

MEDIA RELEASE

For Immediate Release



BANK ISLAM RECORDS NET PROFIT OF RM266.3 MILLION FOR 1H2024

HIGHLIGHTS

- The Group's Net Profit increased by 4.8% year-on-year (y-o-y) to register at RM266.3 million.
- Total Assets grew by 6.4% y-o-y to RM93.0 billion.
- Net allowance for impairment on financing and advances decreased by 37.3% to RM77.5 million.
- Gross impaired financing and financing credit cost ratios stood lower at 0.92% and 0.23%, respectively, reflecting commendable asset quality.
- Strong customer deposits and investment account growth y-o-y, with healthy CASATIA composition at 37.0%.
- Robust capital position with a Total Capital Ratio of 19.4%.

KUALA LUMPUR, Monday, [26 August 2024]: Bank Islam Malaysia Berhad (Bank Islam or the Group) recorded a net profit of RM266.3 million for the six months ended 30 June 2024 (1H2024), an increase of 4.8% over the corresponding period in 2023. This performance translated into improved annualised net Return on Equity (ROE) of 7.4% and Earnings per Share (EPS) of 11.75 sen against 1H2023.

The increase in net profit was driven by higher net income and lower net allowance for impairment on financing, offset by higher total overheads.

The Group's net income increased mainly due to higher net fund-based income, which improved by 5.8% to RM1.07 billion, driven by year-on-year (y-o-y) financing and investment securities growth. Net income margin (NIM) has also improved nine (9) basis points (bps) to 2.17% for 1H2024 compared to 2.08% recorded in 1H2023. However, the Group's non-fund-based income has decreased by RM28.9 million or 14.1%, mainly due to lower investment income.

Net allowance for impairment on financing and advances decreased by 37.3% to RM77.5 million, and the financing credit cost ratio was 0.23% compared to 0.38% recorded at 1H2023. As of 30 June 2024, the gross impaired financing ratio was 0.92%, remaining below the industry average of 1.60%.

Bank Islam is committed to becoming the leader in Shariah-compliant environmental, social and governance (Shariah-ESG) practices, focusing on digital banking offerings and social finance. The Group has surpassed its initial target of RM4 billion in green financing to bolster the green economy by 2025, recording RM4.77 billion as of 30 June 2024.

Total assets grew by 6.4% y-o-y to RM93.0 billion as of 30 June 2024, spurred by the growth in financing and investment securities. Net assets per share registered higher at RM3.35 compared to 1H2023. Growth in gross financing was driven by a y-o-y increase of 4.4% in consumer financing and 7.6% in commercial financing. However, a decline in corporate financing has resulted in total gross financing registering at 2.7% y-o-y to RM68.1 billion.

Customer deposits and investment accounts increased by 8.5% y-o-y to RM78.5 billion. Current, saving and transactional investment accounts (CASATIA) stood at RM29.1 billion at the end of June 2024, translating into a healthy CASATIA composition of 37.0%.

Total Capital Ratio remained strong at 19.4% as of 30 June 2024.

Outlook

Bank Islam Group Chief Executive Officer Dato' Mohd Muazzam Mohamed reaffirmed the Group's unwavering commitment to long-term financial stability through balanced strategic growth and prudent asset management.

"In navigating economic uncertainties, the Group will prioritise fundamentals, disciplined balance sheet management and innovative solutions that set Bank Islam apart in an increasingly competitive market. Our focus remains on growing non-fund-based income, expanding wealth management and driving financing growth," he said.

Mohd Muazzam further highlighted Bank Islam's focus on growing CASATIA, leveraging strategic partnerships, and advancing cashless and online banking, particularly within the retail and SME segments.

Beyond financial performance, Bank Islam prioritises its sustainability commitments and ensures inclusivity in its products and services, driving sustainable prosperity and progress for all stakeholders.

The launch of "Microtakaful for Gig Workers" through Be U by Bank Islam app in May 2024 demonstrates the Bank's ability to expand its financial offerings to address the needs of underserved markets. Additionally, Bank Islam is driving the growth of the halal industry among micro-businesses with the launch of Hal-Cube, a solution that empowers micro-entrepreneurs to obtain halal certification. Hal-Cube supports cottage industry players by providing premises and equipment for halal production that meets the standards of the Islamic Development Department (JAKIM) and other relevant authorities.

Bank Islam's social finance initiative, Sadaqa House, continues to lead the charge in community empowerment. As of the first half of 2024, over RM6.3 million has been mobilised, positively impacting 298 microentrepreneurs. It includes the disbursement of over RM5.8 million in blended finance under the iTEKAD BangKIT and iTEKAD Maju microfinancing programmes. Additionally, RM1.4 million has been allocated to support

the well-being and education of nearly 185 beneficiaries, including 84 orphans pursuing higher education and individuals from the asnaf and B40 communities nationwide, through various impactful programmes and efforts.

“We will continue to play a vital role in supporting the economy. We are dedicated to empowering individuals, businesses and communities by driving economic prosperity and financial well-being,” Mohd Muazzam concludes.

The Bank remains steadfast in its sustainability commitments under the LEAP25 strategic blueprint, driving positive change through sustainable banking practices. Recently, the Bank was listed in the FTSE4Good Bursa Malaysia and FTSE4Good Bursa Malaysia Shariah indexes, highlighting its progress in sustainability and climate-positive initiatives. Bank Islam upholds responsible business practices and its commitment to ESG best practices.

About Bank Islam Malaysia Berhad (Registration No [198301002944(98127-X)])

Bank Islam is the first Islamic bank publicly listed on the Main Market of Bursa Malaysia. Established in July 1983, the bank has 135 branches and over 900 self-service terminals across Malaysia. As a pure-play Islamic bank, Bank Islam provides retail banking and corporate financial solutions that strictly adhere to Shariah rules and principles. The bank is committed to sustainable prosperity and ESG values and is an official UN Global Compact Malaysia and Brunei participant. Bank Islam’s core subsidiaries, BIMB Investment and BIMB Securities, offer various Islamic financial services, including investment and stockbroking. For more information on the Group's products and services, please visit www.bankislam.com.

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