

**AFFIN BANK GROUP REPORTS RM469.0 MILLION PROFIT BEFORE TAX
FOR NINE MONTHS ENDED 30 SEPTEMBER 2021****Highlights on Financial Performance**

Affin Bank Berhad (ABB) Group recorded a profit before tax after zakat (PBT) of RM469.0 million for the 9-months ended 30 September 2021, 29% increase compared to RM363.2 million recorded in the same period of the previous year. The improvement in PBT was mainly derived from higher net interest income of 24.3%, higher net fee and commission income of 30.2% and higher income from Islamic Banking business of 11.3%.

President and Group Chief Executive Officer of Affin Bank Berhad, YBhg Datuk Wan Razly Abdullah Wan Ali, said, "During the year 2021, the Bank launched a few digital applications to provide better services to our customers. In line with the rapid development in the digital banking landscape, the Bank will continue to boost its digital banking solutions and further improve its services by offering innovative financial solutions for better customer experience."

"The Bank will continue its Metamorphosis journey of the AIM22 Transformation Program anchored on five key elements of value creation; to increase productivity and build a strong foundation with a focus on digital transformation, cost optimisation and enhanced asset quality. The Bank will also remain focused in its pursuits for operational excellence, whilst maintaining strong governance, compliance and risk culture".

The Bank will also continue to provide COVID-19 financial relief assistance through the Bank's Financial Assistance and Instalment Relief ("FAIR") and New Repayment Assistance ("NRA") programs to support our customers who have been impacted by the economic slowdown. The Bank has granted financial assistance worth RM8.2 billion to help our retail customers.

In September 2021, AFFIN BANK was the proud recipient of multiple awards during the recent Asian Banking & Finance Retail Banking Awards 2021. The triple win is attributed to the Bank's unique financial inclusion products and initiatives below: -

- AFFIN BANK's start-up banking proposition (Start-up Banking Initiative of the Year in Malaysia);
- AFFIN DUO credit card (Millennial product initiative of the Year in Malaysia);
- AFFINWRKFZ (Initiative of the Year in Malaysia) designed for SME customers;

The highly prestigious Asian Banking & Finance Retail Banking Awards honours outstanding banks that have introduced ground-breaking products and services that have successfully adapted to the rapidly evolving tech and business landscape.

Another recognition received by the Bank includes being the first Malaysian Bank at the Global SME Finance Awards 2021 with an Honorable Mention under the "Product Innovation of the Year" category to develop its innovative digital flagship mobile app, the SME Colony.

Net Interest Income

Net interest income (NII) recorded was RM650.6 million, an increase of RM127.1 million or 24.3% as compared to the same period of the previous year of RM523.5 million, mainly attributed to loan growth of 6.1% and significant improvement in cost of funds of 2.03% as compared to 3.20% in the same period of the previous year. We continued to focus on CASA (Current and Savings Account), which has recorded a growth of 18.7% YoY.

Income from Islamic Banking Business

The income from the Islamic Banking business improved by RM39.7 million or 11.3% YoY for the 9-months ended 30 September 2021 to RM389.8 million, mainly due to higher net profit income and lower operating expenses, offset by a higher allowance for impairment losses.

Non- Interest Income

Non-Interest Income of the Group for the 9-months ended 30 September 2021 was RM628.6 million, a reduction of RM221.6 million or 26.1% from the RM850.2 million registered in the previous year's corresponding period, mainly due to lower net gain on sale of financial instruments.

Operating expenses

Operating expenses increased by 1.0% to RM1,007.3 million for the 9-months ended 30 September 2021 due to higher personnel cost but partially cushioned by lower establishment expenses. More robust earnings and better cost management result in the Bank showing an improving trend of cost to income ratio of 60.35% compared to 60.65 % in the same period of the previous year.

Loans, Deposits Growth and Liquidity

As of 30 September 2021, the Group's total loans, advances and financing grew by 6.9% YoY to RM49.1 billion, contributed mainly by the 2.7% growth in the Community Banking segment. Mortgages grew by 13.7%, whilst Hire Purchase loans rose by 3.9%.

On the Bank's deposits, CASA (Current Account Savings Account) grew 18.7% YoY to RM12.1 billion. The CASA ratio stood at 21.14% as of 30 September 2021. The Group's customer deposits increased by 16.1% YoY to RM57.5 billion as of 30 September 2021 as our CASA initiatives continued to deliver positive results.

As of 30 September 2021, the Group Liquidity coverage ratio (LCR) was at 181.4%, and Net Stable Funding Ratio (NSFR) was at 112.8%, well above Bank Negara Malaysia's requirements.

Asset Quality

As of 30 September 2021, the Gross Impaired Loan (GIL) ratio for the Group was 3.14% against 2.86% as of 30 September 2020. Affin Islamic Bank (AiBB) recorded a significant improvement in Gross Impaired Financing of 1.40% in 3Q2021 compared to 2.11% in 3Q2020.

Overall, the Group's Loan Loss Coverage has declined from 63.6% in 3Q2020 to 61.9% in 3Q2021. However, AiBB has seen the most significant improvement in Financing Loss Coverage from 57.7% in 3Q2020 to 81.9% in 3Q2021. The early success of AIM 22 transformation initiatives can be seen by AiBB with significant improvements in critical ratios and earnings.

Capital Adequacy Ratios

Maintaining a steady and healthy capital position remains a key priority for the Group to continue safeguarding its financial position despite the ongoing uncertainty and risks posed by the COVID-19 pandemic. The Group's Total Capital ratio was at 20.74%, Tier 1 capital ratio at 15.30% and CET1 capital ratio at 13.62% at the end of the reporting period, a testament to the Group's capital strength.

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About Affin Bank Berhad

Affin Bank Berhad (AFFIN BANK) is the financial holding company of Affin Islamic Bank Berhad (AFFIN ISLAMIC), Affin Hwang Investment Bank Berhad, Affin Moneybrokers Sdn Bhd and AXA AFFIN Life Insurance Berhad. AXA AFFIN General Insurance Berhad is an associate company of Affin Bank Berhad.

AFFIN BANK provides a suite of financial products and services that is catered to both retail and corporate customers. The target business segments are categorized under critical business units such as Community Banking, Enterprise Banking, Corporate Banking and Treasury. As at 30 June 2021, AFFIN BANK and AFFIN ISLAMIC have a network of 111 branches in Malaysia.