

**AFFIN GROUP ANNOUNCES PROFIT BEFORE TAX OF RM144.0 MILLION FOR  
FIRST QUARTER 2024**

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**KUALA LUMPUR – AFFIN Group (“AFFIN” or the “Group”)** recorded a Profit Before Tax (PBT) after zakat of RM144.0 million for the first quarter of 2024 (1Q2024), an increase of 110.2% quarter-on-quarter (QoQ) compared to RM68.5 million in the preceding quarter. On a year-on-year (YoY) basis, PBT decreased by 26.6% due to net interest margin compression. The Group’s total assets grew by 14.1%, reaching RM107.3 billion in 1Q2024, up from RM94.1 billion in the previous corresponding period.

**The President & Group Chief Executive Officer of Affin Bank Berhad, Datuk Wan Razly Abdullah** said, “The prolonged competitive pressures on deposit pricing remain a challenge. However, we remain focused on expanding our **CASA franchise and high-margin businesses while optimising costs**, which are encapsulated in our **AFFIN Axelerate 2028 (AX28) plan**. We are encouraged that our new Mobile Banking App, launched in October 2023, has garnered over RM400 million in CASA deposits. Our high-margin businesses have also shown growth, particularly in the Personal Financing segment growing 27.1% YoY to RM6.1 billion. The credit card segment has also grown 23.4% YoY to RM461.5 million. We plan to introduce various innovative products and digital initiatives this year.”

“We remain cautious on the fragile economic environment due to geopolitical uncertainties in Europe and the Middle East, coupled with weak trade demand from the US and Europe. Given the global economic weakness, we have raised our underwriting standards in anticipation of potential knock-on effects on the Malaysian economy. Our capital position and loan loss reserves provisions remain elevated to protect the Bank and its shareholders.”

“We are pleased to announce that RAM Ratings has reaffirmed our rating at **AA3/Stable/P1**, citing the Group’s healthy loss absorption buffers in the form of provision reserves and capitalisation, which provide adequate financial headroom to weather potential credit slippages. RAM Ratings also considered the potential change in AFFIN’s shareholding structure.”

“We are now awaiting developments on our shareholding changes between Lembaga Tabung Angkatan Tentera (LTAT) and Boustead Holdings Berhad with the State Government of Sarawak, where we hope that the negotiations will be concluded soon,” he stated.



### **Net Interest Income**

Net interest income (NII) recorded at RM193.7 million, an increase of 9.2% QoQ or RM16.4 million compared to the previous financial quarter of RM177.3 million.

### **Islamic Banking**

Affin Islamic Bank Berhad registered a lower PBT of RM98.6 million in 1Q2024, a decrease of RM 0.4 million, or 0.4%, compared to RM99.0 million recorded in the previous corresponding quarter.

### **Non-Interest Income**

Non-interest income for the period under review was RM142.5 million, a decrease of 9.5% QoQ or RM15 million from RM157.5 million registered in the previous quarter. We continue to see growth in our Trade, Wealth, and Banca businesses this quarter.

### **Operating expenses**

Operating expenses decreased slightly to RM378.9 million in 1Q2024 as compared to RM400.4 million in 4Q2023. The Cost-to-Income ratio for the period under review was 75.11%, an increase from 71.57% in the previous quarter. The Group has implemented several cost-saving measures, such as optimising communication costs, being energy efficient, and converting from paper statements to e-statements. The Group also continues to focus on staff productivity to ensure that productivity levels are enhanced throughout the organisation.

### **Asset Quality**

As at 1Q2024, the Gross Impaired Loan (GIL) ratio for the Group stood at 1.96%. The Group is targeting a GIL ratio of 1.90% in 2024.

### **Loan Loss Coverage and Loan Loss Reserve**

The Group's Loan Loss Coverage (LLC) stood at 102.33% compared to the LLC of 116.86% in the previous quarter, while the Loan Loss Reserve (LLR) stood at 127.71% compared to 143.54% in the previous quarter.



## **Loans and Deposits Growth**

As at 1Q2024, the Group's total loans, advances and financing grew by 11.2% YoY to RM68.0 billion contributed mainly by the 15.0% growth in the Community Banking segment. Housing loans grew by 15.2%, whilst Auto Finance loans rose by 10.3%.

CASA (Current Account/Savings Account) deposits were recorded at RM17.9 billion in 1Q2024 and the CASA ratio stood at 24.88%. The Group's customer deposits increased by 8.9% YoY to RM71.8 billion as at 1Q2024 as our deposit initiatives continue to deliver positive results.

## **Capital Adequacy Ratios and Liquidity**

As at 1Q2024, the Group's Total Capital ratio was at 17.57%, Tier 1 capital ratio at 14.93% and Common Equity Tier 1 (CET1) capital ratio at 13.44%. The Liquidity Coverage Ratio stood at a healthy 162.77% in 1Q2024, well above the regulatory requirement of 100%.

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### **About AFFIN Group**

Affin Bank Berhad operates as the financial holding entity 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 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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