

# MEDIA RELEASE

For Immediate Release



## **BIMB GROUP REGISTERS PBZT OF RM340.5 MILLION FOR 1H2022**

*The Group's underlying business remains resilient with growth in gross financing despite geopolitical tensions and supply chain disruptions*

### **2Q2022 HIGHLIGHTS**

- Group's Profit Before Zakat and Taxation (PBZT) up 13.7% from 1Q2022 to register at RM181.2 million
- Annualised Net Return on Equity (ROE) at 7.2%, and Earnings per Share (EPS) of 10.39 sen
- Gross Financing grew by 8.0% y-o-y to RM60.7 billion
- Robust CASATIA composition at 37.8%
- Healthy Total Capital Ratio of 19.4%

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**KUALA LUMPUR, Tuesday, [30 August 2022]:** Bank Islam Malaysia Berhad (BIMB or the Group) recorded a PBZT of RM340.5 million for the six-month ended 30 June 2022 (1H2022), lower by 28.3% or RM134.5 million over the corresponding period last year.

Net fund-based income grew by RM41.5 million or 4.7%, driven by year-on-year (y-o-y) financing growth. However, this was offset by a markdown in non-fund-based income, which has reduced by RM100.1 million compared to 1H2021 amid lingering unfavourable market conditions. The Group's net allowance for impairment on financing and advances increased by RM31.6 million or 69.3% to RM77.1 million compared to 1H2021.

On the back of improved economic activities, the Group's PBZT for the second quarter ended 30 June 2022 (2Q2022) grew by RM21.9 million or 13.7% to RM181.2 million against the preceding quarter ended 31 March 2022 (1Q2022). This was primarily due to higher net fund-based income and reduced net allowance for financing and advances. The increase was offset by higher total overhead expenses and lower non-fund-based income.

BIMB Group Chief Executive Officer, Mohd Muazzam Mohamed, said, "Despite the subdued performance in 1H2022, the Group's underlying business remains resilient with positive y-o-y growth in gross financing and customer deposits and investment accounts which grew 8.0% and 13.6%, respectively. We are pleased to see significant current, savings, and transactional investment accounts (CASATIA) growth at 11.3% y-o-y with a healthy level of 37.8% of total customer deposits and investment accounts as of 30 June 2022. The Group's Total Capital Ratio remained strong at 19.4% as of 30 June 2022, backed by healthy liquidity support."

As of 30 June 2022, the gross impaired financing ratio stood at 1.14%. The numbers remained better than the industry average of 1.65%.

## **The Group Outlook**

The Group foresees the GDP growth of 5.3% to 6.3% projected by Bank Negara Malaysia for 2022 is within reach. Despite hampered growth from supply chain disruptions, rising prices of commodities and domestic inflation, GDP is expected to remain in positive territory. The Group foresees the Overnight Policy Rate to reach 2.75% at the end of 2022, given positive growth prospects.

The industry's financing rose by 5.6% y-o-y as of June 2022. The Group anticipates slower household financing numbers but expects total industry growth to be lifted by higher business activities following border reopening and a favourable economic environment. However, the rising inflationary pressure can potentially threaten the Group's provision on financing as it affects the debt servicing capability of consumers and businesses.

"While we are cautious in our outlook for the remainder of the year given global uncertainties, we will be steadfast in our digitalisation strategies and investing toward our business growth, as set out in our LEAP25 plan. We are working towards strengthening our balance sheet, upholding the strong asset quality, and enhancing cost efficiencies further," said Mohd Muazzam.

On that front, in mid-July, the Group launched Be U, its digital banking proposition catered to the digital-native, younger generation. Be U is the first cloud-native digital bank in the country, applying a first-of-its-kind technology stack proposition.

He adds, "The onboarding of industry-leading players as our strategic partners will unlock more functionalities and bring value-added services to the platform. Over the next 12 months, Be U is expected to release offerings like a term deposit, debit card, personal financial management and much more."

Considering the positive domestic growth momentum in recent months, the Group expects measured and gradual removal of monetary support.

"We anticipate the introduction of a targeted subsidy system by the government to aid those eligible in this trying time. Nevertheless, Bank Islam Group stands ready to provide necessary aid to ensure our customers remain resilient as they get back on their feet," concludes Mohd Muazzam.

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## **About Bank Islam Malaysia Berhad**

Bank Islam is Malaysia's first public listed Islamic Bank on the Main Market of Bursa Malaysia. Established in July 1983 as Malaysia's first Islamic Bank, Bank Islam has 135 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 the Group's products and services, visit [www.bankislam.com](http://www.bankislam.com).

**For further information, please email BIMB Group's Media Relations team at:**

[MediaRelationsEditorial@bankislam.com.my](mailto:MediaRelationsEditorial@bankislam.com.my)