

MEDIA RELEASE

For Immediate Release



BIMB ANNOUNCES GROUP PBZT OF RM627.8 MILLION FOR 9M21

HIGHLIGHTS

- Group Profit Before Zakat and Taxation ("PBZT") rose 19.3% to RM627.8 million.
- Net Return on Equity ("ROE") was 9.4%.
- Earnings per Share (EPS) of 17.71 sen.
- Healthy capital position with a Total Capital Ratio of 19.9%.
- Declared an interim single-tier dividend of 10.93 sen per ordinary share amounting to RM226.9 million.
- Dividend Reinvestment Plan ("DRP") made applicable to the entire interim single-tier dividend.

KUALA LUMPUR, Monday, [29 November 2021]: Bank Islam Malaysia Berhad ("BIMB" or "the Group") recorded a PBZT for the nine months ended 30 September 2021 ("9M21") of RM627.8 million, a growth of 19.3% over the corresponding period in 2020. The increase in PBZT was mainly due to a lower net allowance for impairment on financing and advances.

Net allowance charged for impairment on financing and advances of RM79.6 million for the 9M21 was lower by RM132.7 million than RM212.2 million in the same period last year. Higher pre-emptive impairment provision was made in management overlay for the same period the previous year in anticipation of worsening economic conditions due to the COVID-19 pandemic.

The 9M21 results translate to a higher Group's EPS of 17.71 sen and an annualised Return on Equity of 9.4% (after tax and zakat).

For the 9M21, the Directors of BIMB declared an interim single-tier dividend of RM226.9 million or 10.93 sen per ordinary share. The DRP is made applicable to the entire interim single-tier dividend.

The Group's total assets grew year-on-year by 9.8% to stand at RM76.3 billion at the end of 30 September 2021. Net assets per share now stood at RM3.13.

Gross financing grew by 3.9% year-on-year to RM56.9 billion, while customer deposits and investment accounts stood at RM64.4 billion with a year-on-year increase of RM5.5 billion or 9.3%. Total current and saving accounts and transactional investment accounts

("CASATIA") composition is at a healthy level of 39.0% of total customer deposits and investment accounts.

The gross impaired financing ratio as of 30 September 2021 was 0.68% compared to 0.60% at the end of September 2020.

As of 30 September 2021, the Group's Total Capital Ratio remained strong at 19.9%.

Operating Segment

Consumer Banking's reported net income of RM910.1 million for the 9M21, 15.5% higher than the previous year, was attributed mainly to higher net fund-based income. Gross financing for Consumer Banking as of the end of September 2021 stood at RM42.6 billion, a year-on-year growth of 5.4%, mainly driven by growth in house financing and personal financing.

Corporate and Commercial Banking recorded a net income of RM298.5 million, higher by 1.8% from the previous year. Total gross financing for the segment stood at RM14.3 mil.

Treasury registered a net income of RM194.4 million for the period, lower by 51.3% than the previous year mainly due to lower investment income, notably lower net gain from the sale of financial assets at fair value through other comprehensive income. Segment assets stood at RM18.6 billion.

The Group Overview

Economic recovery in the near term appears more favourable, supported by the country's National Recovery Plan's ("NRP") systematic re-opening of various economic sectors, including social activities. The year 2022 growth is expected to rebound in line with the recovery in the economy and trade throughout 2H2021 and 2022, mainly as vaccination efforts are ramped up. With the recently announced 12th Malaysia Plan ("MP"), Malaysia's economic growth is expected to range between 4.5% to 5.5% during the 2021 to 2025 period, higher than the 11th MP performance of 2.7%. Business sector performance began to recover heading into the final quarter of 2021 amid the easing of movement restrictions.

BIMB Group Chief Executive Officer Mohd Muazzam Mohamed said, "The COVID-19 pandemic and its resulting challenges continued to feature prominently in all sectors. Risks to financial stability have remained relatively well contained. In addition, banks have made reasonable pre-emptive allowances in FY2020, and credit risk has been adequately priced in by the market."

"Analysts maintain their industry's 2021 financing growth target of 3% to 4% for now, as the impending recovery from easing restrictions will translate positively into demand for

financing in 4Q2021. Whilst the average lending rate fell by 3bps, the net profit margin is expected to be under slight pressure given the brewing deposit rivalry and limited scope for further CASA expansion," he adds.

With Bank Islam assuming listing status on 8 October 2021, the new BIMB Group continues its focus to incorporate principles of Shariah, Value-Based Intermediation ("VBI") and ESG considerations. It also mobilises its six strategic objectives to support and govern the Group's plan, namely Sustainable Prosperity, Value-Based Culture, Community Empowerment, Customer Centricity, Real Economy and Digitalisation.

The Bank remains vigilant in ensuring that impacted customers have access to financial assistance by participating in the opt-in blanket six-month moratorium. The support also includes PEMULIH Repayment Assistance ("PRA") and the recently announced financial management and resilience program ("URUS"), in collaboration with the Credit Counselling and Debt Management Agency ("AKPK"), to support eligible B50 customers.

As of early November, the Bank had also approved applications from over 142,000 customers involving over RM20.8 billion through its PEMULIH Repayment Assistance Programme ("PRA"), which began from 7 July 2021 until 31 January 2022. PRA enables temporary relief from their financing commitment and is available for eligible individuals and SME customers.

On top of that, BIMB continues to aid in ensuring the socio-economic wellbeing of the country by sustaining income generation and financial resilience of the B40 and asnaf-owned businesses facing the effects of the COVID-19 pandemic.

The iTEKAD microfinancing programme, launched in May 2020, aims to provide seed and working capital and upskilling training for micro-entrepreneurs. It benefitted 107 micro-entrepreneurs, while the BangKIT microfinancing programme, launched in November 2020, had benefitted 121 micro-entrepreneurs.

"The year 2022 will be a critical year for Malaysia, not just from an economic recovery perspective but also the healing of industries, livelihood and employment, particularly to those most adversely affected by the pandemic. As the Bank that advances prosperity for all by providing solutions that deliver value to our stakeholders, BIMB is currently embarking on its 5-years business strategic plan ("LEAP25"). The mission is to chart the Group's future in becoming the champion Shariah-ESG total financing solution with digital banking and social finance leadership," Mohd Muazzam concludes.

About Bank Islam Malaysia Berhad

Bank Islam is Malaysia's first public listed Islamic Bank on the Main Board of Bursa Malaysia Berhad. Established in July 1983 as Malaysia's first Islamic Bank, Bank Islam has 144 branches and more than 900 self-service

terminals nationwide. As a full-fledged and pure-play Islamic bank, Bank Islam provides banking and financial solutions that strictly adhere to the Shariah rules and principles and are committed to the ideals of sustainable prosperity and ESG values. The core subsidiaries of the Bank Islam Group are pioneers in various Islamic financial services, including investment and stockbroking, namely BIMB Investment Management Berhad and BIMB Securities Sendirian Berhad. For more information on Bank Islam's group products and services, visit www.bankislam.com or call Bank Islam Contact Centre at 03-26 900 900.

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