
AFFIN GROUP RECORDS HIGH PROFIT BEFORE TAX AT 120.2% IN 2022

KUALA LUMPUR – AFFIN Group (“the Group”) recorded a Profit Before Tax (PBT) of RM1,549.8 million, an increase of 120.2% for the financial year ended 2022 (FY2022) as compared to the last financial year (FY2021). The Group also recorded an increase in its net income for FY2022, which rose by 47.1% or RM1,056.1 million to RM3,297.3 million versus RM2,241.2 million in FY2021. The Return on Equity (ROE) has improved to 12.6% in FY2022 as compared to 5.4% in FY2021.

President & Group Chief Executive Officer of Affin Bank Berhad, YBhg. Datuk Wan Razly Abdullah said, “The improvement in PBT was supported by an increase in Group Net Interest Income (NII) which rose by 13.9% or RM124.5 million to RM1,023.4 million compared to FY2021 and an increase of 39.3% to RM346.0 million in the PBT of Affin Islamic Bank Berhad. The strong growth in Group PBT was also contributed by the gains from our divestment of Affin Hwang Asset Management Berhad (AHAM).

Overall, the Group’s loan and financing portfolios grew by 15.4% year-on-year (YoY) with its Net Interest Margin (NIM) expanded to 2.01% from 1.97% in FY2021, as the Group focuses on growing its CASA (Current Account/Savings Account) franchise.

AFFIN Group continued to show significant improvement in Gross Impaired Loan (GIL) ratio as GIL decreased to 1.97%, as compared to 2.54% as at FY2021 due to strong recovery efforts and tighter underwriting standards. The Group continued to strengthen its reserves as evident by the increase in Loan Loss Coverage (LLC) and Loan Loss Reserve (LLR) at 109.0% and 150.0% respectively, as compared to LLC of 72.5% and LLR of 130.2% in FY2021.

AFFIN Group is now poised to embark on new targets set forth in the A25 Transformation Plan that focuses on the three main pillars, namely Unrivalled Customer Service, Digital Leadership and Responsible Banking with Impact, and emerge as a modern and progressive Group by 2025.” concluded Datuk Wan Razly.



Net Interest Income

Net interest income (NII) recorded at RM1,023.4 million, an increase of 14.6% or RM130.2 million as compared to the previous financial period of RM893.2 million, mainly due to loan growth of 15.4%.

Islamic Banking

Affin Islamic Bank Berhad was a significant contributor to the Group as its PBT recorded an increase of 39.3% or RM97.5 million due to strong financing growth at 15.3% for FY2022. Affin Islamic Bank Berhad recorded a significant improvement in asset quality with its Gross Impaired Financing closing at 0.90% in FY2022 as compared to 1.11% in FY2021.

Non-Interest Income

Non-interest income for the period under review was RM1,585.6 million, an increase of 98.6% or RM787.1 million from RM798.5 million registered in the previous corresponding period. The increase was largely attributed to the one-off gains received following the divestment of Affin Hwang Asset Management Berhad.

Asset Quality

As of 31 December 2022, the GIL ratio for the Group recorded a significant improvement of 0.57% to 1.97% as compared to FY2021.

Operating expenses

Operating expenses increased slightly to RM1,417.4 million for the period ended FY2022 as compared to RM1,353.6 million in the previous year. The FY2022 Cost-to-Income ratio for the Group was 42.99%. The normalised Cost-to-Income ratio for the period under review was 62.55%, an increase from 60.50% in FY2021.

Loans, Deposits Growth and Liquidity

As of 31 December 2022, the Group's total loans, advances and financing grew by 15.4% YoY to RM59.3 billion contributed mainly by the 22.9% growth in the Community Banking segment. Housing Loans grew by 24.0%, whilst Auto Finance loans rose by 14.9%.



On the deposits, CASA (Current Account/Savings Account) balances stood at RM15.2 billion for the financial year ended 31 December 2022 contributing to a CASA ratio of 23.5%. The Group's customer deposits increased by 10.5% YoY to RM64.9 billion as of 31 December 2022 as our CASA initiatives continue to deliver positive results.

Capital Adequacy Ratios

As of 31 December 2022, the Group's Total Capital ratio was at 19.39%, Tier 1 capital ratio at 17.01% and Common Equity Tier 1 (CET1) capital ratio at 15.62%.

Dividends

The Board of Directors proposed a final dividend of RM176.7 million or 7.77 sen per share for FY2022. This will bring the total dividend to 30.39 sen per share after the special and interim dividend of 22.62 sen that was paid to shareholders on 29 December 2022. This represents a total dividend payout of RM677.1 million or 53.3% of the Group's net profit for FY2022.

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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 and AXA AFFIN Life Insurance Berhad. AXA AFFIN General Insurance Berhad is an associate company 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 categorized 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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