

MEDIA RELEASE

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BIMB REGISTERS GROUP PBZT OF RM704.2 MILLION FOR FY2021

HIGHLIGHTS

- Group Profit Before Zakat and Taxation ("PBZT") was 3.3% y-o-y lower at RM704.2 million.
- Net Return on Equity ("ROE") was 8.4% and Earnings per Share ("EPS") of 21.87 sen.
- Gross Financing grew by 6.5% y-o-y to RM59.2 billion.
- Healthy capital position with a Total Capital Ratio of 18.6%.
- 4,765 beneficiaries benefitted through our Islamic social finance instruments in 2021.

KUALA LUMPUR, Monday, [28 February 2022]: Bank Islam Malaysia Berhad ("BIMB" or "the Group") announced a PBZT for the financial year ended 31 December 2021 ("FY2021") of RM704.2 million, a year-on-year ("y-o-y") decline of 3.3%. The decrease in PBZT was mainly due to a lower non-fund-based income and higher operating expenses.

The non-fund-based income decreased by RM175.5 million for FY2021 mainly due to lower investment income, notably lower net gain from the sale of investment papers.

The reduction was offset by a lower modification loss arising from the financing moratorium granted to customers. The Group recognised RM48.9 million modification loss in the period under review compared to RM136.4 million in the previous year.

The Group's FY2021 performance translates to EPS of 21.87 sen and ROE of 8.4% (after tax and zakat).

For the fourth quarter ended 31 December 2021 ("4Q2021"), BIMB reported a PBZT of RM76.4 million, which was lower than 4Q2020 (RM201.9 million), mainly due to higher impairment provision of financing and advances during the quarter. BIMB's gross impaired financing ratio of 0.96% as of 31 December 2021 (FY2020: 0.67%) remained better than the industry average of 1.44%.

As of 31 December 2021, the Group's Total Capital Ratio remained strong at 18.6%, which provides ample buffer for loss absorption and business growth.

The Group's total assets grew by 7.4% y-o-y to stand at RM80.2 billion at the end of 31 December 2021, while net assets per share stood at RM3.08.

Gross financing grew by 6.5% y-o-y to RM59.2 billion, while customer deposits and investment accounts stood at RM67.8 billion with a y-o-y increase of RM4.3 billion or 6.8%.

Total current and saving accounts and transactional investment accounts ("CASATIA") composition is healthy at 39.6% of total customer deposits and investment accounts.

Operating Segment

Consumer Banking's reported net income of RM1.2 billion for FY2021, 13.4% higher than the previous year, attributed mainly to higher net fund-based income. Gross financing for Consumer Banking at the end of December 2021 stood at RM44.5 billion, a y-o-y growth of 7.5%, mainly driven by growth in home financing.

Corporate and Commercial Banking recorded a net income of RM415.6 million, higher by 6.5% from the previous year mainly due to higher net fund-based income. Total gross financing for the segment stood at RM14.7 billion.

Treasury registered a net income of RM241.4 million for the period, lower by 47.1% than the previous year mainly due to lower net gain from the sale of financial assets fair value through other comprehensive income. Segment assets stood at RM20.0 billion.

The Group Overview

Economic recovery is expected in 2022, in light of gradual normalisation of domestic economic activities amid higher vaccination rates and easing restrictions on production capacity, which will bolster Gross Domestic Product expansion alongside improving global trade.

BIMB Group Chief Executive Officer, Mohd Muazzam Mohamed, said, "The reopening of Malaysia's economy in Q3 2021 had shown a positive impact on our asset quality, proven by the steep decline in our total accounts under the repayment assistance. In terms of its retail customers, there has been minimal demand for Financial Management and Resilience Programme ("URUS"). However, the Group will continue to offer various types of financial aid to support the different needs of our customers."

On the Group's prospects, Mohd Muazzam said that despite the continued challenging environment, Bank Islam will remain committed to strengthening its balance sheet, upholding its strong asset quality, and enhancing cost efficiencies further.

"While embracing changes stemming from the pandemic, the Group will continue its pursuit of digital transformation to strengthen long-term business growth," he said.

The Group is committed to realising its 5-year aspiration ("LEAP25") to champion the Shariah-ESG total financing solution. It sets out to attune its 2022 key priorities to fortify its core business drivers and commit to cost management and optimisation. As a newly listed entity, the Group is steadfast in implementing Group synergy strategy, advanced digitalisation, and rev-up strategic partnerships.

BIMB remains vigilant in assisting the community in making a positive impact on people's livelihood and meeting their needs. Recently Bank Islam has launched the Prihatin Programme for Flood, which allows application for financial relief of up to six (6) months on their monthly commitment to all financing customers affected by the severe flood conditions impacting several areas throughout Malaysia. The Bank has extended the application period for the programme until 31 July 2022 to help its customers recover from the devastating floods that hampered the nation in December 2021.

BIMB also continues to help 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 via our iTEKAD and BangKIT microfinancing programmes.

Mohd Muazzam added, "We have exceeded our initial goal under LEAP25 with 4,765 beneficiaries benefitting through our Islamic social finance instruments within the first year. We are playing our role to help Malaysians bounce back, especially in this challenging climate, and we are ready to do more.

Despite the heightened uncertainties ahead, we at Bank Islam believe our business would continue to be resilient with our commitment to realise all our LEAP25 aspirations and strategies."

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 141 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 or call Bank Islam Contact Centre at 03-26 900 900.

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