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## **AFFIN GROUP ANNOUNCES PROFIT BEFORE TAX OF RM178.2 MILLION FOR THE FIRST QUARTER 2025 ENDED 31 MARCH 2025**

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**KUALA LUMPUR – AFFIN Group (“AFFIN” or “the Group”)** reported a Profit Before Tax (PBT) after zakat of RM178.2 million for the financial period ended 31 March 2025, representing an increase of RM34.1 million or 23.7% compared to RM144.0 million recorded in the previous corresponding period. The increase in PBT was primarily driven by a higher net income of RM39.4 million.

The gross loans and financing marked a year-on-year growth of 7.1%, achieving a value of RM72.9 billion, as compared to RM68.0 billion as of 31 March 2024. Customer deposits increased by 5.2% to RM75.5 billion, while Current Account and Savings Account (CASA) ratio continued to improve significantly to 32.2% as of 31 March 2025, as compared to 24.9% as of 31 March 2024.

**Datuk Wan Razly Abdullah, President & Group Chief Executive Officer of AFFIN Group,** said, “Our first quarter performance reflects continued execution of our **AFFIN Axelerate 2028 (AX28) Plan**, with PBT rising 23.7% year-on-year to RM178.2 million. This was underpinned by higher net interest income, improved funding mix, and a stronger contribution from associates.”

“Amid a persistently tight monetary environment and ongoing global macroeconomic headwinds, we continued to exercise prudent cost and credit discipline. While we remain cautious on the near-term outlook due to external volatility, we remain confident in our ability to navigate the landscape, supported by healthy asset quality, a well-diversified balance sheet, and disciplined execution.”

“We are delighted to announce that our first international credit rating of **A3** from **Moody’s Ratings** strengthens our credit profile and elevates the Group’s standing in global capital markets. This positions us to secure more cost-efficient USD funding, diversify our investor base, and unlock strategic cross-border financing opportunities that support our long-term growth trajectory.”

“AffinAlwaysX, our new Mobile Banking Application, was successfully launched internally to 5,700 employees and is performing well ahead of its public rollout on 22 May 2025. Designed with enhanced UI/UX features, excellent security, and exciting upgrades, AffinAlwaysX is expected to drive exponential growth towards a target of 1.3 million users by year-end. This initiative will also strengthen CASA stickiness, supported by a focused payroll acquisition strategy.”

“Our CASA ratio stood at 32% as at 1Q2025, surpassing the FY2025 target of 31%, is a result of our continued efforts to lower the Group’s cost of funds. We expect the momentum in CASA growth to snowball into lower cost of funds and Net Interest Margin expansion.”

“On that note, our strong business pipeline includes financial advisory services and debt capital market deals, with the recent lead role in the financing of Macrovalue’s acquisition of Cold Storage Singapore, with many more landmark deals to come.”

“Our recent collaboration with MUFG Bank (Malaysia) Berhad, the fifth largest bank in Asia, underscores our commitment to providing tailored solutions, facilitating cross-border trade and investment, and expanding our expertise in key areas, including Islamic Finance, Green Finance, and Digital Transformation. By leveraging our deep market knowledge and MUFG’s global network, we are unlocking new opportunities for our customers and business partners, helping them scale in an increasingly interconnected global economy.”

## **Net Interest Income**

Net interest income (NII) recorded RM206.0 million, an increase of RM12.3 million or 6.4% as compared to the preceding financial quarter of RM193.7 million.

## **Islamic Banking**

Affin Islamic Bank Berhad recorded a PBT of RM87.1 million for the financial period ended 31 March 2025. This represented a decrease of RM11.5 million as compared to RM98.6 million in the previous corresponding period. The result was mainly attributable to a higher operating expense and a higher allowance for impairment losses of RM13.0 million and RM28.6 million respectively.

### **Non-Interest Income**

Non-interest income for the period under review was RM140.1 million, a decrease of 1.7% or RM2.4 million from RM142.5 million registered in the previous corresponding period.

### **Asset Quality**

As of 31 March 2025, the Gross Impaired Loan (GIL) ratio for the Group improved to 1.84% as compared to 1.94% as of 31 December 2024, reflecting the Group's disciplined credit management and a healthier loan portfolio, underscoring its commitment to maintaining sound asset quality amid a challenging environment.

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

The Group's LLC and LLR stood at 81.29% and 125.76% respectively, providing the Group with robust credit risk buffers, ensuring AFFIN Group remains well positioned to absorb credit risks and safeguard asset quality.

### **Operating Expenses**

Operating expenses increased slightly to RM379.1 million for the quarter ended 31 March 2025 as compared to RM378.9 million in the same quarter of the previous year. The Cost-to-Income ratio for the period under review was 69.7%, a decrease from 75.1% recorded in the previous corresponding quarter.

## **Loans and Deposits Growth**

As of 31 March 2025, the Group's total loans, advances and financing rose 7.1% year-on-year to RM72.9 billion. The growth was mainly driven by a 10.3% increase in the Community Banking segment and a 10.8% rise in the Enterprise Banking segment, while the Corporate Banking segment declined by 1.7%. Housing loans grew by 6.8%, and Auto Finance loans increased by 6.0%.

On the deposits, the Group's customer deposits increased by 5.2% YoY to RM75.5 billion. CASA (Current Account/Savings Account) rose 36.2% year-on-year to RM24.3 billion, with the CASA ratio improving to 32.2% as of 31 March 2025, compared to 24.9% as of 31 March 2024.

## **Capital Adequacy Ratios and Liquidity**

As of the end of the financial period on 31 March 2025, the Group's Total Capital Ratio was at 17.4%, Tier 1 Capital Ratio at 15.0% and Common Equity Tier 1 (CET1) Capital Ratio at 13.5%. The 12-month average Liquidity Coverage Ratio stood at 167.73%, above the regulatory requirement of 100%.

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### **About AFFIN Group**

Incorporated on 23 October 1975, AFFIN Group proudly commemorates its 50th anniversary in 2025, a milestone that reflects five decades of steadfast dedication to growth, innovation, and financial excellence, all in line with its vision to be the **Most Creative and Innovative Financial Company in Malaysia**. Affin Bank Berhad operates as the financial holding entity of Affin Islamic Bank Berhad, Affin Hwang Investment Bank Berhad and Affin Moneybrokers Sdn Bhd. Generali Insurance Malaysia Berhad and Generali Life Insurance Malaysia Berhad are affiliated companies of Affin Bank Berhad.

AFFIN Group provides an array of financial products and services catering to individual, enterprise, commercial and corporate clients. The focus market segments are categorised under essential business units such as Community Banking, Enterprise Banking, Corporate Banking, Treasury, and Investment Banking. For more information, please visit [www.affingroup.com](http://www.affingroup.com).



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