BANK ISLAM REGISTERS RM254.2 MILLION NET PROFIT FOR 1H2026

HIGHLIGHTS

- Total assets grew 7.2% year-on-year (Y-o-Y) to RM106.7 billion as at end-June 2026, driven by growth in financing and higher investment securities.
- Gross financing grew 7.5% Y-o-Y to RM77.9 billion, supported by growth in Group Retail Banking and Group Institutional Banking.
- Customer deposits and investment accounts increased 5.1% Y-o-Y to RM86.9 billion, with the current, savings and transactional investment accounts (CASATIA) ratio at 36.6%.
- Total net income increased to RM1.43 billion, driven by stronger net fund-based income and higher fee and commission income.
- Net profit stood at RM254.2 million, translating to Earnings per Share (EPS) of 11.21 sen and annualised net Return on Equity (ROE) of 6.3%.
- Gross impaired financing ratio stood at 0.98%, remaining well below the industry average.
- Common Equity Tier 1 (CET1) Ratio and Total Capital Ratio remained robust at 13.1% and 17.8%, respectively.

KUALA LUMPUR, Wednesday, 26 August 2026: Bank Islam Group (Bank Islam or the Group) recorded a Profit After Zakat and Tax (PAZT) of RM254.2 million for the six months ended 30 June 2026 (1H2026), an increase of RM1.2 million or 0.5% compared with the corresponding period last year (1H2025). The performance was supported by higher net fund-based income and stronger fee and commission income. Consequently, the Group delivered EPS of 11.21 sen and an annualised ROE of 6.3%.

Total net income increased by 5.1% Y-o-Y to RM1.43 billion, driven primarily by higher net fund-based income and stronger fee and commission income, partially offset by lower gains from the sale of securities.

Total overhead expenses rose by 3.9% Y-o-Y to RM855.9 million, reflecting the Group's continued investments in talent, digital capabilities and technology infrastructure to enhance customer experience, strengthen operational efficiency and support business resilience.

Net allowance for impairment on financing and advances increased by RM20.8 million or 17.0% Y-o-Y to RM143.0 million. Financing credit cost stood at 0.38% during the period, reflecting prudent pre-emptive provisioning amid continued financing expansion. Despite the higher provisioning, asset quality remained resilient, with the gross impaired financing ratio improving to 0.98% as at end-June 2026, well below the industry average of 1.43%.

Finance costs on subordinated sukuk and capital securities rose by RM16.8 million or 22.7% Y-o-Y, mainly attributable to funding and capital instruments issued over the past year to support business growth, strengthen liquidity management and diversify funding sources.

As at 30 June 2026, the Group's total assets expanded by 7.2% Y-o-Y to RM106.7 billion, driven by sustained growth in financing assets and investment securities. Net assets per share stood at

RM3.59. The Group's gross financing grew 7.5% Y-o-Y to RM77.9 billion, reflecting continued customer demand and growth across both Retail Banking and Institutional Banking segments.

Customer deposits and investment accounts increased by RM4.2 billion, or 5.1% Y-o-Y, to RM86.9 billion, providing a strong funding base to support financing expansion. CASATIA grew 9.4% Y-o-Y to RM31.8 billion, representing a healthy CASATIA ratio of 36.6%.

As at end June 2026, the Group maintained a robust capital position, with CET1 and Total Capital ratios of 13.1% and 17.8% respectively.

As Bank Islam looks ahead, it will build on its strong foundations with a disciplined and purposeful approach to delivering sustainable growth and long-term value. Its strategic focus remains clear: enhancing customer experience, accelerating digital adoption, and advancing technological capabilities to meet evolving market expectations. Bank Islam is committed to making its products and services more seamless, intuitive and accessible, while remaining firmly anchored to the Shariah principles that define its purpose and identity.

To support this ambition, Bank Islam will pursue six key Strategic Directions:

- Expand and diversify revenue streams
- Recalibrate overall cost structure to improve efficiency and productivity.
- Rationalise support and prudential functions to enhance organisational effectiveness.
- Re-engineer resource architecture to strengthen agility and execution capabilities.
- Architect a future-ready five-year Core Banking Framework, encompassing greater cloud adoption, enhanced digital platforms and the coexistence of cloud and on-premises infrastructure.
- Embed cultural realignment and change management initiatives, fostering a merit-based performance culture with a strong emphasis on revenue generation, cost discipline, digital adoption and cybersecurity awareness.

Raja Teh Maimunah, Bank Islam Group Chief Executive Officer, said, "Bank Islam's resilient performance reflects the strength of our fundamentals and the commitment of our people as we continue to navigate an evolving operating environment. While we have made progress, we recognise that achieving sustainable growth requires us to continuously rethink how we serve our customers and how we work.

"Our strategic renewal will be anchored on simplification, automation and digitalisation. We are reviewing our processes, operating model and cost structure to eliminate complexity, improve execution effectiveness and deliver faster, more seamless and intuitive customer experiences. At the same time, we will invest purposefully in talent development and technology, accelerate digital adoption and build a core banking architecture and infrastructure that strengthens the Group's agility and resilience."

She added that the development of new lines of business will enable Bank Islam to better serve a broader range of customer needs, diversify its business segments and revenue streams, and further enhance the reach and relevance of Islamic financial solutions.

"Our ambition is to make Bank Islam a bank for all Malaysians, one that is inclusive, accessible and responsive to the needs of individuals, businesses and communities at every stage of their journey. Ultimately, we aspire to evolve Bank Islam into a technology-led organisation that provides banking services, while remaining firmly rooted in our Shariah principles and purpose. This means using technology not simply as an enabler, but as a foundation for delivering better customer outcomes, improving productivity and creating sustainable, long-term value for all our stakeholders."

In tandem with its transformation agenda, Bank Islam continues to strengthen its leadership position in Islamic financial services through innovative, market-leading solutions. In April 2026, Bank Islam became the first bank in Malaysia to introduce a Shariah-compliant digital will-writing service via BIMB Mobile banking app, further enhancing its Islamic wealth management offering while improving accessibility and convenience for customers.

Bank Islam also demonstrated its capabilities in the Islamic capital markets space by serving as Principal Adviser, Lead Arranger and Lead Manager for Ditrolic Energy Holdings Sdn Bhd's inaugural RM150 million Sukuk Wakalah issuance. The transaction reflects the Group's expertise in structuring Shariah-compliant financing solutions and its commitment to supporting sustainable economic development.

Looking ahead, Bank Islam will continue to expand its sustainable financing and social finance initiatives, recognising their strategic importance in driving business growth while creating meaningful social impact. As an Islamic financial institution, Bank Islam remains committed to advancing inclusive and sustainable development, delivering value not only to its stakeholders but also to the communities it serves.

About Bank Islam Malaysia Berhad
Bank Islam is the first Islamic bank publicly listed on the main market of Bursa Malaysia. Established in July 1983, the Bank has over 100 branches and more than 900 self-service terminals nationwide. As a pure-play Islamic bank, Bank Islam provides retail and corporate financial solutions strictly adhering to Shariah principles. The Bank is committed to sustainable prosperity and ESG values and is an official participant of the UN Global Compact Malaysia and Brunei. Key subsidiaries include BIMB Investment Management Berhad and BIMB Securities Sdn Bhd providing full-fledged Shariah fund management and stockbroking services.

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