
**AFFIN GROUP RECORDS PBT OF RM196.3 MILLION ON THE BACK OF
BUSINESS GROWTH 14.3% YoY IN 1Q2023**

KUALA LUMPUR – AFFIN Group (“the Group”) recorded a Profit Before Tax (PBT) after zakat of RM196.3 million for 1Q2023, a slight decrease of 1.9% as compared to 1Q2022 of RM200.2 million. The earnings were supported by the growth in our Islamic Banking Business which grew 3.5% to RM154.1 million in 1Q2023. AFFIN Group continues to see business growing at 14.3%, as reflected in its loan and financing portfolios reaching RM61.2 billion (1Q2023) from RM53.5 billion (1Q2022). Total assets grew 12.7%YoY to RM94.1 billion in 1Q2023 from RM83.5 billion in 1Q2022.

President & Group Chief Executive Officer of Affin Bank Berhad, Datuk Wan Razly Abdullah said, “AFFIN Group continues to pursue its three-year strategy, the A25 Plan, which focuses on three strategic objectives - Unrivalled Customer Service, Digital Leadership, and Responsible Banking with Impact, with the aim to reach Return on Equity (ROE) of 10% by 2025.

He added, “We were honoured to have received the **2023 Malaysian Banking Transformational Excellence Award** at the **5th Malaysian Banking and Finance Summit** on 23 May 2023. The recognition reflects the continuation of our growth strategy to morph into a modern, tech-enabled and customer-centric organisation.”

Net Interest Income

Net interest income (NII) recorded at RM233.6 million, an increase of 2.0%YoY as compared to the previous financial quarter of RM229.0 million, mainly due to higher asset base.

Islamic Banking

Affin Islamic Bank Berhad was a significant contributor to the Group as its Net Income recorded an increase of 3.5% due to strong financing growth at 14.3%. Affin Islamic Bank Berhad recorded a significant improvement in asset quality with its Gross Impaired Financing closing at 0.92% in 1Q2023 as compared to 1.05% in 1Q2022.



Non-Interest Income

Non-interest income for the period under review was RM106.6 million, a decrease of 29.4% or RM44.3 million from RM150.9 million registered in the previous corresponding quarter.

Asset Quality

As at 31 March 2023, the GIL ratio for the Group recorded at 1.96% as compared to 2.43% as at 31 March 2022 due to stronger recovery efforts. As a result, the Group's gross credit cost stood at 3bps in 1Q2023 from 26bps in 1Q2022.

Loan Loss Coverage (LLC) and Loan Loss Reserve (LLR)

The Group continued to strengthen its reserves as evident by the increase in Loan Loss Coverage (LLC) and Loan Loss Reserve (LLR) at 120.18% and 160.25% respectively, as compared to LLC of 74.54% and LLR of 130.00% in 1Q2022.

Operating expenses

Operating expenses reduced slightly to RM330.0 million for the quarter ended 31 March 2023 as compared to RM340.4 million in the same quarter of previous year. The Cost-to-Income ratio for the Group was 66.76%. We are currently embarking on a Group-wide AFFIN Cost Efficiency (ACE) initiatives to further optimise our cost moving forward.

Loans & Deposits Growth

As at 31 March 2023, the Group's total loans, advances and financing grew by 14.3% YoY to RM61.2 billion contributed mainly by the 22.4% growth in the Community Banking segment of which Housing Loans grew by 23.3%, whilst Auto Finance loans rose by 16.8%.

On the deposits, CASA (Current Account/Savings Account) balances stood at RM14.7 billion for the quarter ended 31 March 2023 contributing to a CASA ratio of 22.33%. The Group's customer deposits increased by 5.8% YoY to RM65.9 billion as at 31 March 2023 as our CASA initiatives continue to deliver positive results.



Capital Adequacy Ratios & Liquidity

As at 31 March 2023, the Group's Total Capital ratio was at 18.64%, Tier 1 capital ratio at 15.97% and Common Equity Tier 1 (CET1) capital ratio at 14.64%. Liquidity Coverage Ratio remains healthy at 208% as at 1Q2023, well above the regulatory requirement of 100%.

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About AFFIN Group

Consisting of Affin Bank Berhad as the financial holding company of Affin Islamic Bank Berhad, Affin Hwang Investment Bank Berhad, Affin Moneybrokers Sdn Bhd. Generali Insurance Malaysia Berhad and Generali Life Insurance Malaysia Berhad are associate companies of Affin Bank Berhad.

AFFIN Group provides a suite of financial products and services that is catered to both retail and corporate customers. The target business segments are categorised under key business units such as Community Banking, Enterprise Banking, Corporate Banking, Treasury, Investment Banking and Securities. For more information, please visit <https://www.affingroup.com>

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