

BANK ISLAM GROUP POSTS 9.0% RISE IN NET INCOME TO RM673.5 MILLION FOR 1Q2025

Driven by strong growth in financing and higher non-fund-based income

HIGHLIGHTS

- The Group's Total Net Income rose 9.0% to RM673.5 million, spurred by more than 50% year-on-year (y-o-y) increase in non-fund-based income and a 2.1% y-o-y growth in net fund-based income.
- Net Profit for the quarter registered at RM126.3 million.
- Total Assets expanded by 8.0% y-o-y to RM98.3 billion, attributed to higher investments in securities and growth in consumer and commercial financing.
- Commendable asset quality with gross impaired financing and financing credit cost ratios stood at 1.08% and 0.46%, respectively.
- Robust customer deposits and investment account growth of 5.5% y-o-y, underpinned by healthy current, savings and transactional investment accounts (CASATIA) composition at 37.2%.
- The Group maintained a solid capital position with a Total Capital Ratio of 18.7%.

KUALA LUMPUR, Friday, [30 May 2025]: Bank Islam Malaysia Berhad (Bank Islam or the Group) registered a net income of RM673.5 million for the three months ended 31 March 2025 (1Q2025), marking a 9.0% increase y-o-y over the corresponding period in 2024. The growth was primarily driven by a 50.3% surge in non-fund-based income, reaching RM133.6 million, supported by higher fees and commission income, increased foreign exchange transactions income and net gains from the sale of investment securities.

Net income was further supported by a 2.1% increase in net fund-based income to RM539.9 million, driven by y-o-y growth in financing and investment securities.

The Group's net allowance for impairment on financing and advances rose by RM37.5 million to RM79.8 million in the quarter, primarily due to an increase in net new impaired financing. Despite the rise in new impaired financing, the Group maintained a strong asset quality, with its gross impaired financing ratio standing at 1.08% as of 31 March 2025, well below the industry average of 1.42%.

Net profit stood at RM126.3 million for 1Q2025, translating to the Group's Earnings per Share of 5.57 sen and an annualised net Return on Equity of 7.0%.

Bank Islam Group Chief Executive Officer, Dato' Mohd Muazzam Mohamed said, "We delivered a modest first quarter performance in 2025, driven by strategic growth and a commitment to sustainability. As a forward-looking, Shariah-compliant financial institution, we continue to evolve with customer expectations while leveraging technological advancements in Islamic finance. Our continued focus on responsible banking and long-term sustainable growth reinforces Bank Islam's leadership in shaping a more inclusive, resilient, and future-ready financial ecosystem."

At the end of March 2025, the Group's total assets stood at RM98.3 billion, reflecting a y-o-y growth of 8.0%, spurred by increased investment securities and financing. Net assets per share amounted to RM3.41.

Gross financing grew 6% y-o-y to RM71.8 billion, driven by a 6.5% increase in consumer financing and a 10.4% rise in commercial financing.

Customer deposits and investment accounts rose 5.5% y-o-y to RM80.6 billion. As of March 2025, current, savings and transactional investment accounts (CASATIA) stood at RM30.0 billion, representing a healthy composition of 37.2%.

Total Capital Ratio remained robust at 18.7% as of 31 March 2025, demonstrating the Group's strong capital position and continued financial resilience.

Strengthening Partnerships and Advancing Sustainability Commitments

Bank Islam's business growth strategies for 2025 prioritise the expansion of Wealth Management, Ar-Rahnu and bureau-de-change services, while fortifying collaboration with its subsidiaries, namely, BIMB Investment Management Berhad and BIMB Securities Sdn Bhd. Concurrently, the Group will continue to pursue the acquisition of assets in green, sustainable and high-growth sectors, aligning its business objectives with its long-term sustainability agenda.

Furthering its commitment to delivering holistic and customer-centric financial solutions, Bank Islam entered into a five-year strategic Bancatakaful service agreement with Syarikat Takaful Malaysia Keluarga Berhad (Takaful Malaysia) on 20 March 2025, broadening its suite of takaful offerings, including *Takaful mySmart Wealth Plus*, *Takaful myPrime Cover*, and *Takaful mySmart Legacy*, in addition to existing products. These solutions will be available across Bank Islam's nationwide branches and sales channels, further reinforcing the Group's role as a trusted comprehensive Shariah-compliant financial services provider.

Bank Islam continues to strengthen its Ar-Rahnu services by expanding product offerings and enhancing accessibility, further advancing Shariah-compliant financial solutions to meet evolving customer needs. Bank Islam introduced the Bank Islam Gold Account-i (BiGA-i) on 28 October 2024. BiGA-i is a fee-based new asset class product available through Bank Islam branches and the BIMB Mobile banking app. It offers a convenient and flexible way for individuals to invest in gold. With a strong first-quarter performance, its value-based pricing strategy helps maximise returns. It also features a fully digital onboarding process with minimal documentation, seamlessly integrated with the Bank's Core Banking System for secure and seamless transactions.

Bank Islam continues to place sustainability at the core of its strategy. It remains steadfast in addressing environmental and social challenges, particularly climate change and community upliftment. Social Finance remains the key pillar in this approach, spearheaded by its globally recognised social finance driver, Sadaqa House.

Through Sadaqa House, the iTEKAD Entrepreneurship Development Programme, the Sadaqa House Orphan Fund, and various social impact projects, a total of RM5.7 million in targeted financial support was channelled to micro-entrepreneurs and underserved communities across Malaysia in 1Q2025.

These programmes funded capacity-building for microbusinesses, supported education and healthcare needs, and empowered marginalised communities. The effort promotes financial inclusion, empowers lives and reinforces Bank Islam's role in fostering a more equitable, resilient, and purpose-driven economy.

To guide its sustainability agenda, Bank Islam has developed a comprehensive Group Sustainability Policy, a framework for its environmental, social, and ethical practices to foster a nature-positive economy and ensure inclusive growth across society. Anchored on its six strategic objectives, Bank Islam remains steadfast in achieving its five-year strategic (LEAP25) goals, ensuring long-term value creation for all stakeholders.

Mohd Muazzam adds, "Bank Islam delivers sustained value to stakeholders, supported by robust fundamentals, a well-defined strategic framework, and a distinctive value proposition that aligns income generation with sustainable growth and adherence to ESG principles. This strong foundation enables us to solidify our position as one of the leaders in the Islamic banking sector."

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