



1H24 Financial Results Briefing

23 August 2024





1 Key Highlights

2 1H24 Financial Results

3 Final Remarks

4 Q&A Session





Key Highlights





1H2024 Highlights

1	PROFIT BEFORE TAX (PBT) 1H24	PBT ↓ 15.2% YoY to RM 293.1m 1H24 vs RM 345.7m 1H23
2	CASA RATIO	CASA ↑ 2.68% YoY to 25.89% 1H24 vs 23.21% 1H23
3	ASSET QUALITY & RESERVES	GIL 1.89% 1H24 vs 1.78% 1H23 ↑ 0.11% LLC 100.06% 1H24 vs 131.80% 1H23 ↓ 31.74 %
4	TAPERING BUSINESS ACTIVITY	LOAN GROWTH +10.5% 1H24 vs +12.7% 1H23 ↓ 2.2% DEPOSIT GROWTH -0.4% 1H24 vs +11.0% 1H23 ↓ 11.4%
5	STABLE CAPITAL AND LIQUIDITY POSITION	CET 1 12.8% 1H24 vs 14.1% 1H23 ↓ 1.3% LCR 170.23% 1H24 vs 203.0% 1H23 ↓ 32.77%



1H24 Financial Results





CHIEVEMENTS

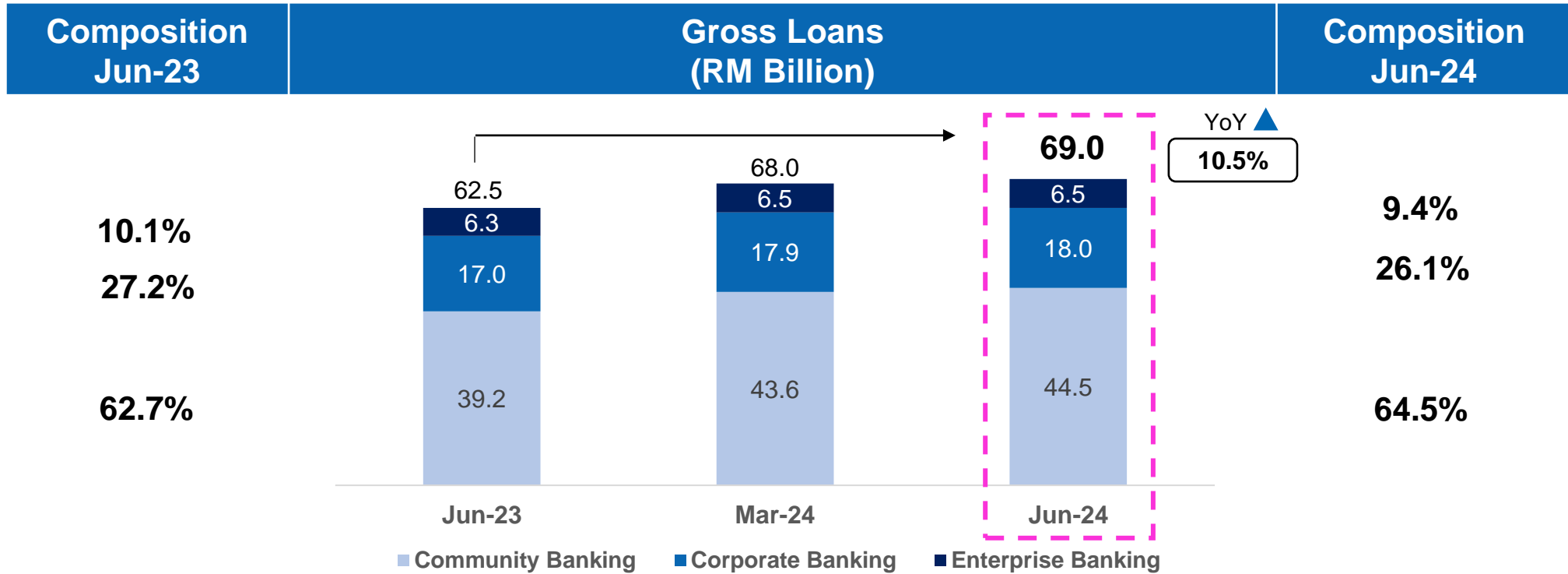


Balance Sheet Highlights

RM Million	Jun-23	Mar-24	Jun-24	QoQ	YoY
Cash & short-term funds	8,244.2	4,540.3	3,007.6	-33.8%	-63.5%
Financial assets/investment	25,351.9	29,363.8	30,976.2	5.5%	22.2%
Gross loans, advances & financing	62,468.1	68,037.3	69,015.8	1.4%	10.5%
Less: ECL	-1,425.9	-1,325.2	-1,269.1	-4.2%	-11.0%
Other assets	6,219.1	6,700.2	6,435.3	-4.0%	3.5%
Total Assets	100,857.4	107,316.4	108,165.8	0.8%	7.2%
Deposit from customers	71,510.5	71,758.5	71,226.4	-0.7%	-0.4%
Of which : Current Account	12,009.6	12,334.1	13,557.3	9.9%	12.9%
Savings Account	4,589.7	5,518.0	4,881.9	-11.5%	6.4%
Total CASA	16,599.3	17,852.1	18,439.2	3.3%	11.1%
Fixed Deposits, NIDs, MMD & CMD	54,911.2	53,906.3	52,787.2	-2.1%	-3.9%
Deposits & placement of banks & other FIs	10,196.4	15,081.0	16,452.2	9.1%	61.4%
Other liabilities	1,477.4	2,402.7	1,867.0	-22.3%	26.4%
Borrowings	6,716.3	6,863.4	7,317.4	6.6%	8.9%
Total Equity	10,956.8	11,210.8	11,302.8	0.8%	3.2%
Total Liabilities & Equity	100,857.4	107,316.4	108,165.8	0.8%	7.2%



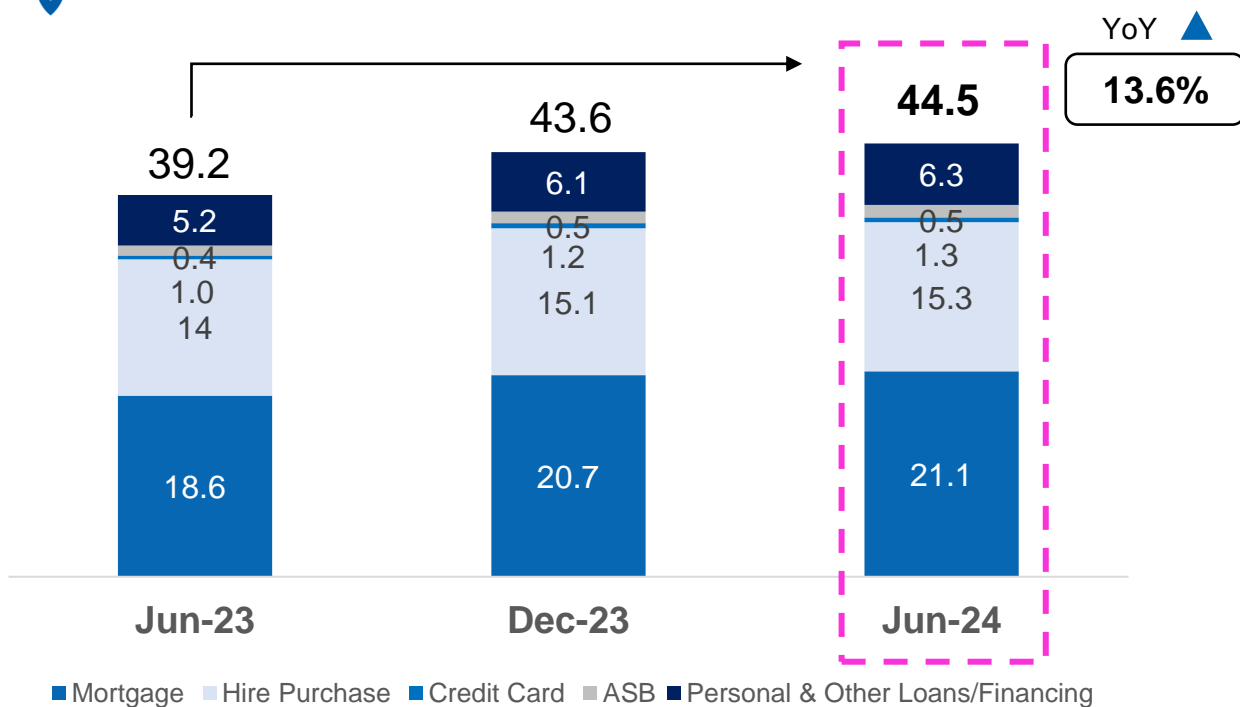
Slowing Enterprise Banking given Soft Economic Environment



RM Billion	Jun-23	Mar-24	Jun-24	QoQ (%)	YoY (%)
Community Banking	39.2	43.6	44.5	2.1%	13.6%
Corporate Banking	17.0	17.9	18.0	0.6%	5.6%
Enterprise Banking	6.3	6.5	6.5	0.8%	4.2%
TOTAL	62.5	68.0	69.0	1.4%	10.5%



Community Banking: Gross Loans/Financing



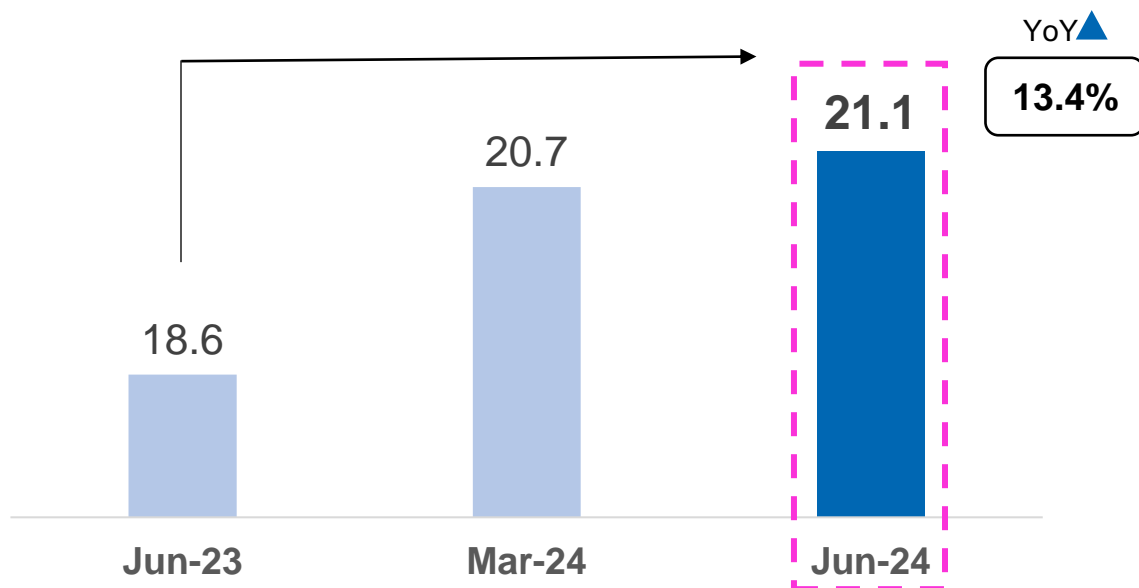
Bukit Mertajam Branch

RM Billion	Jun-23	Mar-24	Jun-24	QoQ (%)	YoY (%)
Mortgage	18.6	20.7	21.1	1.9	13.4
Hire Purchase	14.0	15.1	15.3	1.3	9.2
Credit Card	0.4	0.5	0.5	1.0	20.8
Amanah Saham Funds	1.0	1.2	1.3	11.3	29.7
Personal and Other Loans/Financing	5.2	6.1	6.3	2.9	21.2
TOTAL	39.2	43.6	44.5	2.1	13.6

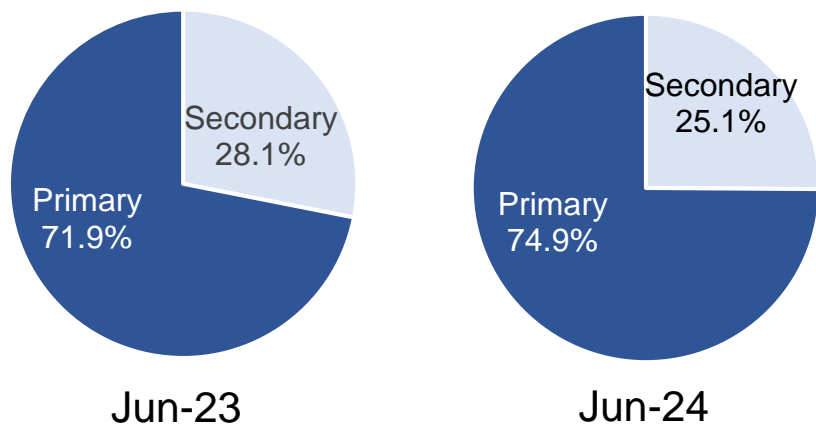


Community Banking: Mortgage Business

Mortgage Loans/Financing (RM Billion)



AFFIN Launches Financial Solution for London Property Buyers



RM Billion	Jun-23	Mar-24	Jun-24	QoQ (%)	YoY (%)
Primary*	13.4	15.4	15.8	2.6	17.9
Secondary**	5.2	5.3	5.3	0.1	2.1
Total	18.6	20.7	21.1	1.9	13.4

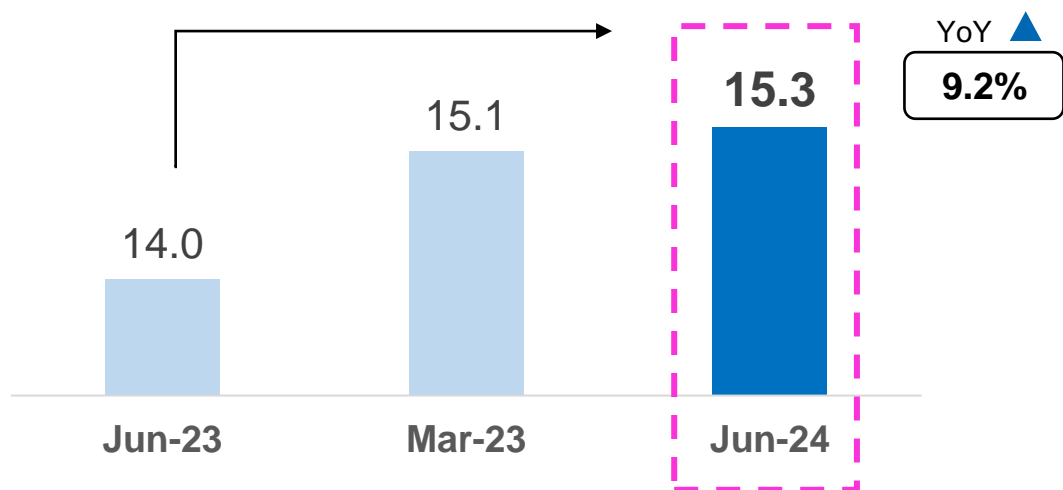
* Primary – Sourced directly from property developers and may either be completed or under construction

** Secondary – Sourced directly from individual vendors or property agents and are completed.

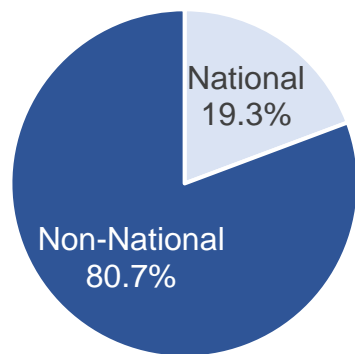


Community Banking: Hire Purchase

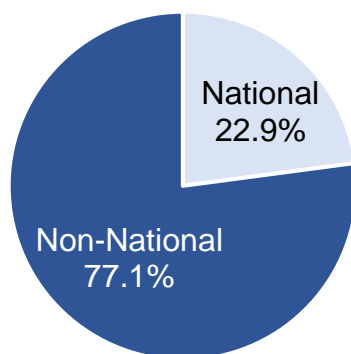
Hire Purchase Loans/Financing (RM Billion)



NETA X EV Launched in Menara AFFIN TRX



Jun-23



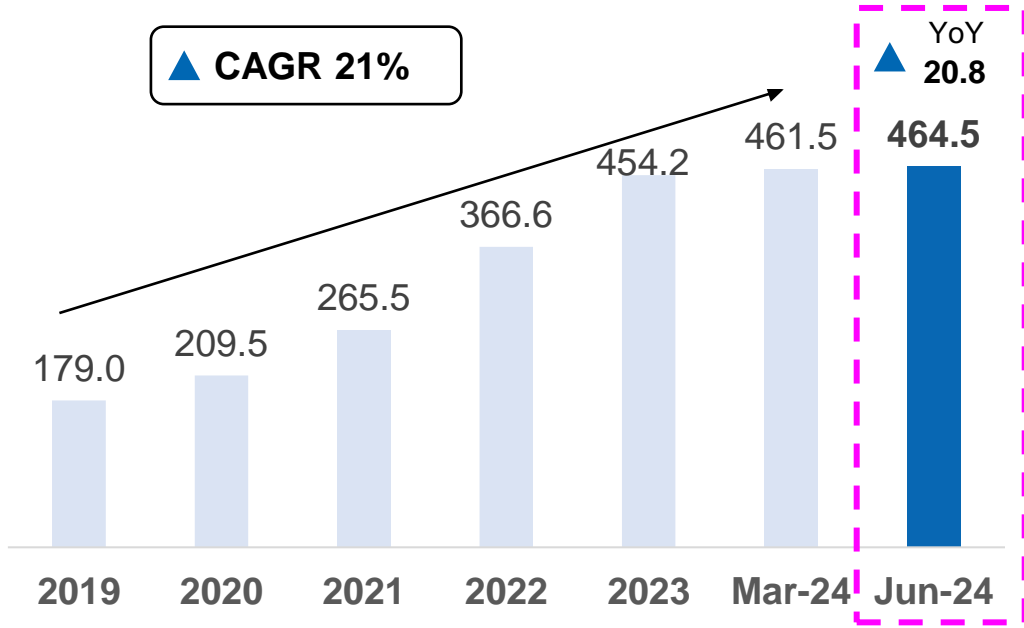
Jun-24

RM Billion	Jun-23	Mar-24	Jun-24	QoQ (%)	YoY (%)
National cars	2.7	3.3	3.5	6.1	29.6
Non-National cars	11.3	11.8	11.8	0.7	4.4
Total	14.0	15.1	15.3	1.3	9.2

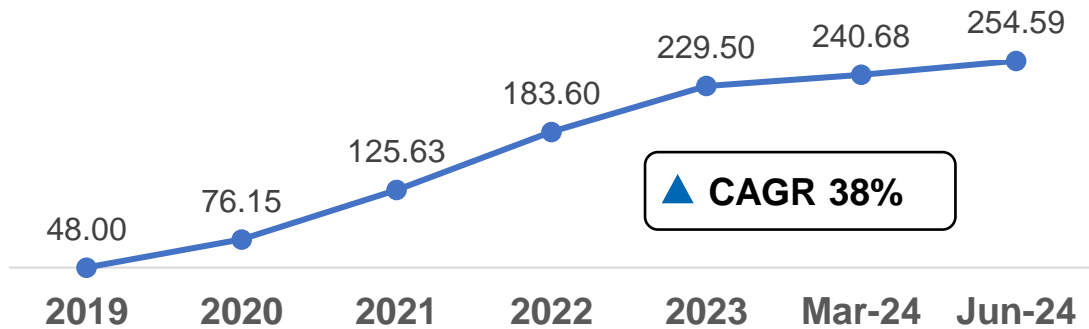


Community Banking: Credit Cards

Credit Cards (RM Million)



Number of Cards ('000)



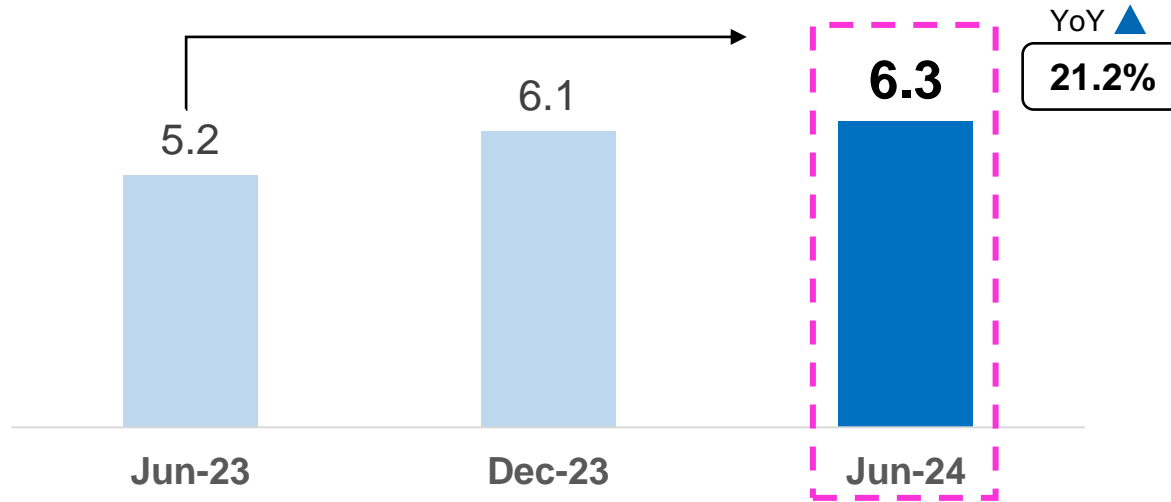
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Revolver vs Transactor Ratio (%)

	Jun-23	Mar-24	Jun-24	QoQ (%)	YoY (%)
Revolver	19.7%	17.9%	17.1%	-0.8	-2.6
Transactor	80.3%	82.1%	82.9%	0.8	2.6

Community Banking: Personal and Other Loans/Financing

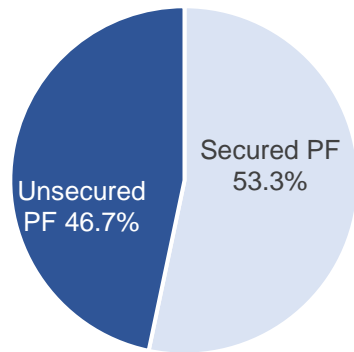
Personal Financing (RM Billion)



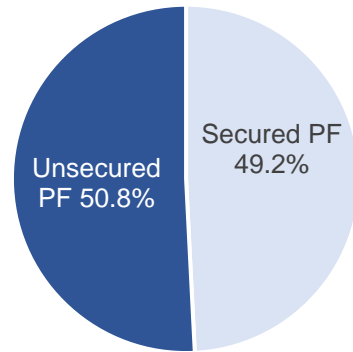
Open to Professionals
with AIPF-i Potongan Gaji Majikan (PGM)

AFFIN Personal Financing-i

Personal Financing (PF) Composition (%)



Jun-23



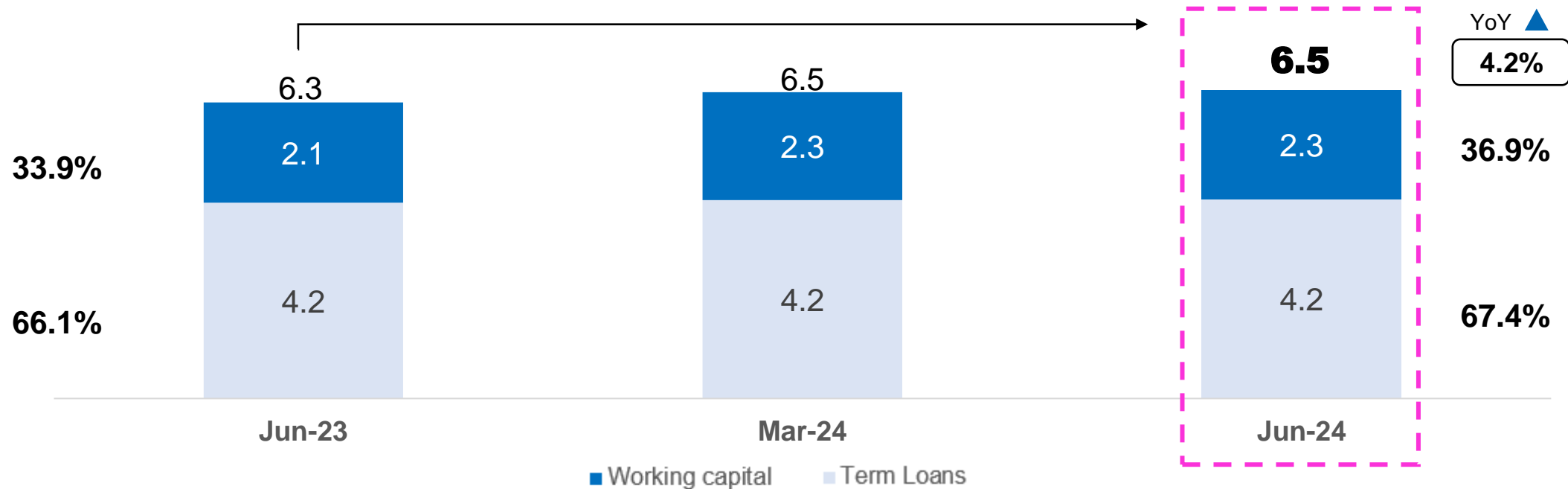
Jun-24

RM Billion	Jun-23	Mar-24	Jun-24	QoQ (%)	YoY (%)
Secured Personal Financing	2.8	3.0	3.2	6.7	14.3
Unsecured Personal Financing	2.4	3.1	3.2	3.2	33.3
Total	5.2	6.1	6.3	2.9	21.2



Enterprise Banking: Gross Loans/Financing

Gross Loans/Financing (RM Billion)

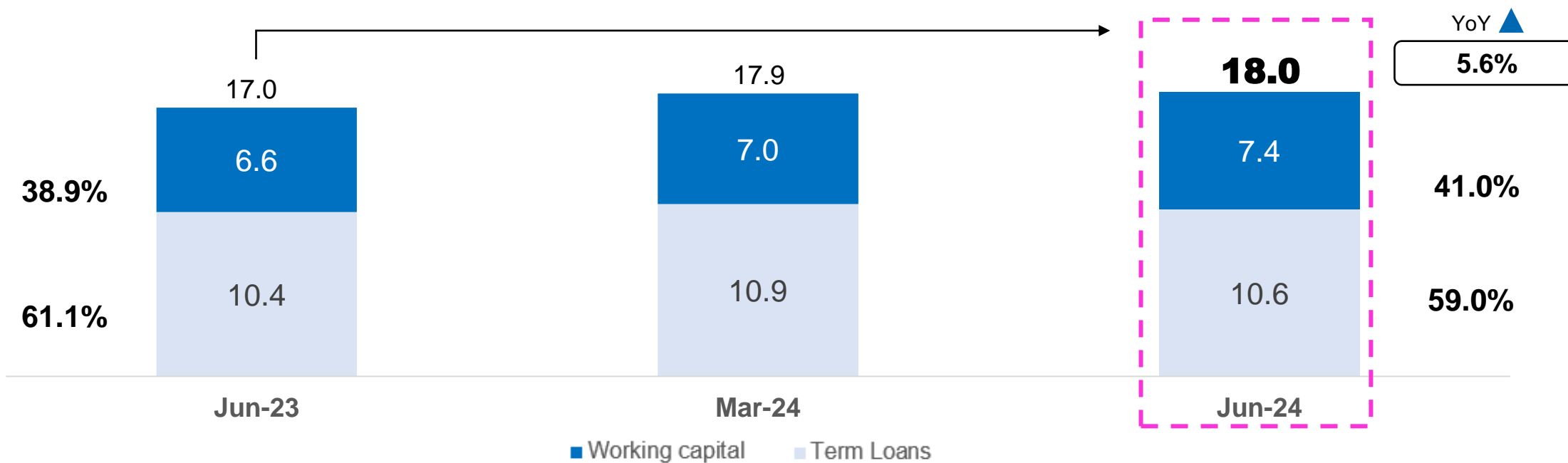


	Jun-23	Mar-24	Jun-24	QoQ (%)	YoY (%)
Working capital	2.1	2.3	2.3	1.2	8.9
Term Loans	4.2	4.2	4.2	0.6	1.8
Total	6.3	6.5	6.5	0.8	4.2



Corporate Banking: Gross Loans/Financing

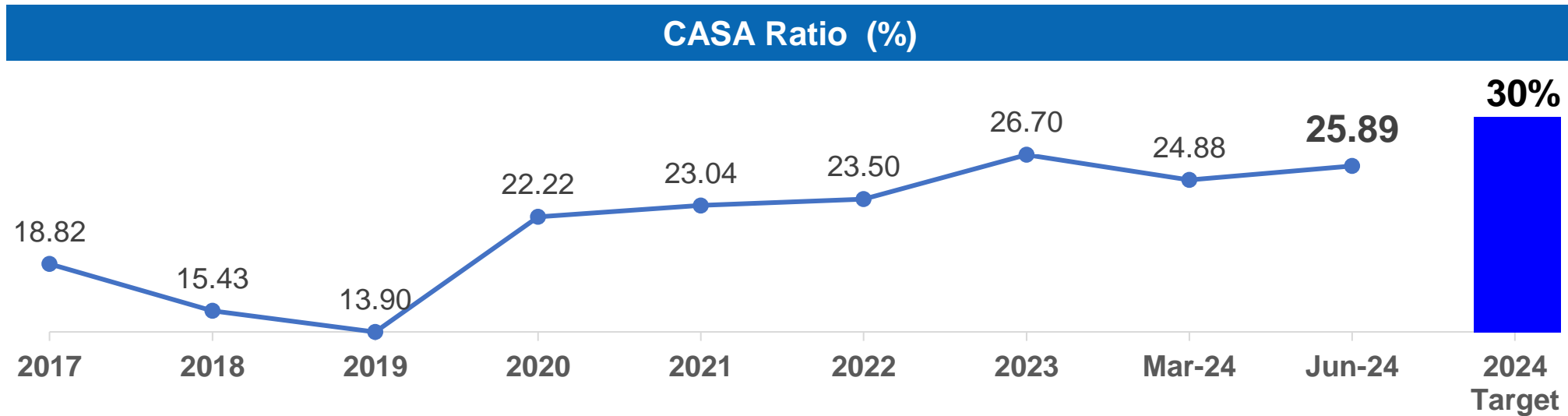
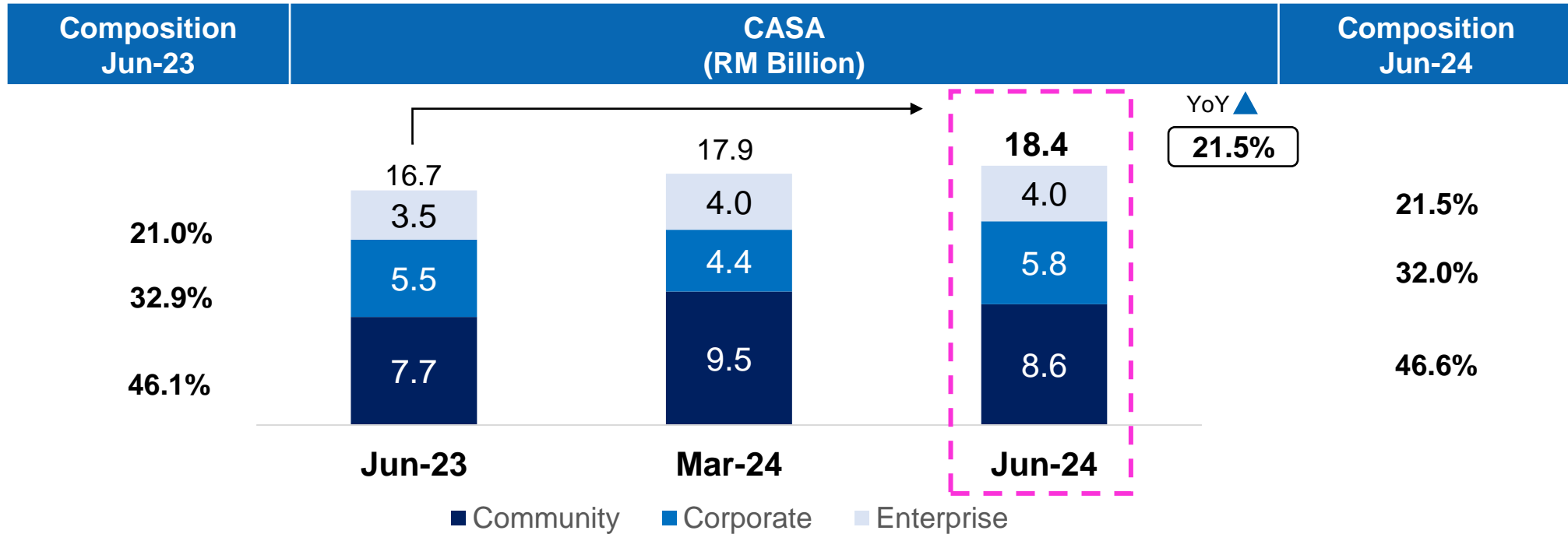
Gross Loans/Financing (RM Billion)



	Jun-23	Mar-24	Jun-24	QoQ (%)	YoY (%)
Working capital	6.6	7.0	7.4	4.2	11.0
Term Loans	10.4	10.9	10.6	-2.7	2.2
Total	17.0	17.9	18.0	0.6%	5.6%



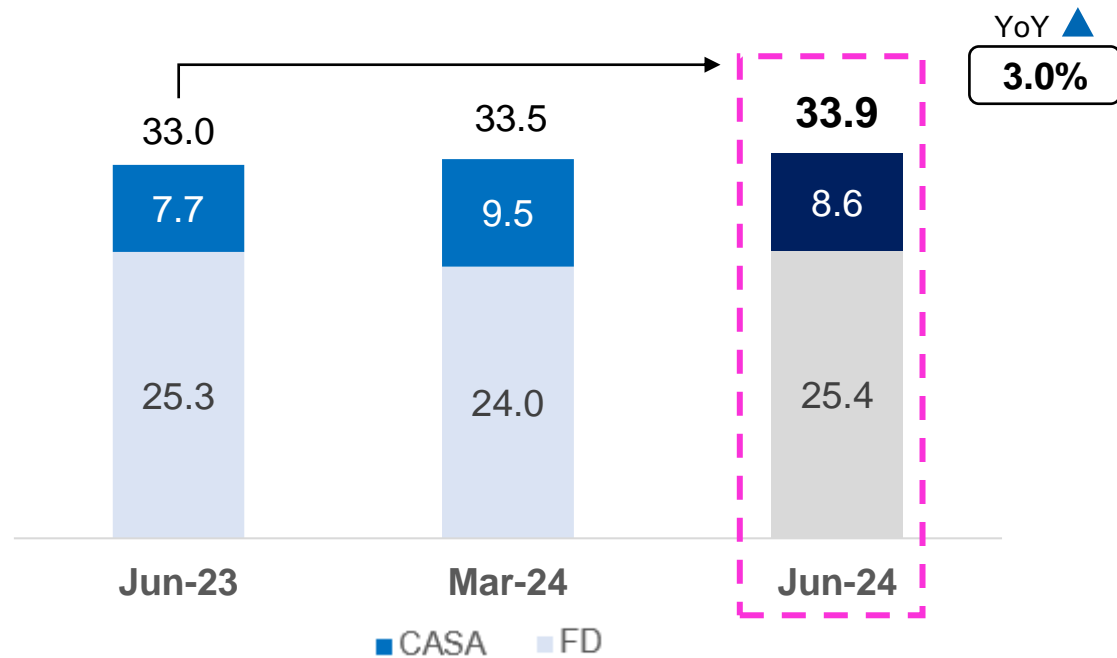
Working Hard on Building The CASA Franchise





Community Banking: Deposits

Deposits (RM Billion)



	Jun-23	Mar-24	Jun-24
CASA Ratio	23.3%	28.2%	25.3%

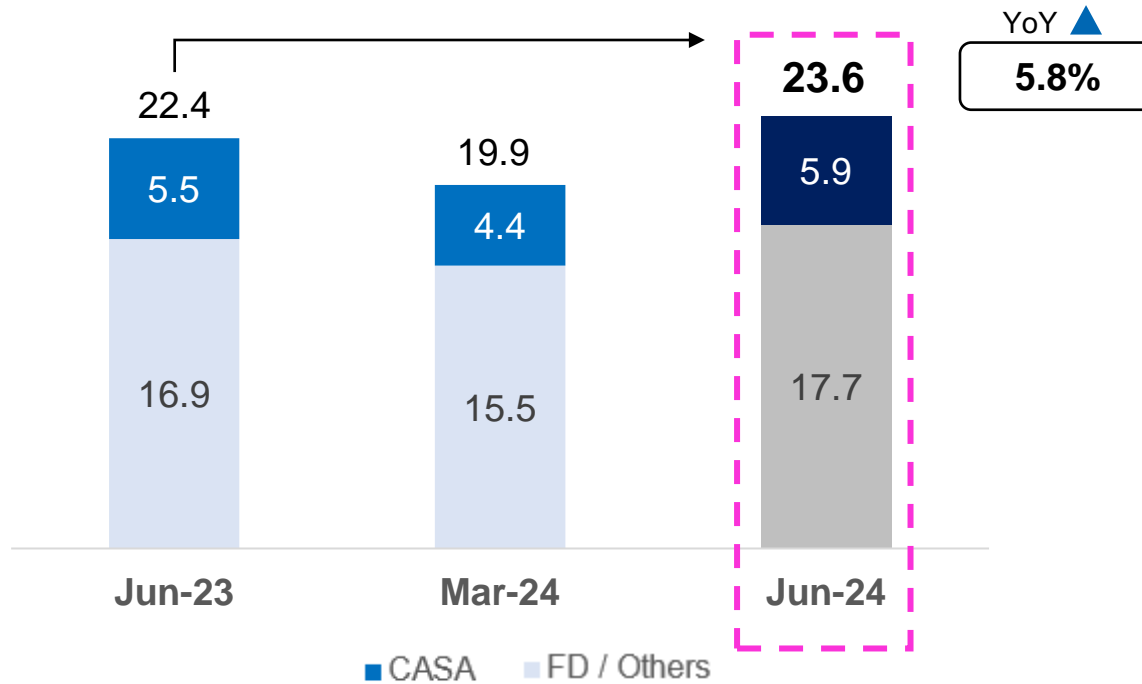


AFFIN Flexible Savings Plan



Corporate Banking: Supporting CASA Growth with AFFINMAX

Deposits (RM Billion)



	Jun-23	Mar-24	Jun-24
CASA Ratio	24.6%	22.3%	25.0%

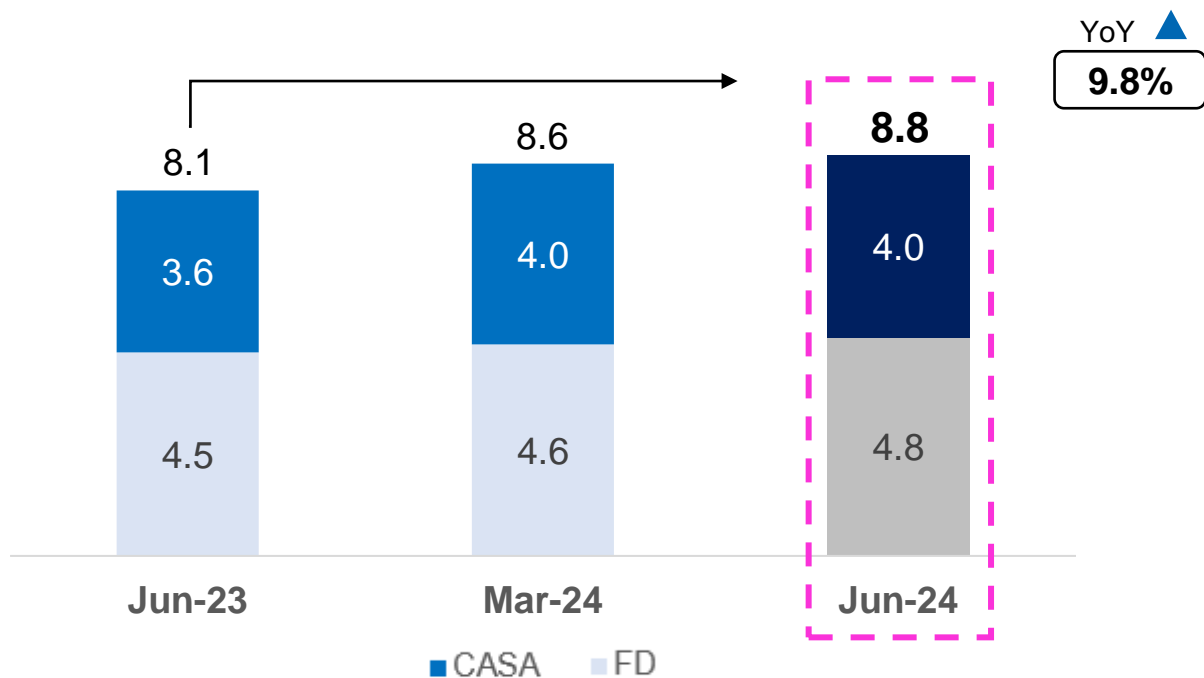


AFFINMAX Wins Malaysia Domestic Cash Management Bank of The Year



Enterprise Banking: Deposits

Deposits (RM Billion)



	Jun-23	Mar-24	Jun-24
CASA Ratio	44.3%	46.1%	45.4%



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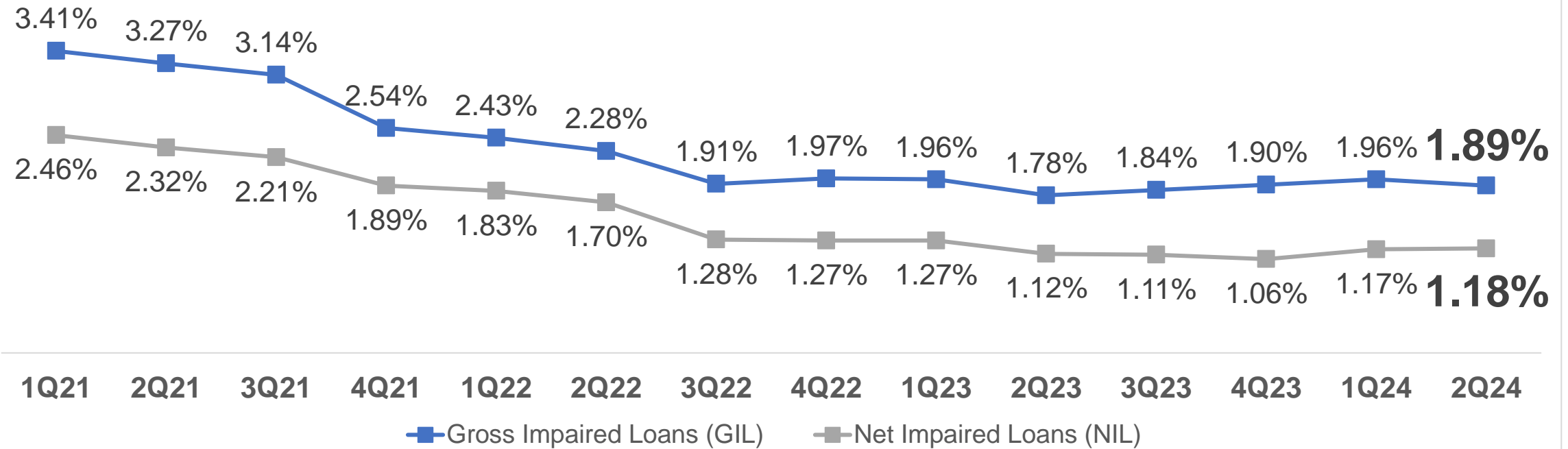
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Maintaining GIL levels below 2% amidst the Challenging Environment

Impaired Loans Ratio (%)



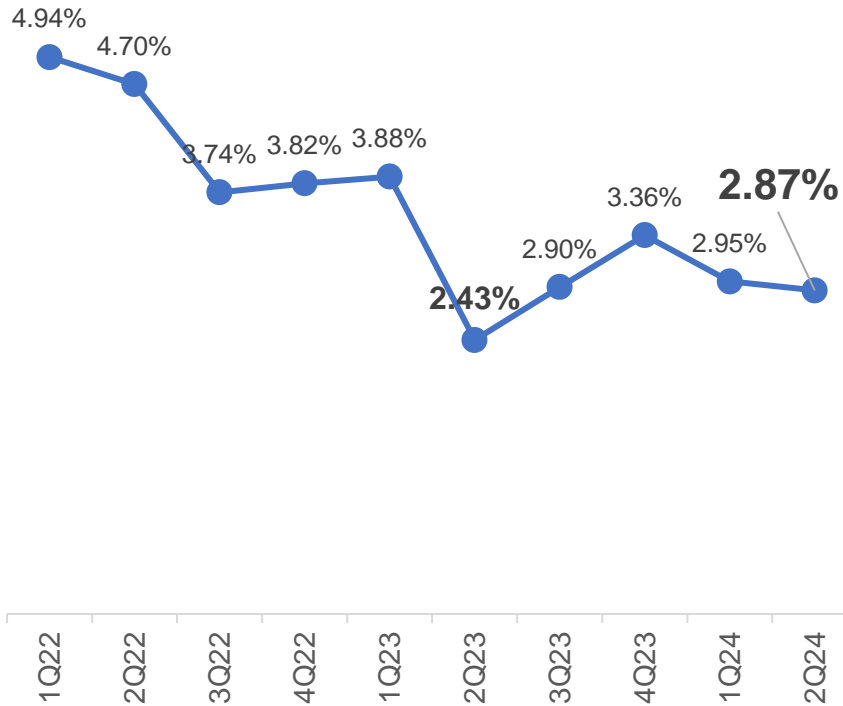
- GIL ratios maintain at 1.89% in 2Q24 vs 1.78% 2Q23
- NIL ratio at 1.18% in 2Q24 vs 1.12% in 2Q23
- Recoveries for 2Q24 stood at RM83.5m, 2Q23 at RM 163.2m



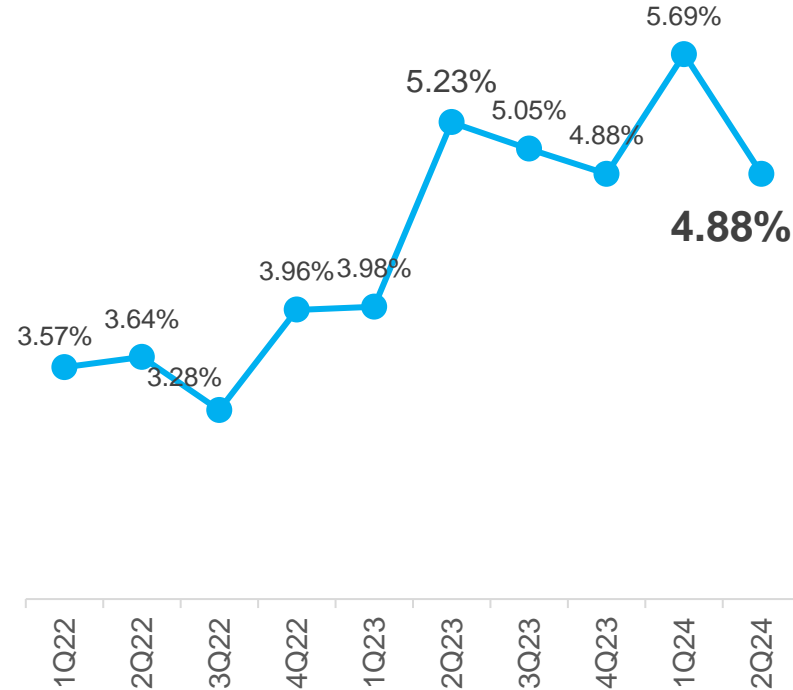
Continuous Asset Quality Monitoring of Portfolios Across the Group

Gross Impaired Loans/Financing Ratio (%)

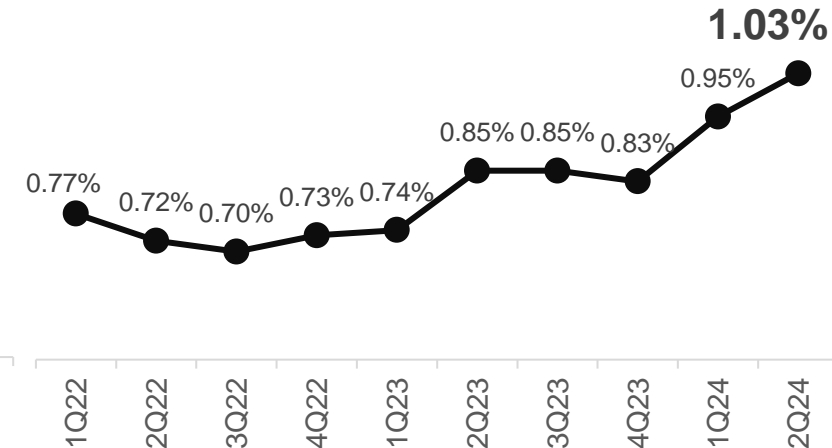
Corporate



Enterprise



Community



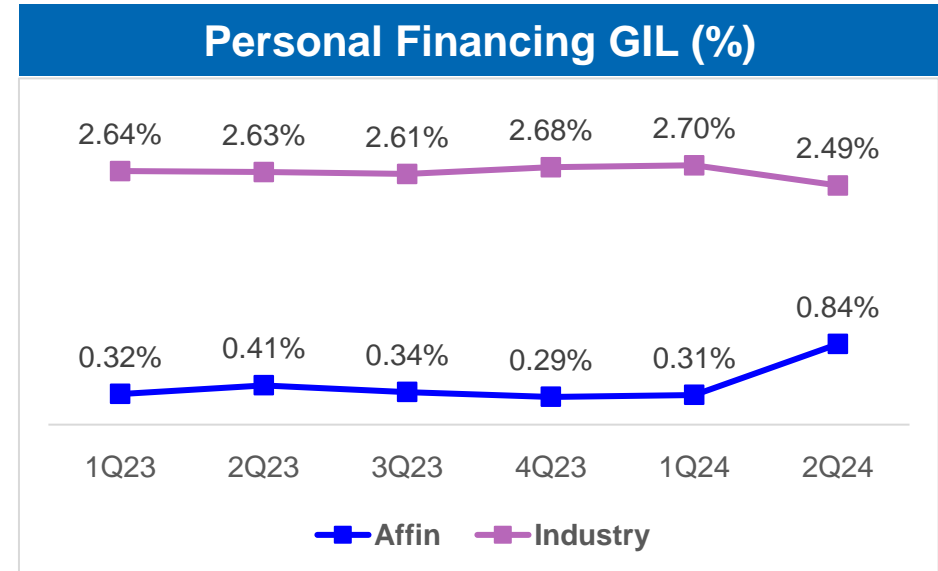
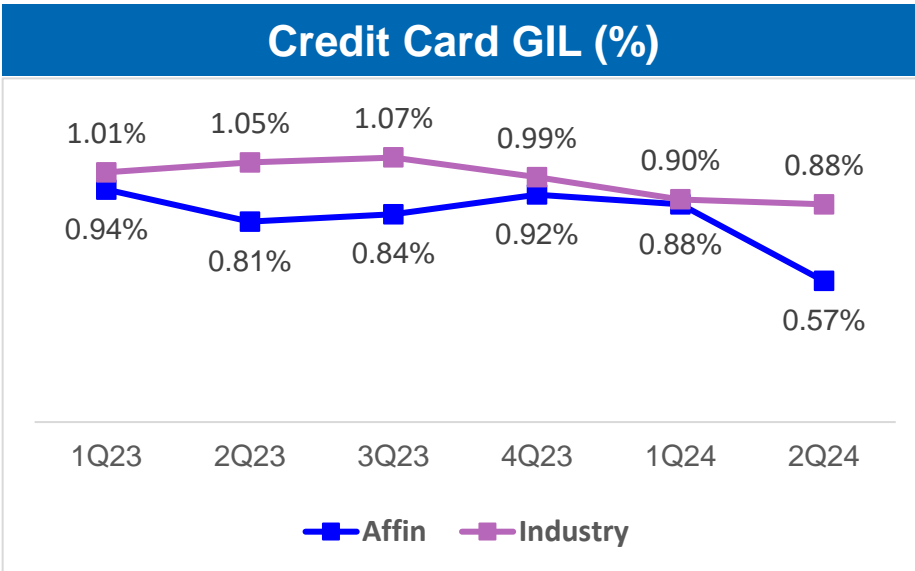
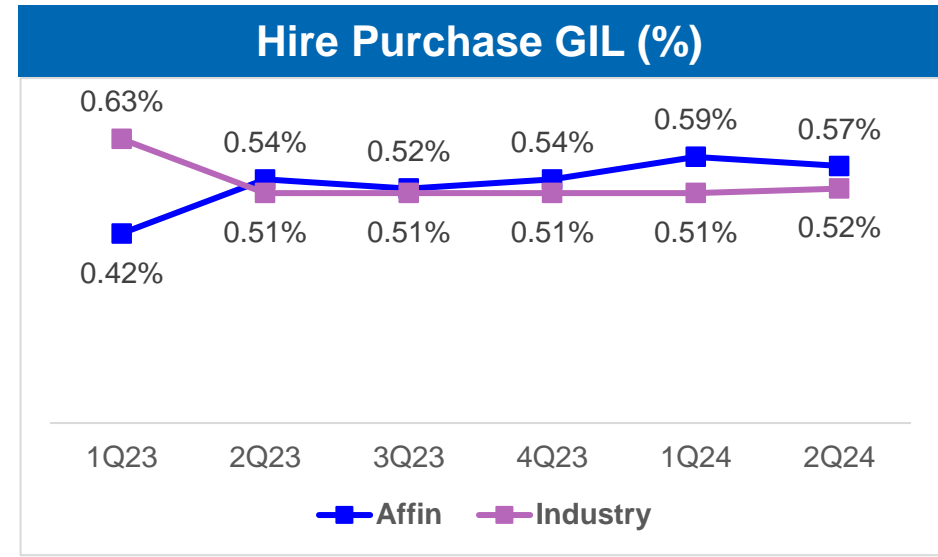
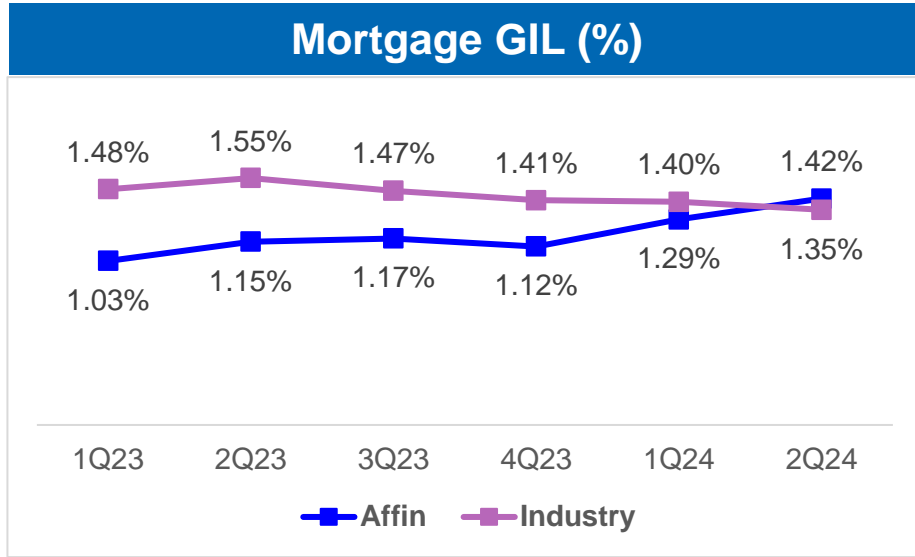
- Repayments and writeoffs from Corporate impaired accounts.

- New impairments coming from wholesale, retail trade, hotel & restaurants sectors. Improve in 2Q24 due to write-off.

- Increase uptick from mortgage loans.

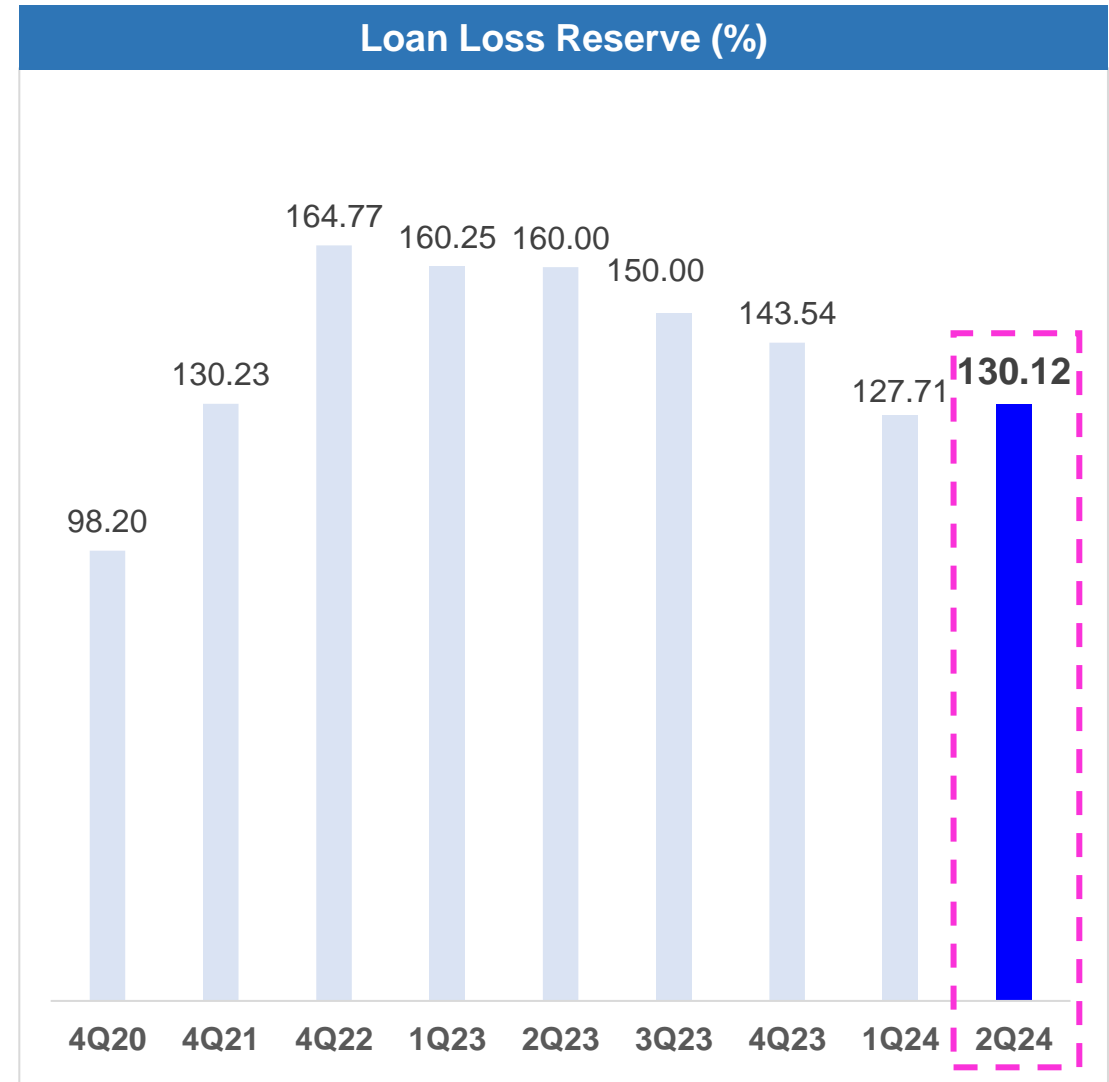
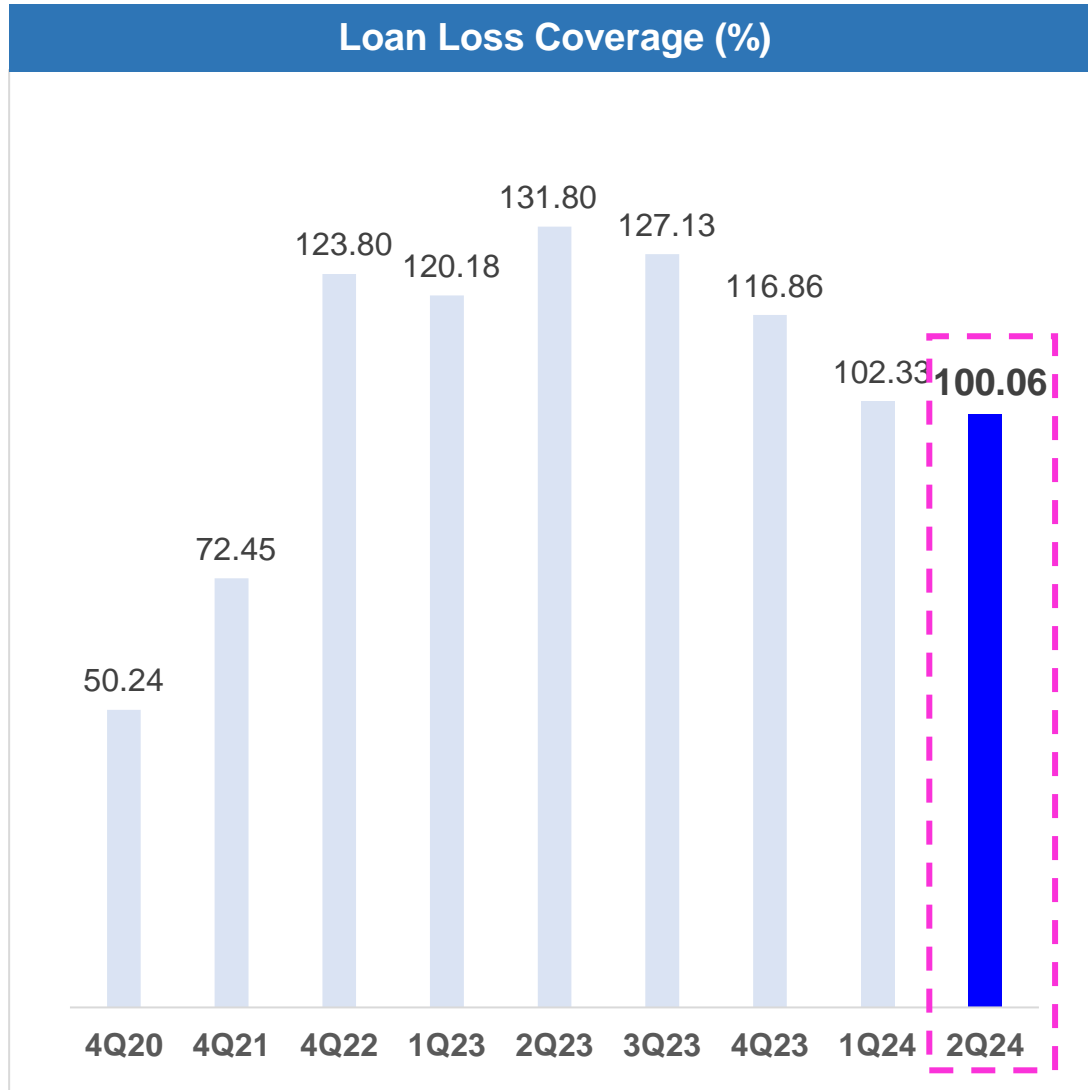


Retail GILs Slightly Uptrending





LLC Being Consumed by Elevated Levels of Impairment





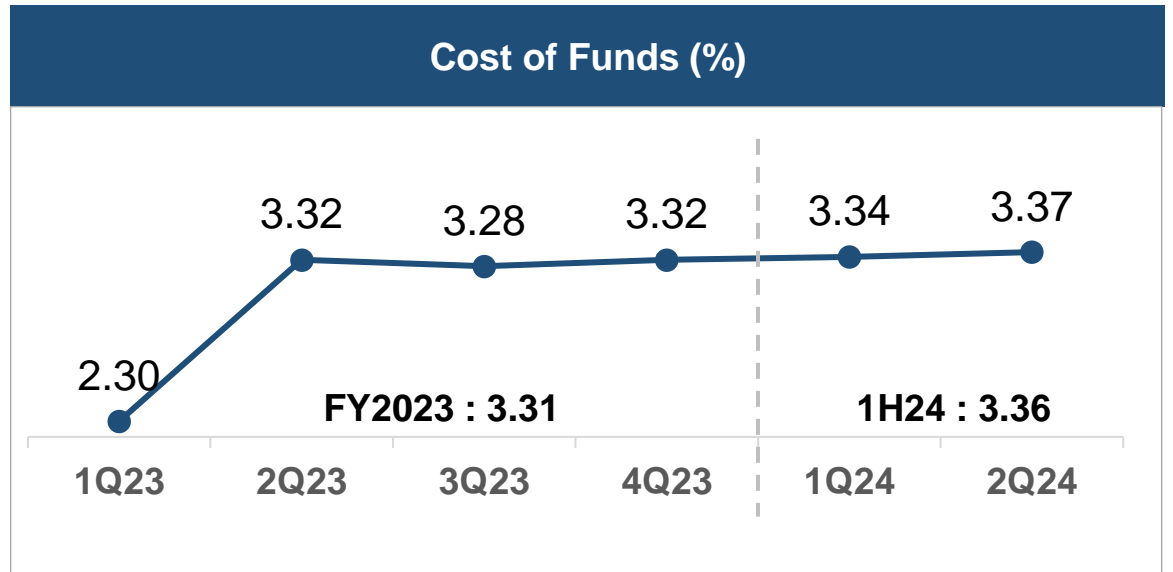
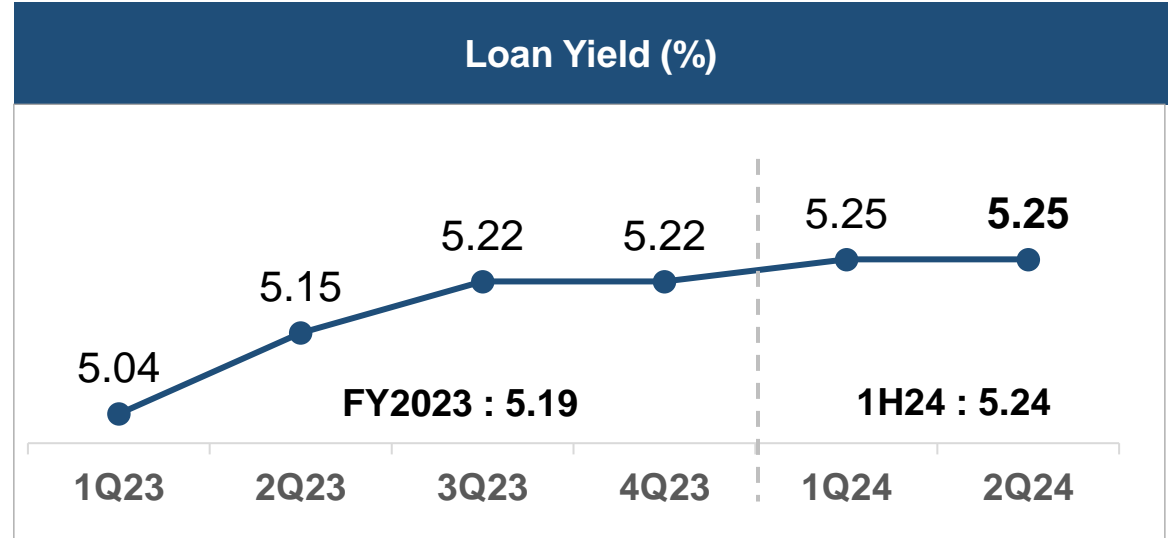
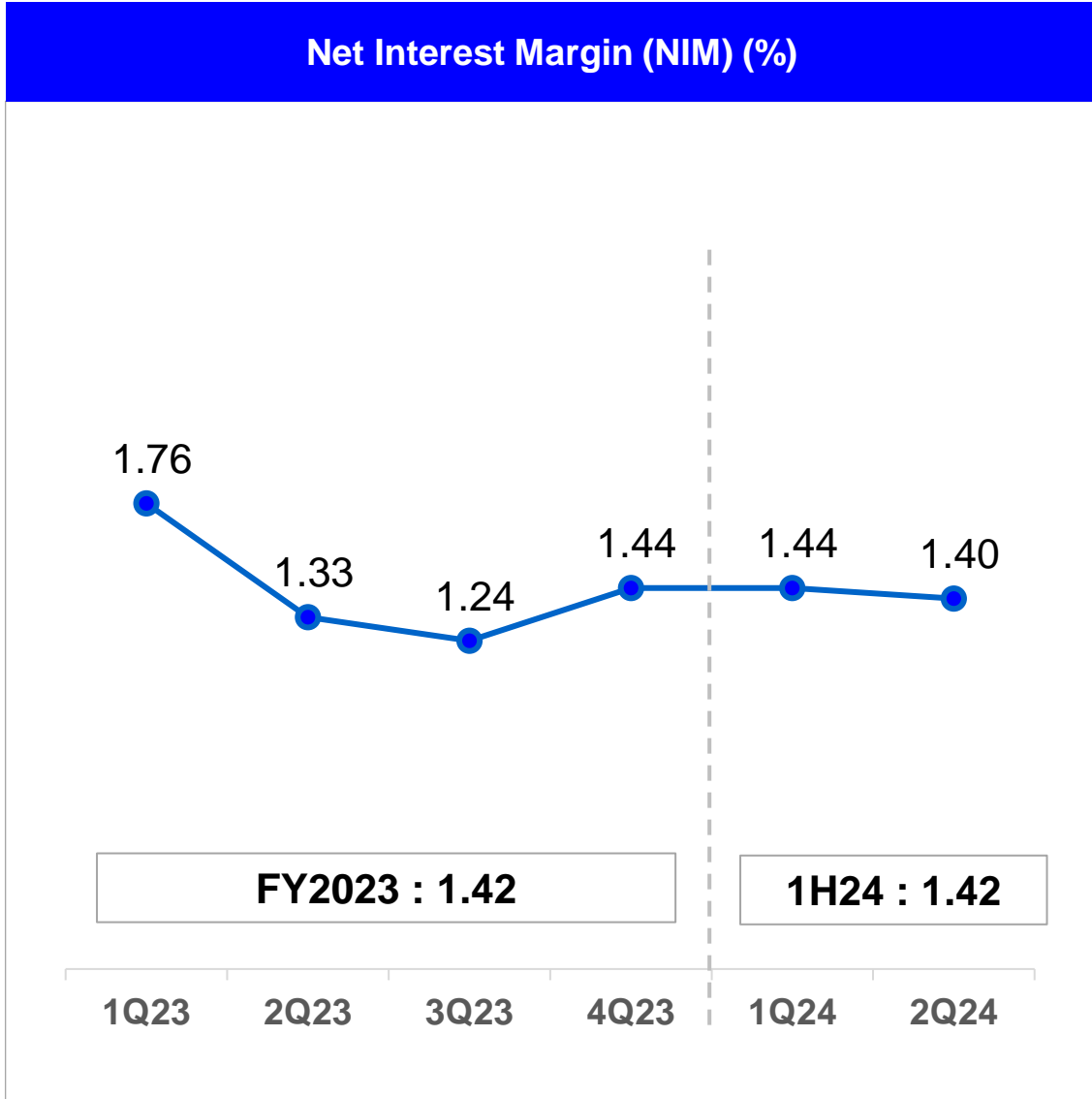
Income Statement

RM Million	Quarter		QoQ	YTD		YoY
	1Q24	2Q24	(%)	1H23	1H24	(%)
Net Interest Income	193.7	192.3	-0.7	436.2	386.0	-11.5
Income from Islamic Banking Business	168.3	160.8	-4.5	299.4	329.1	9.9
Other operating Income	142.5	141.7	-0.6	263.6	284.2	7.8
<i>of which :</i>						
<i>Net Fee and Commission Income</i>	<i>81.1</i>	<i>63.8</i>	<i>-21.3</i>	<i>131.6</i>	<i>144.9</i>	<i>10.1</i>
<i>Net Gains on Financial Instruments</i>	<i>52.0</i>	<i>38.9</i>	<i>-25.2</i>	<i>52.5</i>	<i>90.9</i>	<i>73.1</i>
<i>Other Income</i>	<i>9.4</i>	<i>39.0</i>	<i>314.9</i>	<i>79.5</i>	<i>48.4</i>	<i>-39.1</i>
Net Income	504.5	494.8	-1.9	999.1	999.3	0.0
Operating Expenses	-378.9	-367.8	-2.9	-646.4	-746.7	15.5
Allowances for Impairment Losses	18.4	12.3	-33.2	-36.5	30.7	-184.1
Share of results of Associate	1.0	11.4	1040.0	30.1	12.4	-58.8
Zakat	-1.0	-1.7	70.0	-0.7	-2.7	285.7
Profit Before Taxation	144.0	149.0	3.5	345.7	293.1	-15.2
Taxation	-33.9	-30.4	-10.3	-83.5	-64.3	-23.0
Profit After Taxation	110.1	118.6	7.7	262.2	228.7	-12.8



Revving Up Fee Income

RM Million	Quarter		QoQ	YTD		YoY
	1Q2024	2Q2024	(%)	1H2023	1H2024	(%)
Fees & Commission	45.5	39.7	-14.7	86.6	85.2	-1.7
Stockbroking @net brokerage	19.9	23.3	14.7	29.2	43.2	47.9
Wealth income	7.3	6.5	-11.9	14.3	13.8	-3.4
Advisory income	2.5	0.2	-958.8	1.5	2.7	80.0
Net Fee and Commission Income	81.1	63.8	-27.1	131.6	144.9	10.1
Net Gains on Financial Instruments	52.0	38.9	-33.7	52.5	90.9	73.1
Foreign Exchange and Other Income	9.4	38.9	75.8	79.5	48.2	-39.4
Other Operating Income	142.5	141.6	-0.6	263.6	284.1	7.8
Fee Income Ratio	28.3	28.6	0.4	26.4	28.4	2.0



*NIM - based on Net Asset Yield

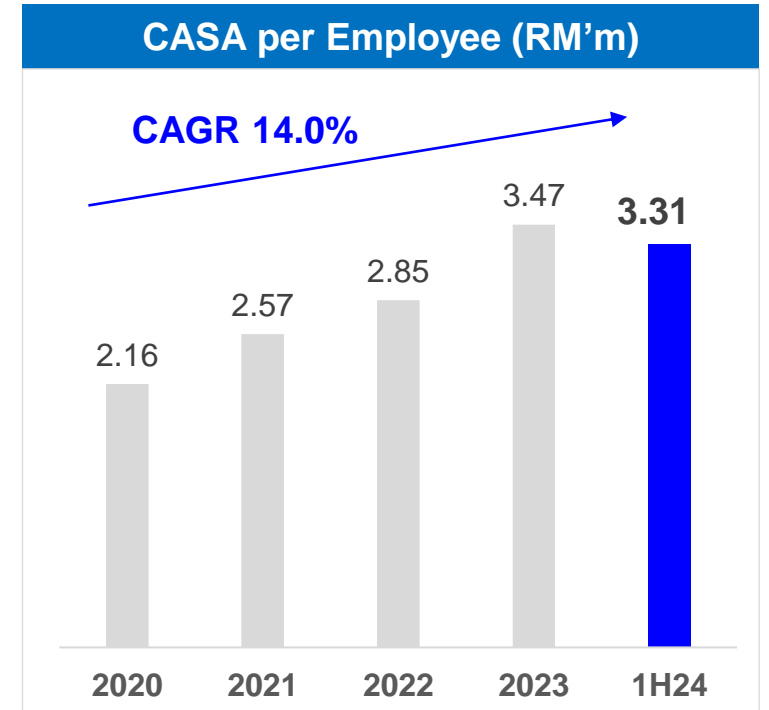
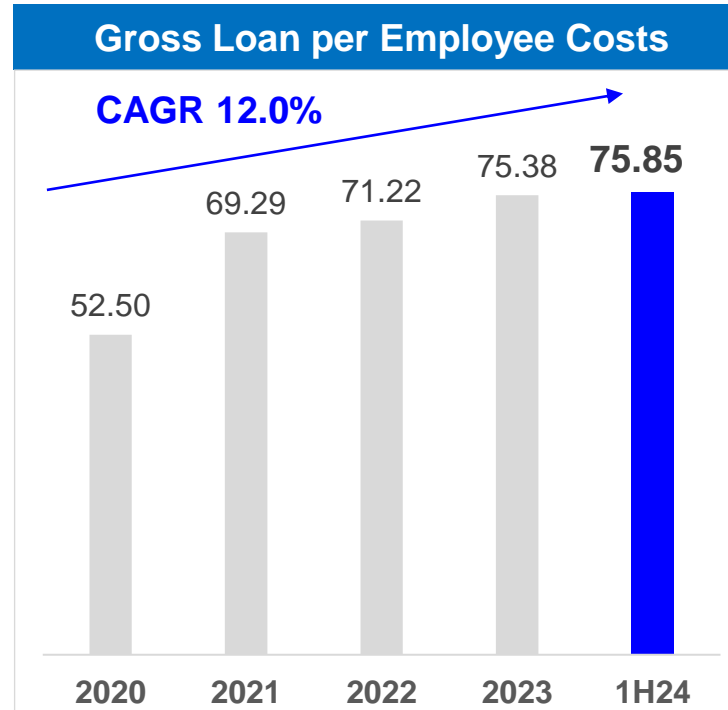
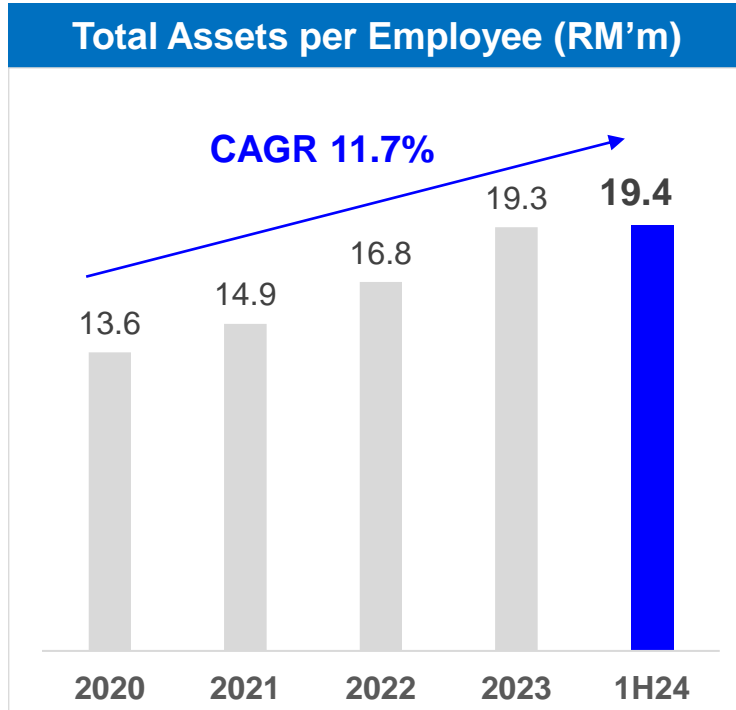


CIR Affected by NIM Compression

RM Million	Quarter		QoQ	YTD		YoY
	1Q2024	2Q2024	%	1H2023	1H2024	%
Personnel costs	220.2	234.7	6.6	397.7	454.9	14.4
Promotion & marketing related expenses	18.5	12.6	-31.9	22.1	31.1	40.7
Establishment related expenses	102.9	88.5	-14.0	150.3	191.4	27.3
General & administrative expenses	37.3	32	-14.2	76.3	69.3	-9.2
TOTAL	378.9	367.8	-2.9	690.8	746.7	8.1
Cost to Income ratio (%)	75.1%	74.3%		64.7%	74.7%	



Improving Productivity Levels

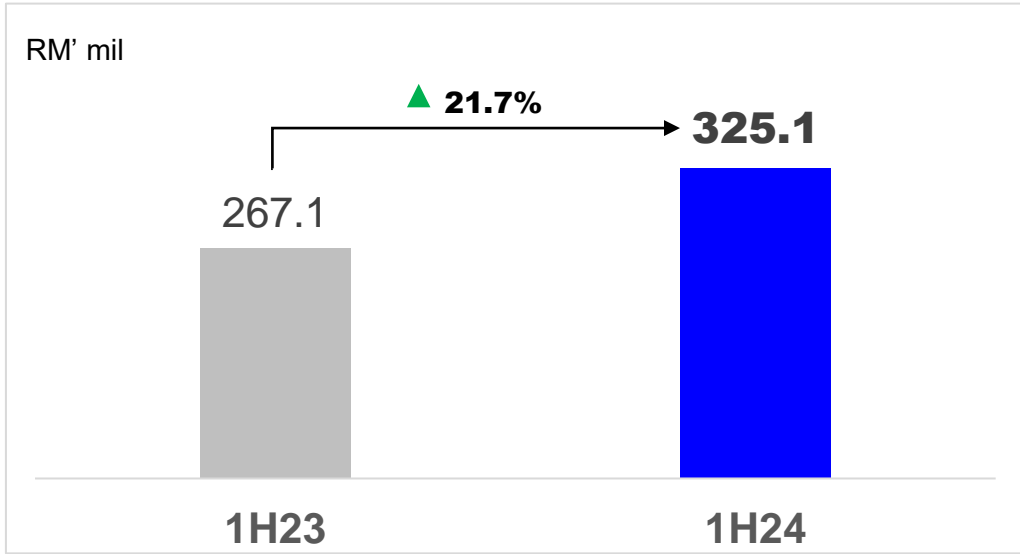


Productivity ratio:	2020	2021	2022	2023	1H24	3 ½ -year CAGR (2020-1H24)
Gross loans / employee (RM mil)	9	9.8	11.1	12.2	12.4	10.2%
Total assets / employee (RM mil)	13.6	14.9	16.8	19.3	19.4	11.7%
CASA / employee (RM mil)	2.2	2.6	2.8	3.5	3.3	14.0%
Total deposits / employee (RM mil)	9.7	11.2	12.1	13.0	12.8	8.8%
Gross loans / employee costs (x)	52.5	69.29	71.22	75.38	75.85	12.0%

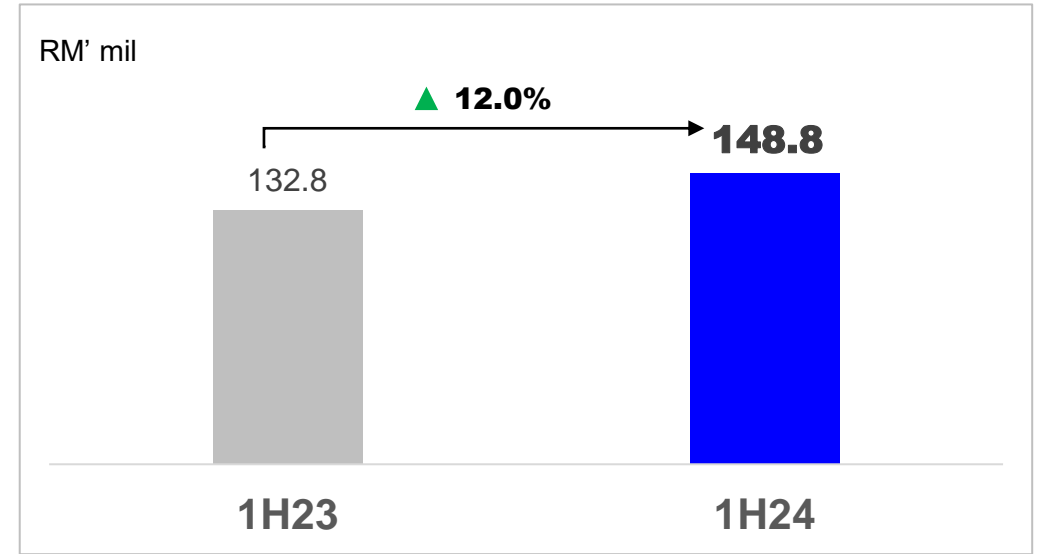


Improved Performance from Islamic Bank

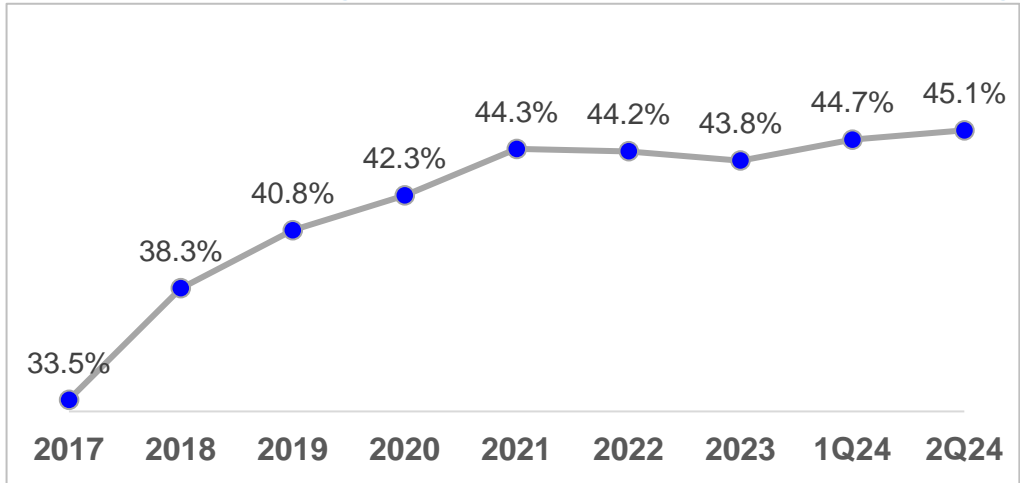
Islamic Income



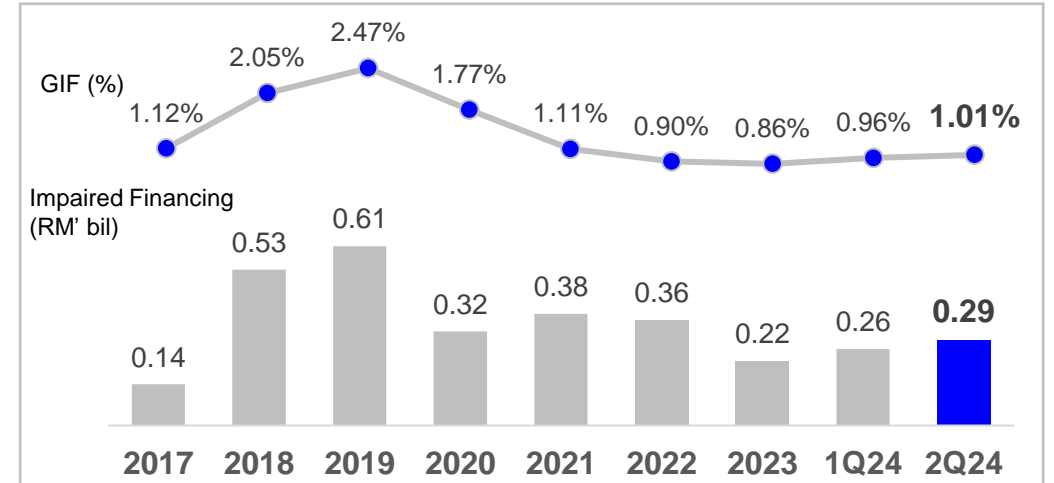
Profit Before Tax



Islamic Financing Composition / Total Gross Financing

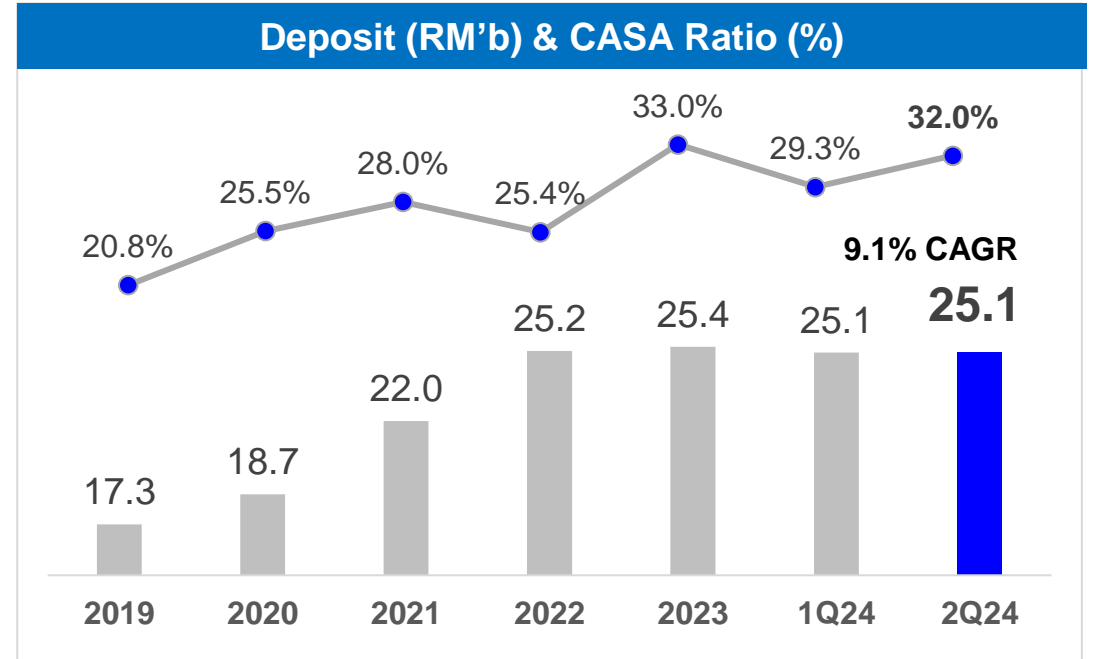
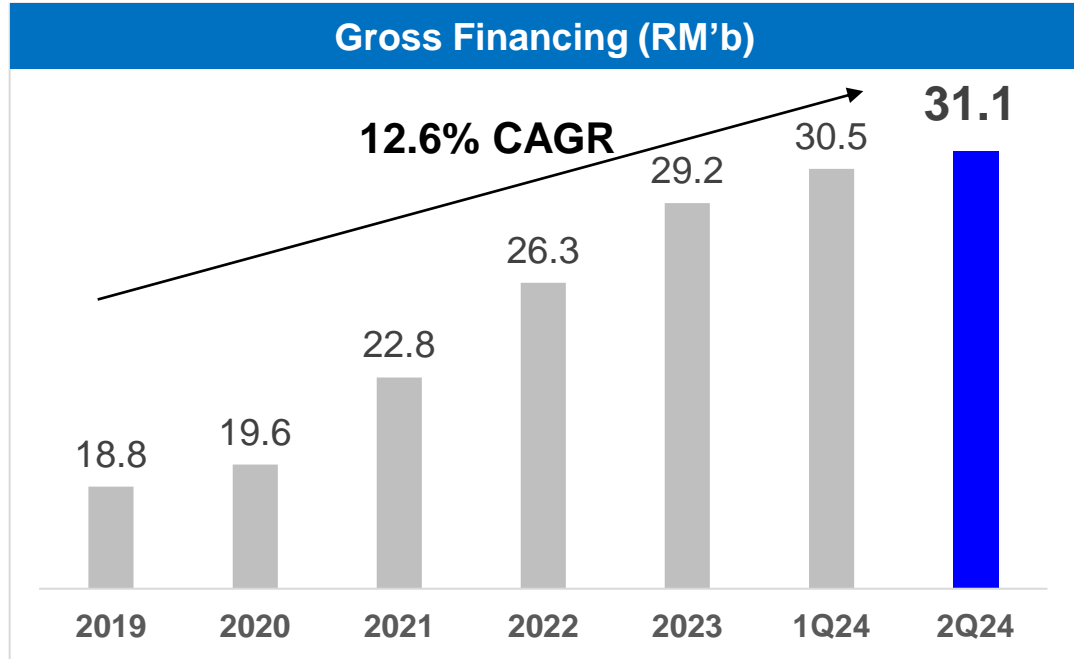


Asset Quality





AFFIN Islamic Bank Financing and Deposits



Financing & Deposits (RM'm)	Jun-23	Mar-24	Jun-24	QoQ	YoY
Gross loans, advances & financing	27,318.0	30,452.8	31,108.2	2.2%	13.9%
Deposit from customers	27,178.3	25,089.9	25,103.1	0.1%	-7.6%
Of which : Current Account	6,046.8	5,567.8	6,565.4	17.9%	8.6%
Savings Account	1,272.0	1,784.8	1,468.1	-17.7%	15.4%
Total CASA	7,318.8	7,352.6	8,033.5	9.3%	9.8%
Fixed Deposits, NIDs, MMD & CMD	19,859.5	17,737.3	17,069.6	-3.8%	-14.0%



PBT Contribution by Subsidiaries and Associates

Entity (RM'm)	Quarter		QoQ %	YTD		YoY %
	1Q24	2Q24		1H23	1H24	
Affin Bank Berhad	21.4	56.4	▲ >100.0	182.5	77.7	▼ -57.4
Affin Islamic Bank Berhad	98.6	50.2	▼ -49.1	132.8	148.8	▲ 12.0
Affin Hwang Investment Bank Berhad	19.9	30.8	▲ 54.8	31.2	50.7	▲ 62.5
Generali Life Insurance Malaysia Berhad	-2.5	0.1	▲ >100.0	-1.1	-2.4	▼ >-100.0
Generali Insurance Malaysia Berhad	3.5	11.3	▲ >100.0	31.2	14.8	▼ -52.6
Affin Moneybrokers Sdn Bhd	0.8	0.5	▼ -37.5	1.1	1.3	▲ 18.2
Consol adjustments	2.3	-0.3	▼ >100.0	-32.1	2.1	▲ >100.0
PBT	144.0	149.0	▲ 3.5	345.6	293.1	▼ -15.2



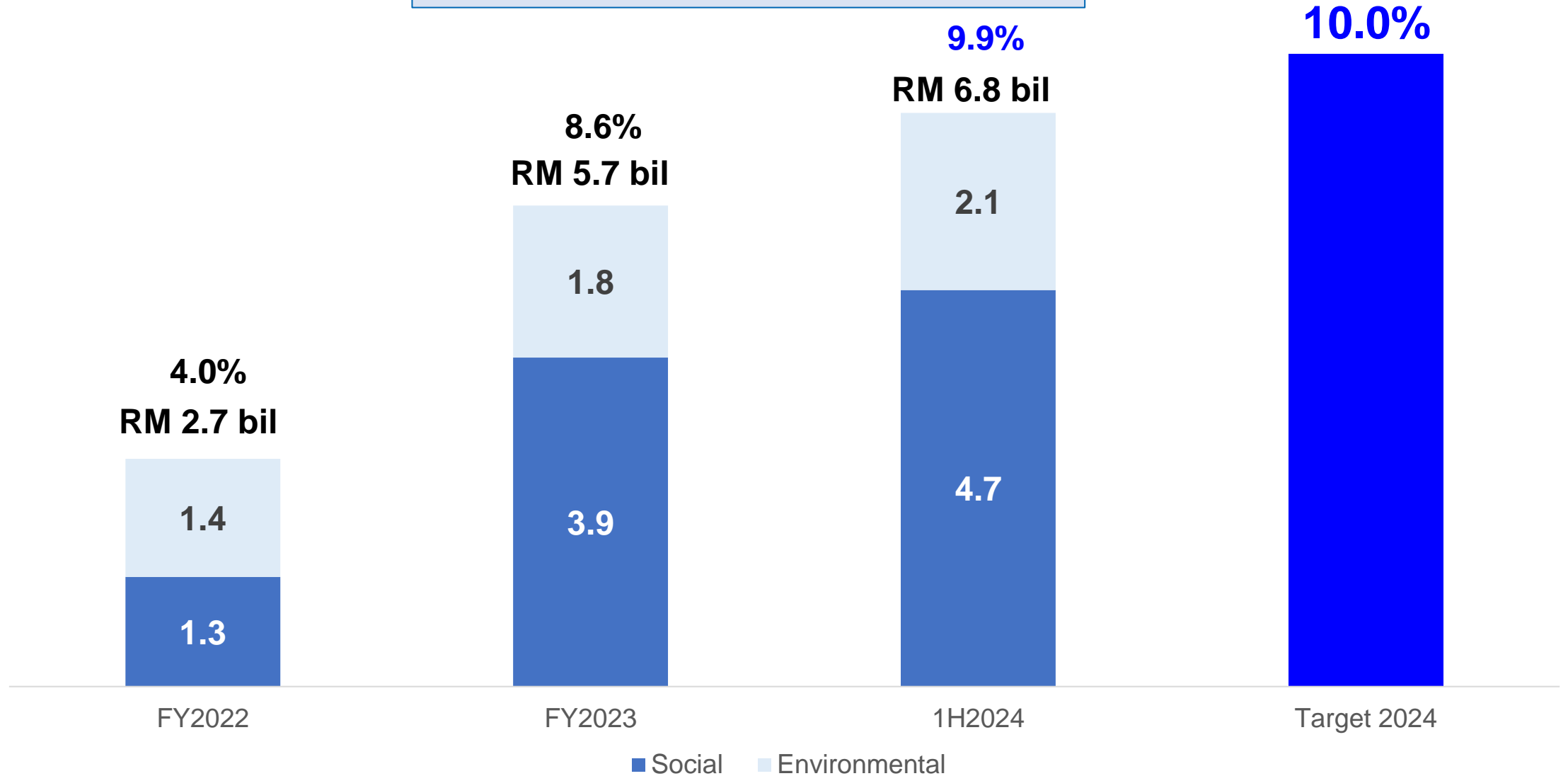
Key Ratios

RATIO(%)	Quarter		QoQ	YTD		YoY
	1Q24	2Q24	Fav/(adv)	1H23	1H24	Fav/(Adv)
PROFITABILITY						
Return on Equity	3.90	4.20	▲ 0.30	4.81	4.07	▼ -0.74
Net Interest Margin	1.44	1.40	▼ -0.04	1.57	1.42	▼ -0.18
Cost to Income Ratio	75.11	74.35	▼ 0.76	64.70	74.72	▲ -10.02
LIQUIDITY						
CASA Ratio	24.92	25.89	▲ 0.97	23.21	25.89	▲ 2.68
Liquidity Coverage Ratio	162.77	170.23	▼ -7.46	203.00	170.23	▼ -32.77
ASSET QUALITY						
Gross Impaired Loan Ratio	1.96	1.89	▼ 0.07	1.78	1.89	▲ -0.11
Loan Loss Coverage Ratio	102.33	100.06	▼ -2.27	131.80	100.06	▼ -31.74
Loan Loss Reserve Ratio	127.71	130.12	▲ 2.41	160.00	130.12	▼ -29.88
CAPITAL						
CET 1 Capital Ratio	13.44	12.84	▼ -0.60	14.11	12.84	▼ -1.27
Tier 1 Capital Ratio	14.93	14.27	▼ -0.66	16.17	14.27	▼ -1.90
Total Capital Ratio	17.57	16.64	▼ -0.93	18.83	16.64	▼ -2.19



Sustainable Financing – Progress Update

Current and Targeted Portfolio (RM bil)





ESG Initiatives In Motion

AFFIN x DHL GoGreen Plus



X



AFFIN Klean Reverse Vending Machines

49-inch LED panel



32-inch touch screen

AI-enabled chute for container recognition

Installation of Solar Panels



12 branches equipped with solar panels

RM131,960 or 259,254 kwh saved thus far

AFFIN Interceptor



Branding from ESG Activities – AFFIN Interceptor



WARDS



has been recognized as the

RETAIL BANK OF THE YEAR IN MALAYSIA

*in the Asset Triple A Islamic Finance Awards 2024
by The Asset*



has been recognized as the

BEST SUSTAINABILITY SUKUK - HEALTHCARE

*in the Asset Triple A Islamic Finance Awards 2024
by The Asset*



has been recognized as the

BEST SYNDICATED LOAN - RENEWABLE ENERGY

*in the Asset Triple A Islamic Finance Awards 2024
by The Asset*



has been honoured with the

INDUSTRY EXCELLENCE IN INNOVATIVE PAYMENT SOLUTION

by the Malaysia Top Achievers 2023

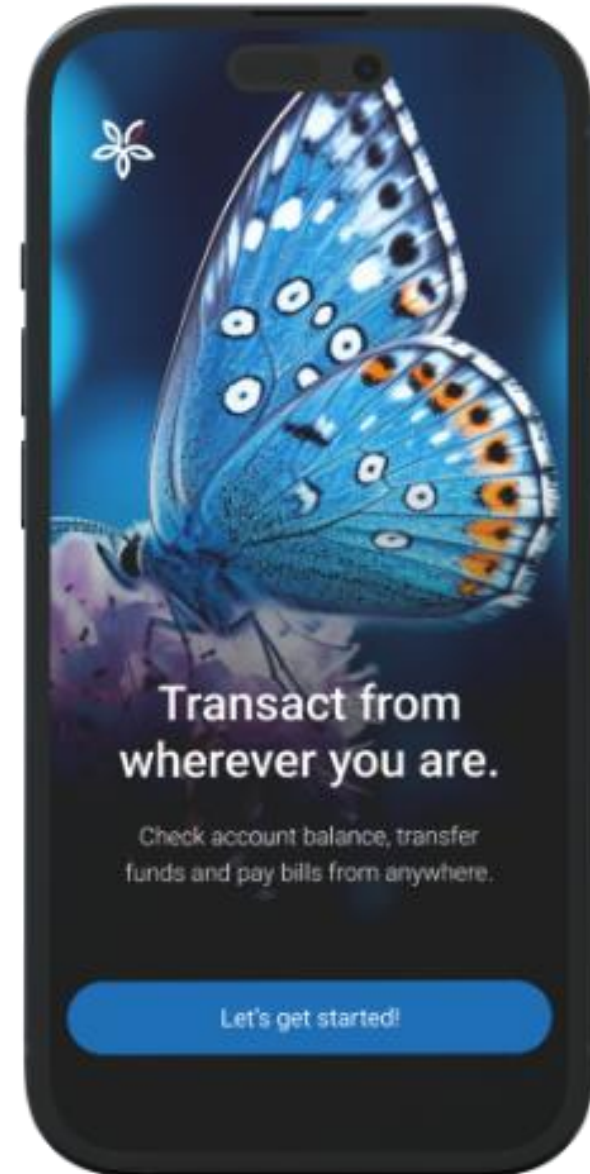
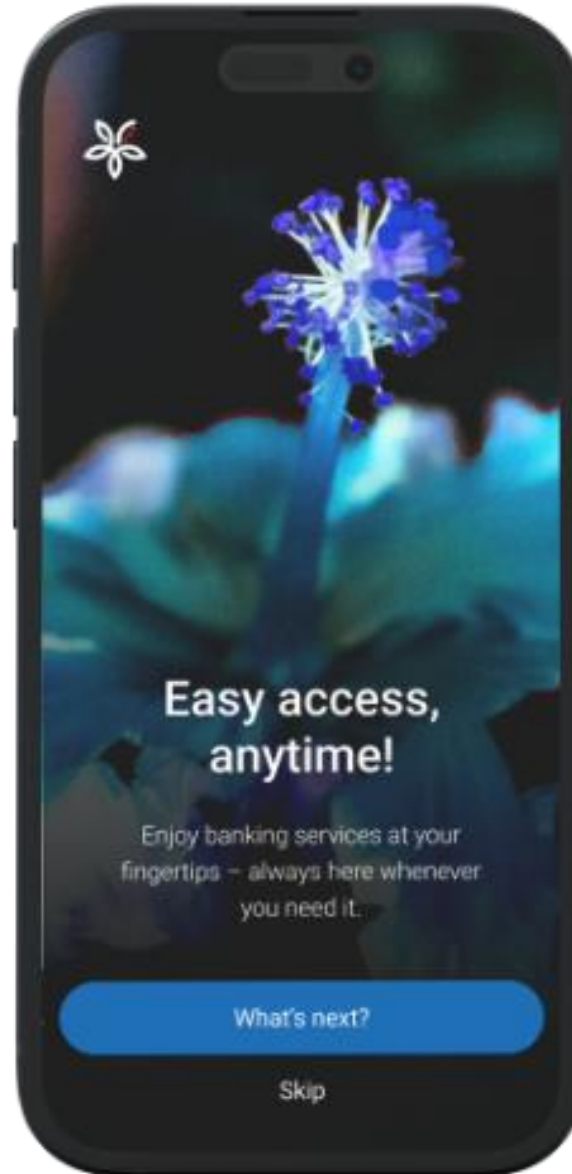




SCEND



Welcome Screens of the new MIB launching in December 2024





New MIB Dashboard

Colours & White Space

- Familiarity of AFFIN branding colour
- Reduce eye fatigue
- Trendy & Minimalist
- At par with market practise

View & Hide Account Balance

- Privacy control according to user preference

Copy Account No

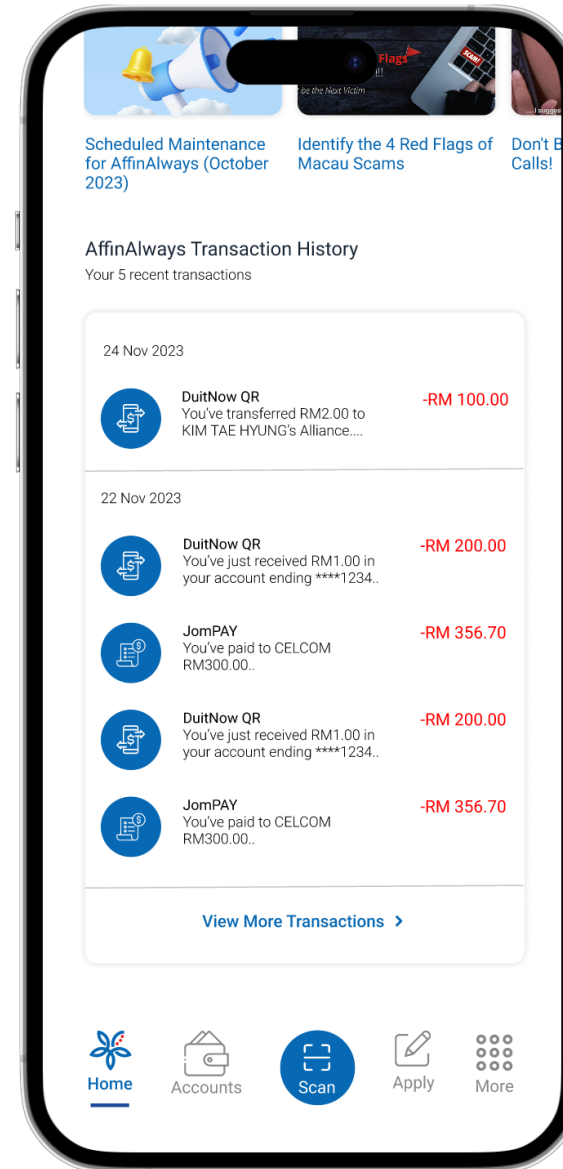
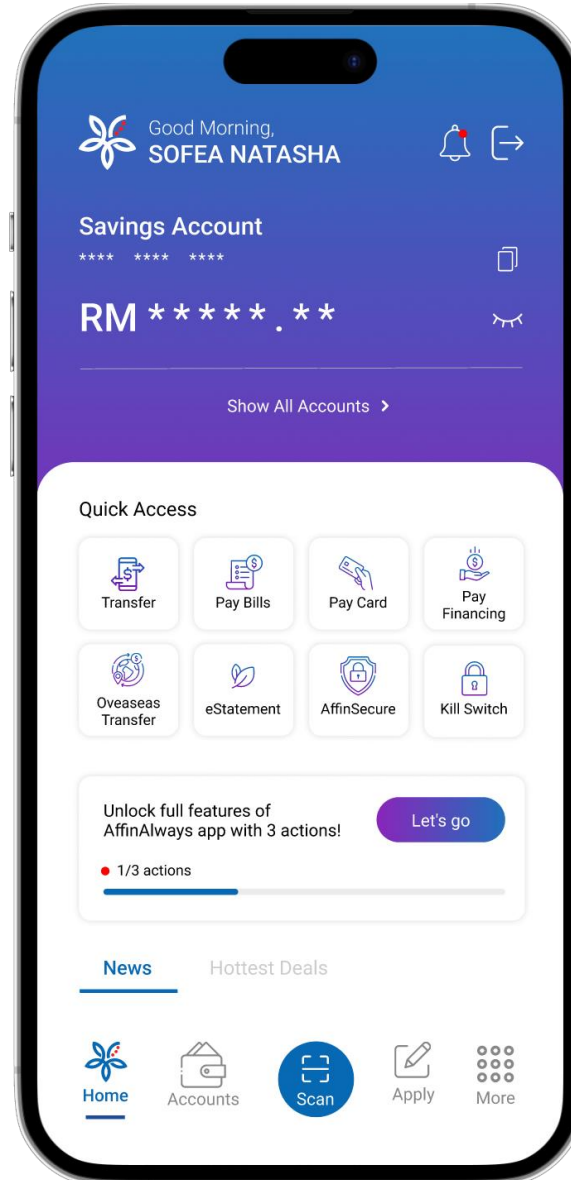
- Convenience for users and minimize error

Usage of Icons

- Easy access
- Allow fast transaction
- Convenient
- Highly visible

Step-by-Step Guide

- Helpful for users to complete setup



News & Hottest Deals

- For users to keep updated with latest news and promos

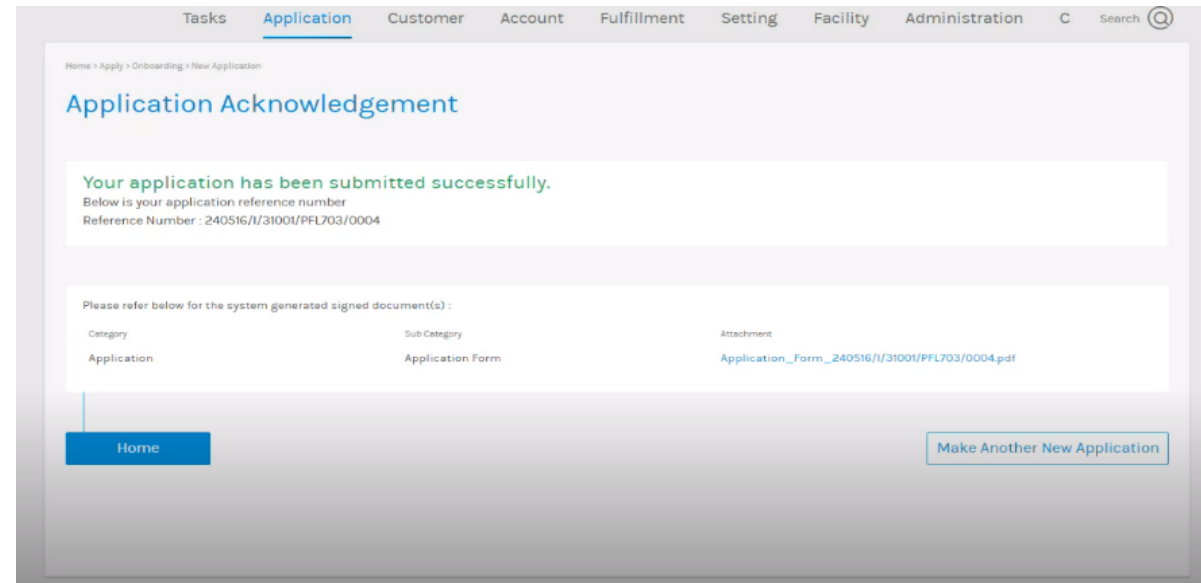
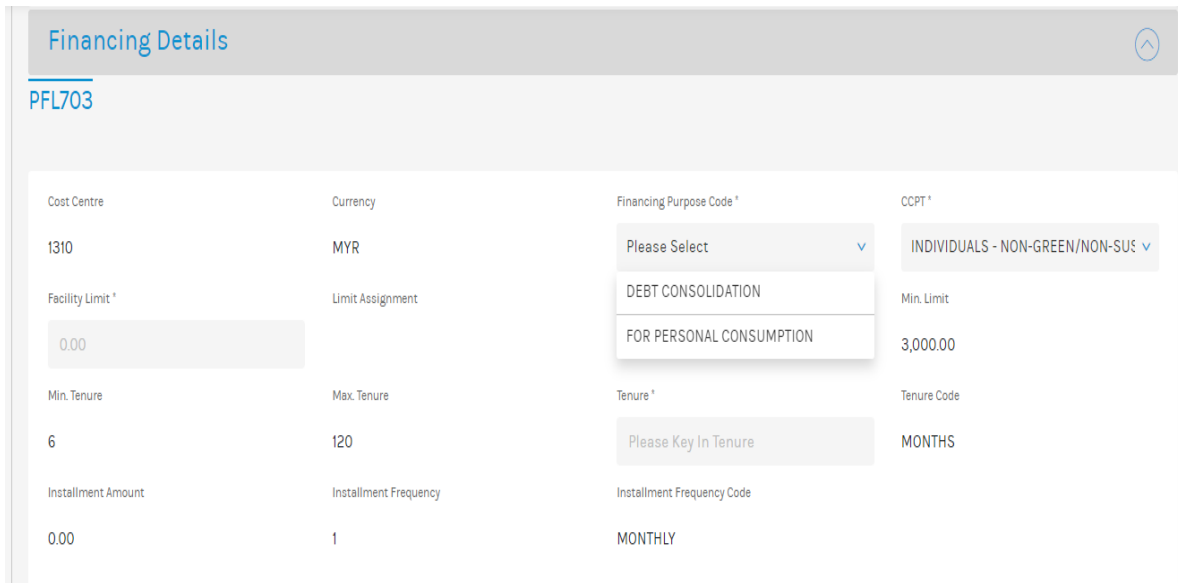
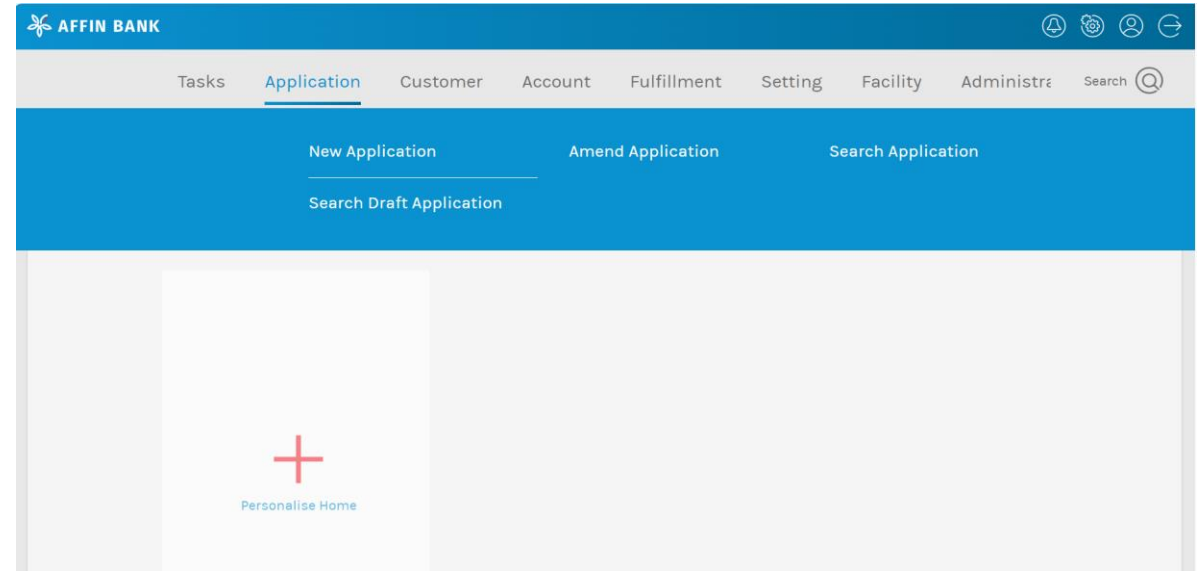
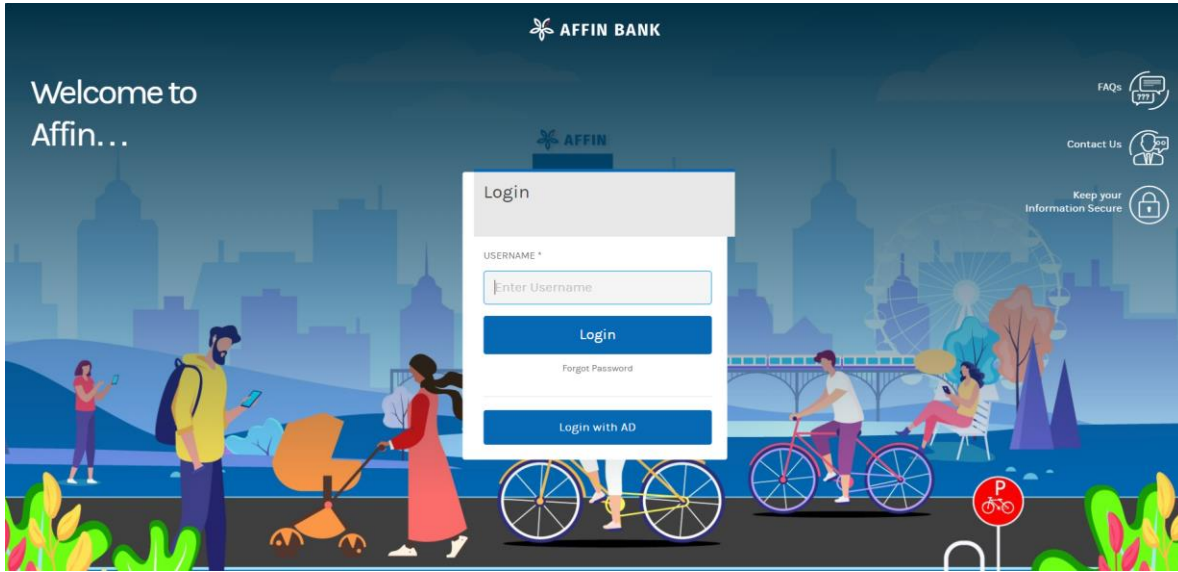
Comprehensive Info Display

- User's main account displayed at one glance
- Quick view of latest transactions
- Option to view more transaction details

Bottom Navigation

- Easy access to QR Payment and Accounts
- Access to Online Application services

New Digital Core to be Launched



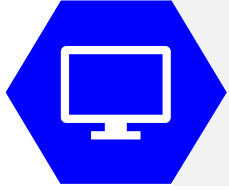


Final Remarks

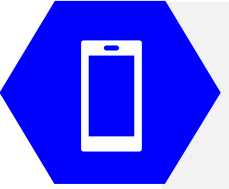




Final Remarks



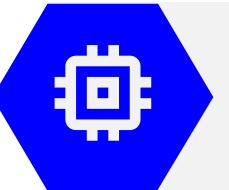
Digital core is ready. Go-Live subject to regulatory approval. Meanwhile, proceeding with Phase 2 of Digital Core developments with enhancement of CASA, Deposits and e-Wallet capabilities.



New mobile banking platform progressing well, target December 2024 Go-Live. This will enhance further our deposit franchise.



The Group aims to optimise operational cost structure and Cost of Funds. Whilst delivering customer innovative solutions to meet evolving customer expectations. NIM is expected to compress in a short-term as the Bank focuses on higher credit quality clients given the soft economics conditions.



We remain committed to 3 key strategic priorities: Unrivalled Customer Service, Digital Leadership and Responsible Banking with Impact. Unrivalled Customer Service pillar has been achieved and exceeded. AFFIN Private Banking to be launched in September 2024 providing another engine of expansion and evolution.

The next pillar, of Digital Leadership is progressing as planned, to be achieved by end 2025. This will provide the catalyst and platform for future growth.

Entry of Sarawak State Shareholder expected to be on track although slightly delayed. These will provide a quantum shift in the masterplan with access to huge customers and deposit / liquidity base. Our presences in Sarawak will be amplified in the shortest possible time, by end of 2024.



End of Presentation

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

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