

BANK ISLAM GROUP RECORDS NET PROFIT OF RM571.1 MILLION FOR FY2024

Declares an all-cash second interim dividend of 4.12 sen per share

HIGHLIGHTS

- Total Assets grew by 6.4% year-on-year (y-o-y) to RM96.8 billion, attributed to investment in securities and financing, driven by consumer and commercial financing growth.
- Net profit grew to RM571.1 million, an improvement of 3.3% y-o-y.
- Commendable asset quality with gross impaired financing and financing credit cost ratios stood at 1.06% and 0.14%, respectively.
- Robust customer deposits and investment account growth of 6.4% y-o-y, with healthy current, savings and transactional investment accounts (CASATIA) composition at 39.7%.
- The Group's Total Net Income grew to RM2.6 billion on the back of higher net fund-based income by 5.1% y-o-y and fees and commission by 11.2% y-o-y.
- Strong capital position with a Total Capital Ratio of 20.0%.
- Declares an all-cash second interim dividend of 4.12 sen per share, bringing the total annual dividend to 15.12 sen per share.

KUALA LUMPUR, Friday, [28 February 2025]: Bank Islam Malaysia Berhad (Bank Islam or the Group) recorded a net profit of RM571.1 million for the financial year ended 31 December 2024 (FY2024), an improvement of 3.3% over the previous year. Accordingly, Earnings per Share have improved to 25.20 sen while the net Return on Equity is 7.6% for FY2024. The profit growth was driven by higher net income and a reduced net allowance for impairment on financing.

The Group's net income growth was mainly driven by a 5.1% increase in net fund-based income, which rose to RM2.2 billion. This was supported by year-on-year (y-o-y) investment securities and financing growth, with an improved net income margin (NIM) to 2.13% for FY2024. The Group has also recorded a higher fee and commission growth of 11.2% y-o-y.

The Group's net allowance for impairment on financing and advances decreased by 46.0% to RM94.6 million, reflecting an improvement in financing credit cost to 0.14% compared to 0.26% registered in FY2023. As of 31 December 2024, the gross impaired financing ratio stood at 1.06%, well below the industry average of 1.44%, underscoring the Group's strong asset quality.

The Board of Directors is pleased to declare an all-cash second interim single-tier dividend of 4.12 sen per share, bringing the total annual dividend to 15.12 sen per share.

The Group's total assets stood at RM96.8 billion at the end of December 2024, a y-o-y growth of 6.4% spurred by an increase in investment securities and financing. Accordingly, net assets per share were higher at RM3.38 compared to FY2023. Growth in gross financing was driven by a y-o-y increase of 6.3% in consumer financing and 6.7% in commercial financing. However, a decline in corporate financing has resulted in total gross financing registering a growth of 3.8% y-o-y to RM70.2 billion.

Customer deposits and investment accounts increased by 6.4% y-o-y to RM80.9 billion. Current, savings and transactional investment accounts (CASATIA) stood at RM32.1 billion as of December 2024, translating into a healthy CASATIA composition of 39.7%.

Total Capital Ratio remained robust at 20.0% as of 31 December 2024.

Future-proofing Bank Islam

The Group remains steadfast in advancing its commitment to innovation and sustainable value creation by prioritising significant investments in cutting-edge technology in its strategic journey towards becoming a future-ready financial institution. The efforts focus on enhancing customer experience, improving operational efficiency, and fortifying cyber resilience to protect stakeholders' data and uphold trust.

The Group will concentrate on implementing outcome-driven initiatives that deliver meaningful impact, leveraging advanced data analytics, resilient systems, and robust platforms. Empowered by a skilled workforce adept in agile process frameworks, the Group will embrace digital solutions, drive innovation, and utilise data-driven insights to enhance customer engagement and fuel business growth through continuous investment in technology infrastructure.

One of the highlights was the newly launched digital banking platforms, BIMB Mobile and BIMB Web, introduced in November 2024. These platforms offer a seamless branchless banking experience with enhanced convenience, functionality and security features. To-date almost 1 million customers have migrated to the new platform among the Bank's 1.9 million app users, marking a significant step in Bank Islam's digital transformation journey.

Bank Islam Group Chief Executive Officer Dato' Mohd Muazzam Mohamed stated, "The Islamic banking and financial services industry is transforming at an unprecedented pace, driven by evolving customer expectations and technological advancements. We recognise technology as a crucial growth catalyst, allowing us to extend our reach and provide innovative, customer-centric solutions. While maintaining financial prudence, our strategic digital investments are aimed at staying ahead of industry trends, combating financial scams, and redefining benchmarks in Islamic banking. As a significant step in Bank Islam's digital transformation journey, we are establishing a strong foundation to future-proof the Group by adopting advanced technology."

Accelerating growth is another priority for the Group in 2025 amidst global market uncertainties. By implementing disciplined cost measures and optimising resource allocation, the Group aims to stabilise its cost-to-income ratio this year.

Bank Islam's business growth strategies for 2025 focus on expanding Wealth Management, Ar-Rahnu and bureau-de-change services and fostering stronger collaboration with subsidiaries, namely, BIMB Investment Management Berhad and BIMB Securities Sdn Bhd. At the same time, the Group will continue to pursue the acquisition of assets in green, sustainable and growth sectors.

The Group remains committed to embedding sustainability across its operations and driving meaningful changes while pursuing sustainable growth. The focus includes supporting a responsible transition to a low-carbon economy, nurturing communities for financial inclusion, and cultivating strong governance practices, aligning with our five sustainability commitments.

Bank Islam anticipates mobilising RM28 billion in sustainable finance by the end of 2025, driving higher Shariah-compliant and environmentally and socially responsible assets.

"We extend our sincere appreciation to our shareholders, partners, and customers for their continued trust and support, which have been instrumental in another commendable year for Bank Islam. As we navigate an increasingly challenging landscape, we remain proactive in strengthening our resilience and strategic growth to sustain a more inclusive and responsible financial ecosystem," Mohd Muazzam adds.

About Bank Islam Malaysia Berhad

Bank Islam is the first Islamic bank publicly listed in 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 participant of the UN Global Compact Malaysia and Brunei. 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.

For further information, please email Bank Islam Group's Media Relations team at:
media@bankislam.com.my