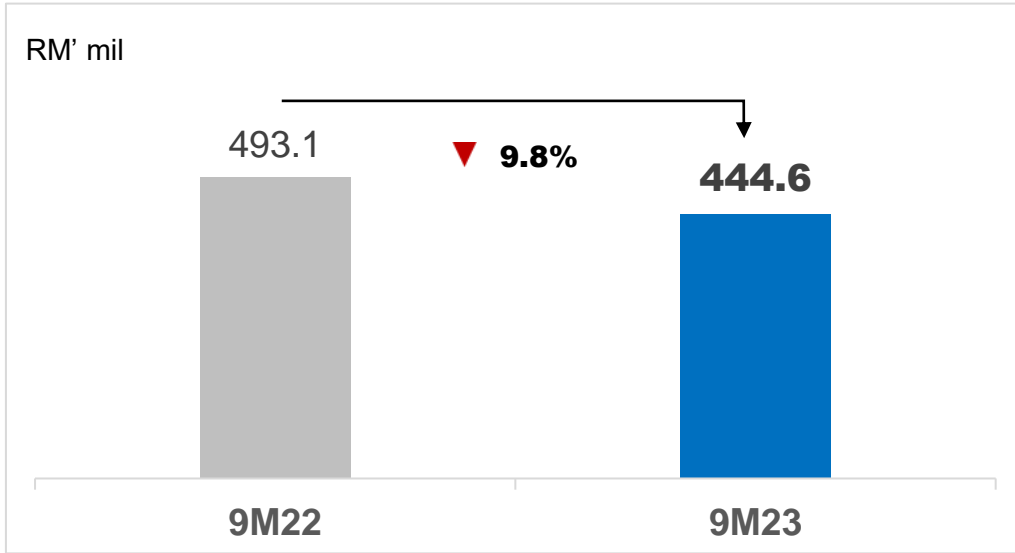
Credit Cost Down by 9 bps YoY



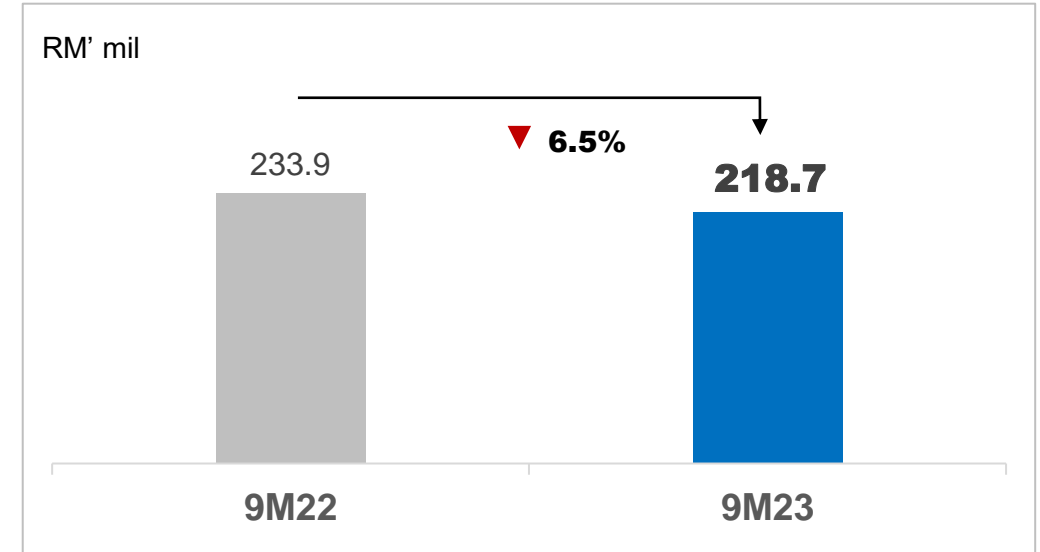


AFFIN Islamic : Reduction In PBT Due to NPM Compression

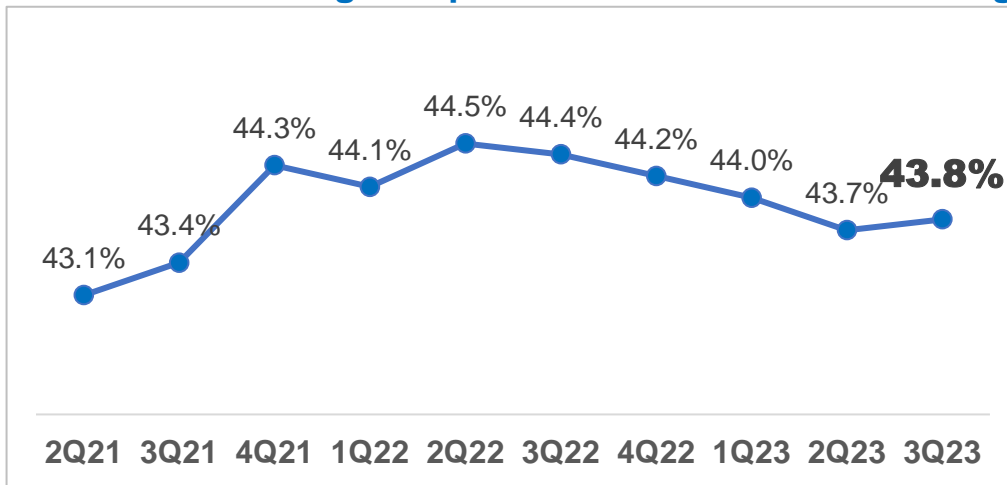
Islamic Income



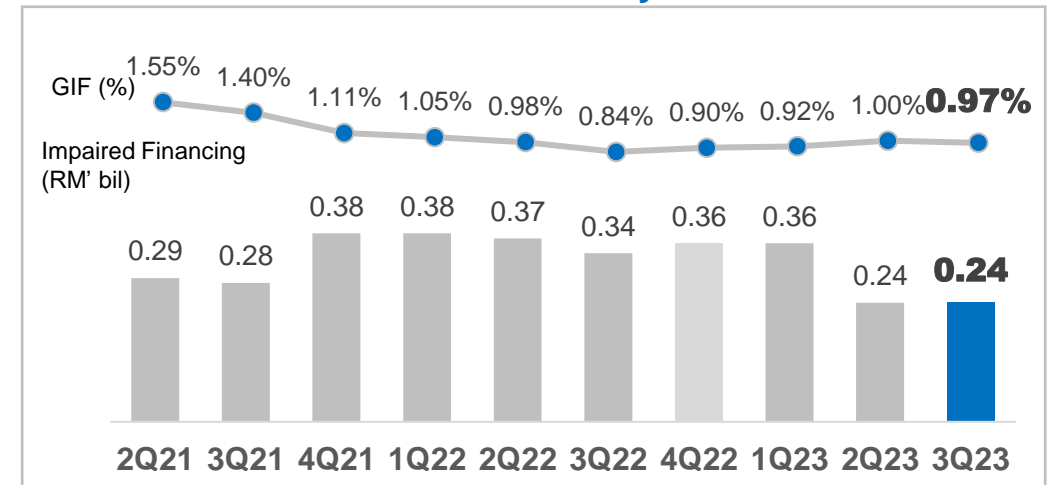
Profit Before Tax



Islamic Financing Composition / Total Gross Financing



Asset Quality





PBT Contribution by Subsidiaries and Associates

Entity / RM Million	Quarter		QoQ		YTD		YoY	
	2Q2023	3Q2023		%	9M2022	9M2023		%
Affin Bank (Bank Level)	103.4	(11.2)	▼	(110.8)	(51.9)	169.9	▲	(427.4)
Affin Islamic Bank	52.8	85.9	▲	62.7	233.9	218.7	▼	(6.5)
Affin Hwang Investment Bank	11.9	23.1	▲	94.1	56.2	54.4	▼	(3.2)
Affin Hwang Asset Management	-	-		-	82.9	-	▼	-
Generali Insurance Malaysia Berhad	11.4	8.8	▼	(22.8)	24.3	40.0	▲	64.6
Generali Life Insurance Malaysia Berhad	-	(1.5)	▼	-	0.8	(2.6)	▼	(425.0)
Affin Moneybrokers Sdn Bhd	0.6	0.5	▼	(16.7)	1.5	1.6	▲	6.7
Consol Adjustment	(30.8)	(1.5)		(95.1)	977.2	(32.3)		(103.3)
AFFIN Bank Group	149.3	104.1	▼	(30.3)	1,324.9	449.6	▼	(66.1)
AFFIN Bank Group (Underlying excluding AHAM profit)	149.3	104.1	▼	(30.3)	495.3	449.6	▼	(9.2)



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	9M2023	2021	2022	9M2023	2021	2022	9M2023
AFFIN BANK BERHAD	Group	14.20	15.60	14.60	15.82	16.99	15.61	21.09	19.44	18.08
	Bank	13.21	14.59	14.00	14.79	15.97	14.00	20.47	17.17	15.27
AFFIN ISLAMIC BANK BERHAD	Bank	12.14	12.97	12.52	13.87	14.50	13.99	19.03	19.36	19.03
AFFIN HWANG INVESTMENT BANK BERHAD	Group	31.43	42.92	30.20	32.51	42.92	30.20	33.03	43.52	30.72
	Bank	45.80	55.45	34.81	45.80	55.45	34.81	46.58	56.21	35.42



Key Ratios

RATIO(%)	Quarter		QoQ		YTD		YoY	
	2Q2023	3Q2023	Fav/(adv)		9M2022	9M2023	Fav/(Adv)	
PROFITABILITY								
Return on Equity	4.18	3.69	▼	(0.49)	5.65	4.48	▼	(1.18)
Net Interest Margin	1.33	1.24	▼	(0.09)	2.01	1.46	▼	(0.55)
Cost to Income Ratio (BAU)	62.70	74.80	▼	(12.10)	63.20	68.07	▲	(4.87)
LIQUIDITY								
CASA Ratio	23.21	23.23	▲	0.02	21.43	23.23	▲	1.80
Liquidity Coverage Ratio	202.98	175.94	▼	(27.04)	174.10	175.94	▲	1.84
ASSET QUALITY								
Gross Impaired Loan Ratio	1.78	1.84	▲	(0.06)	1.91	1.84	▼	0.07
Loan Loss Coverage Ratio	131.80	127.13	▼	(4.67)	112.25	127.13	▲	14.88
Loan Loss Reserve Ratio	160.00	150.00	▼	(10.00)	150.00	150.00		-
CAPITAL								
CET 1 Capital Ratio	14.73	14.60	▼	(0.35)	16.33	14.60	▼	(1.70)
Tier 1 Capital Ratio	16.79	15.61	▼	(1.44)	17.74	15.61	▼	(2.39)
Total Capital Ratio	19.35	18.08	▼	(1.25)	20.11	18.08	▼	(2.01)



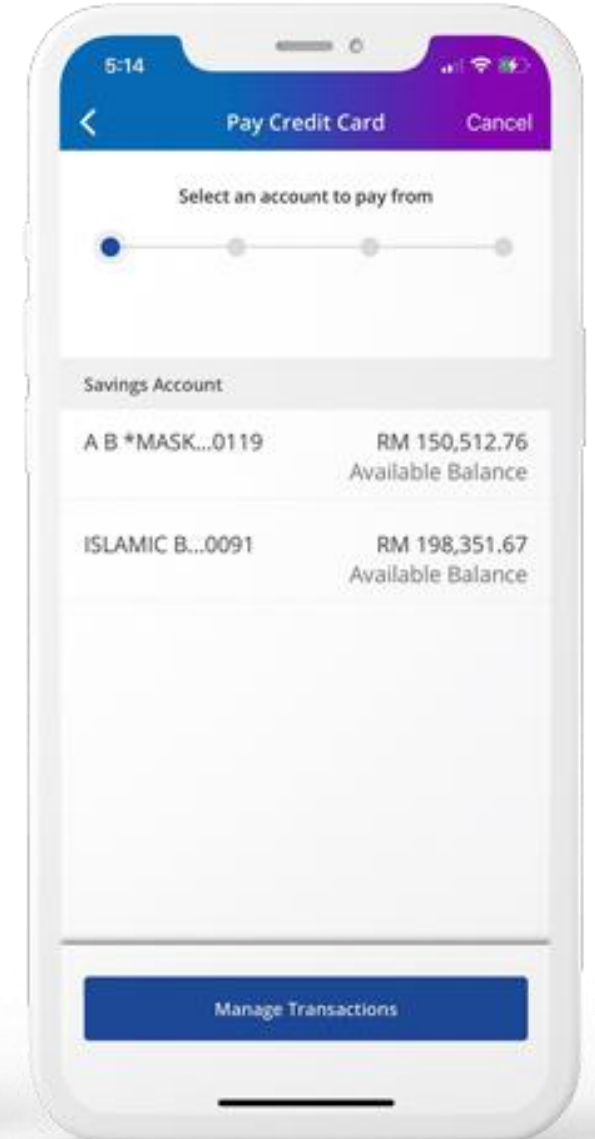
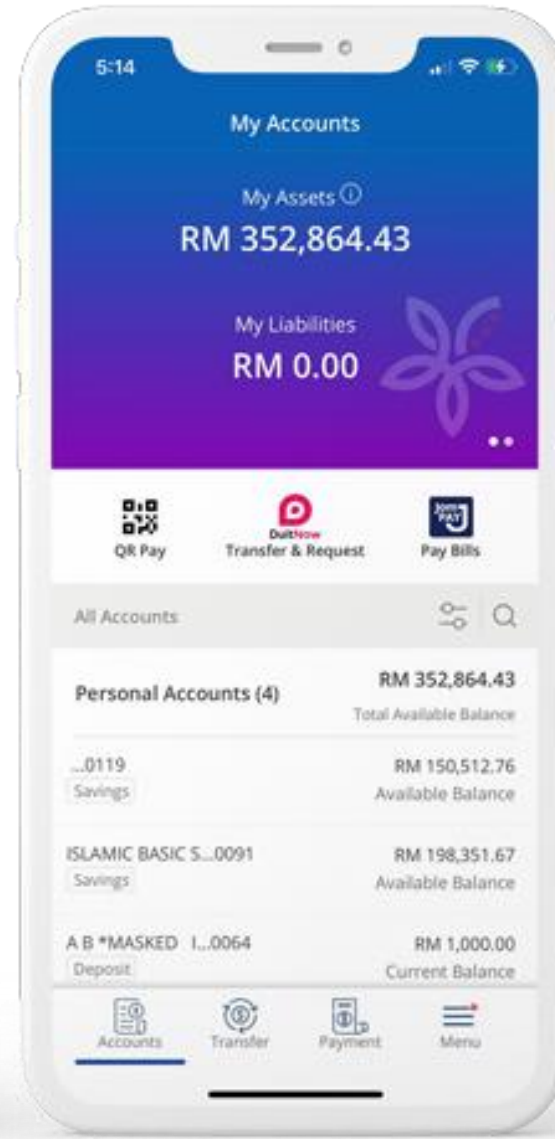
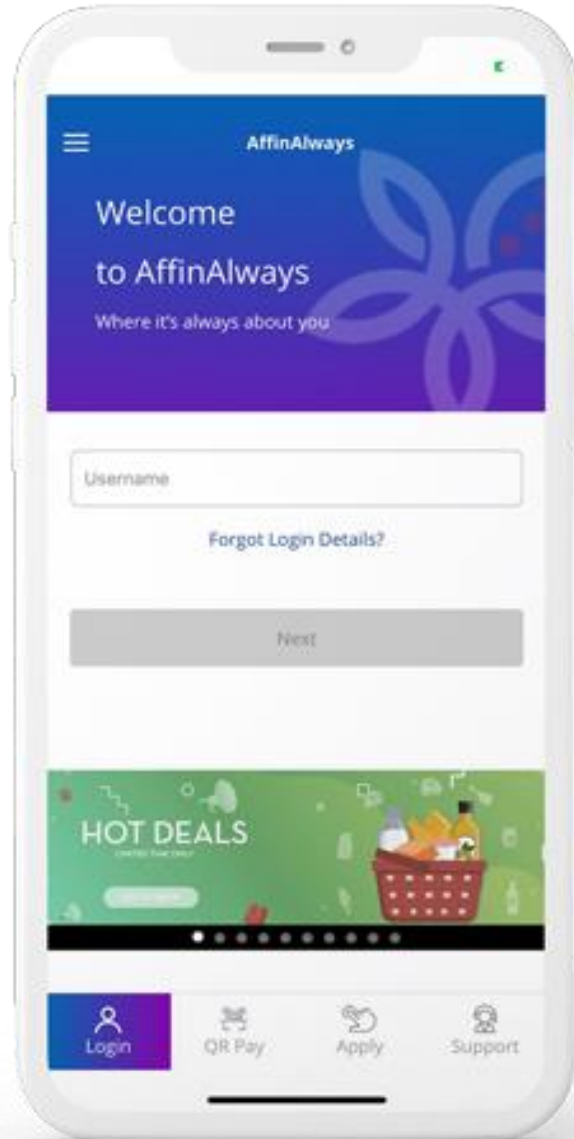
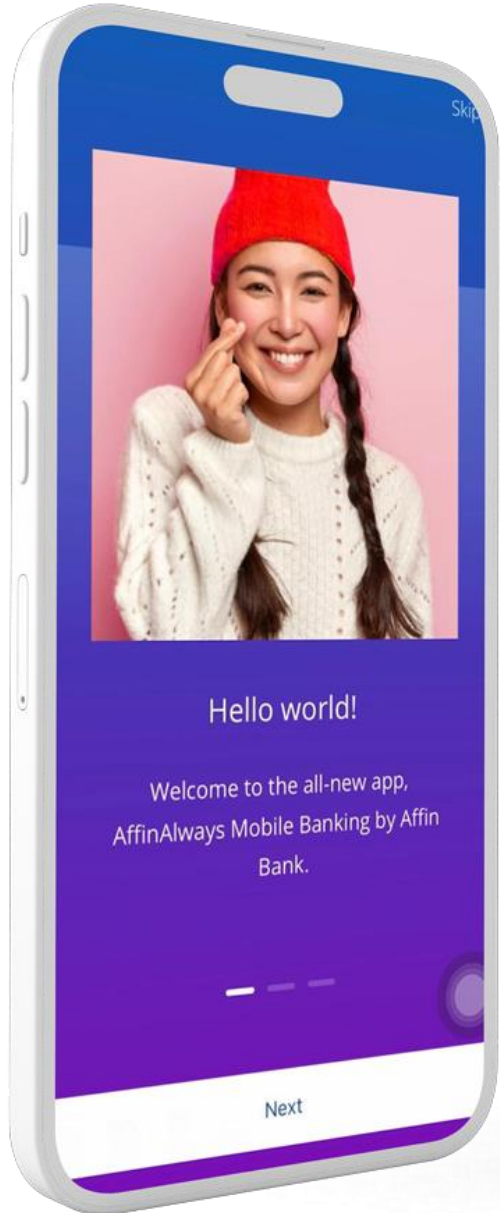
FINAL REMARKS



**RAM Ratings
affirms AA3/Stable
financial
institution ratings
of AFFIN Group**



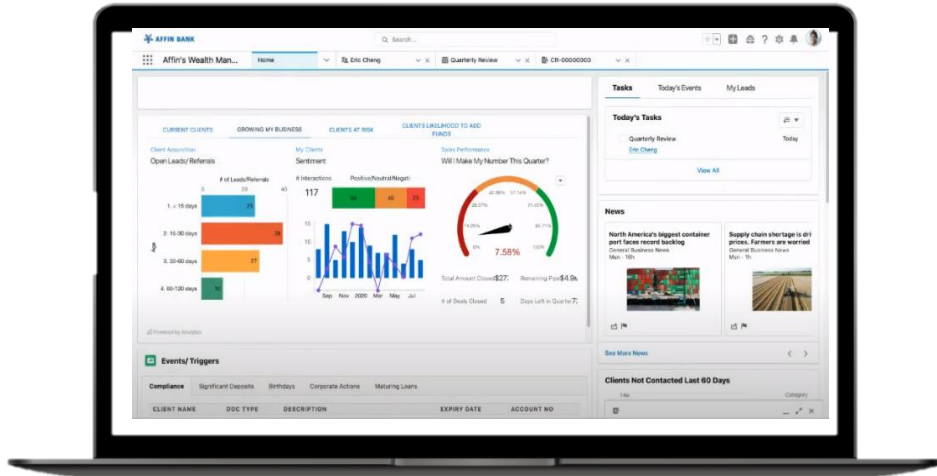
New Mobile Banking App Recently Launched In October 2023



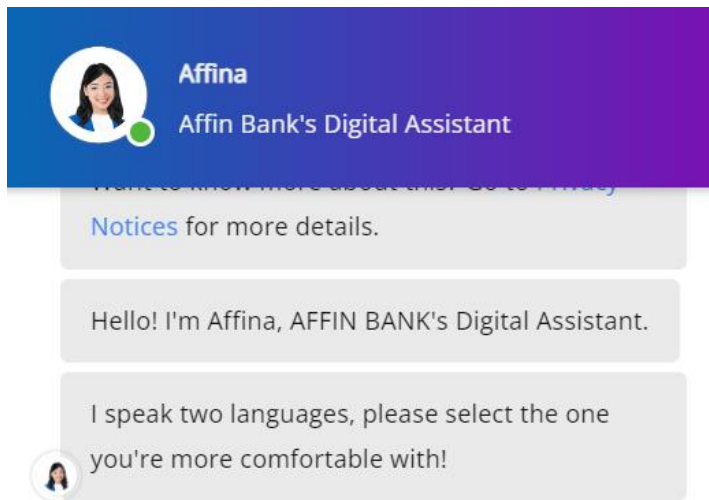


Our Digital Initiatives

CRM360- Lead Management System



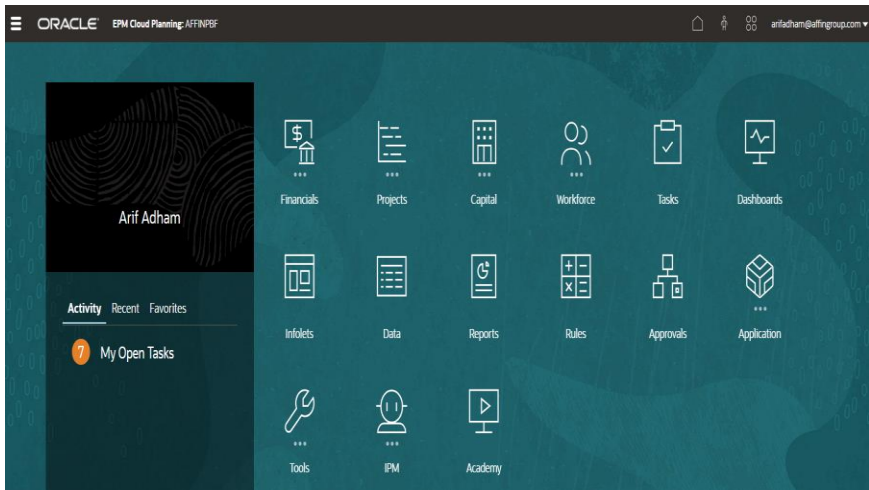
Machine Learning ChatBot



Google Big Data Analytics



Cloud Accounting Platform





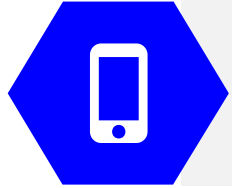
Final Remarks



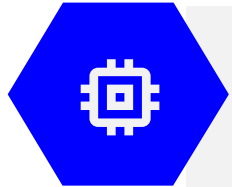
Net Interest Income (NII) has been affected by Net Interest Margin (NIM) compression due to market competition. However, we anticipate a normalization of NIM in 2024, driven by our initiatives to increase CASA ratio, and ongoing efforts to manage our Cost of Funds.



Fee based income supported by **new revenue streams** from **Debt Capital Markets advisory flows**.



We are pleased to see exponential take-up in **our newly launched mobile banking apps, Affin Always**, launched in October 2023, and our **enhanced** Corporate Internet Banking **AFFINMAX 2.0**, launched in November 2023. We expect further growth to translate into **CASA in the future**.



Some **stress on asset quality** mainly in Enterprise and Corporate Banking. We continue to monitor these portfolios with caution.



ESG financing is now **RM3.72b**, approximately **5.63%** of the portfolio, which has grown by **RM 750 mil** since 2022 ahead of our A25 targets. We expect to revise this upwards in our **AX28 strategy**.



Updated 2023 Guidance

Key Metrics	9M23 Actual	Previous 2023 Guidance	Updated 2023 Guidance
Loan Growth	12.3%	12.0%	12.0%
NIM	1.46%	1.86%	1.45%-1.50%
CIR	68%	60%	65%
Gross Credit Cost	18bps	30bps	30bps
ROE / PBT (RM)	4.5% 450m	5.8% 850m	4.5% 600m
Gross Impaired Loan	1.84%	<2.00%	<2.00%
Loan Loss Coverage	127%	100%-110%	100%-110%
ESG Financing Target	5.6%	8.0%	8.0%



End of Presentation

- For any information, please email isman@affingroup.com or contact +6019-233-6888

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