

MEDIA RELEASE

For Immediate Release



BIMB REGISTERS A NET PROFIT OF RM118.1 MILLION IN 1Q2023

HIGHLIGHTS

- Group's Profit After Zakat and Taxation (PAZT) rose 11.5% y-o-y to register at RM118.1 million.
 - Annualised Net Return on Equity (ROE) at 7.0%, and Earnings per Share (EPS) of 5.33 sen.
 - Total assets reached RM92.1 billion.
 - Gross Financing grew by 10.7% y-o-y to RM66.2 billion.
 - Robust CASATIA composition at 42.5%.
 - Healthy capital position with a Total Capital Ratio of 21.2%.
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KUALA LUMPUR, Tuesday, [30 May 2023]: Bank Islam Malaysia Berhad (Bank Islam or the Group) reported a net profit of RM118.1 million for the three months ended 31 March 2023 (1Q2023), an increase of 11.5% over the corresponding period in 2022.

In a Bursa Malaysia filing on Tuesday (30 May), Bank Islam said the revenue for the quarter rose 42.6% to RM1,103.9 million versus RM774.0 million previously. The Group's net income improved due to higher non-fund-based income, which surged by RM60.0 million or 132.4%, driven by higher investment income and net gain from foreign exchange transactions.

This performance translates into earnings per share of 5.33 sen and annualised net return on equity of 7.0%.

Gross financing grew by 10.7% year-on-year to RM66.2 billion, while customer deposits and investment accounts stood at RM77.8 billion, with a year-on-year increase of RM9.7 billion or 14.3%. This was mainly attributable to the healthy year-on-year growth of 25.9% or RM6.8 billion in total current and saving accounts and transactional investment accounts (CASATIA), to stand at RM33.0 billion. This composition made a healthy level of 42.5% of total customer deposits and investment accounts. The Group's Total Capital Ratio remained strong at 21.2%.

Bank Islam Group Chief Executive Officer, Mohd Muazzam Mohamed, said, "As at the end of March 2023, Bank Islam's total assets stood at RM92.1 billion, with a year-on-year growth of 14.4%, driven by year-on-year growth in both financing and investment securities."

"Our healthy capital and liquidity position reflects that our growth momentum and fundamentals remain strong," he added.

As of 31 March 2023, the gross impaired financing ratio was 1.37% which remains better than the industry average of 1.75%.

Economic Outlook

Overall, the Malaysian economy is off to a strong start when the country's Gross Domestic Production expanded by 5.6% during 1Q2023 as indicated in Bank Negara Malaysia's Quarterly Bulletin for First Quarter 2023 issued on 12 May 2023, surpassing its regional neighbours such as Indonesia, China, Vietnam and Singapore, suggesting that 2023-year performance target of between 4.0% and 5.0% is plausible. Such growth is buoyed by resilient domestic spending, given solid private expenditure and a further improvement in the labour market conditions. This bodes well for the Group's prospects, which are primarily in retail banking.

While the current economic indicators paint an optimistic picture for the rest of the year, the second half of the year remains challenging as the economy is still subject to external development risks, such as dimmer global growth prospects. Though the Malaysian economic growth in the upcoming quarters are anticipated to come in lower, it is believed that several upside risks could counterbalance the 2H2023 growth headwinds, including the positive spillover from China's economic reopening, further improvements in the labour market and the continuation of megaprojects.

Earlier this month, Bank Islam was recognised by the General Council for Islamic Banks and Financial Institutions (CIBAFI) for its Sustainable Development initiatives, including Environmental, Social, and Governance (ESG) Practices, at the CIBAFI Award 2023 held in Manama, Bahrain.

Mohd Muazzam said, "This recognition is a testament to Bank Islam's progress in integrating sustainable development mindset and ESG practices within our operations. We have also integrated ESG considerations into our financing and investment decisions, ensuring our activities promote sustainable economic growth and development.

"We have taken significant steps towards reducing our carbon footprint and minimising our environmental impact. We have adopted green energy solutions in our operations. We are working on a Climate Risk Framework to help us identify opportunities for ESG initiatives and improve our skills to manage associated risks."

About Bank Islam Malaysia Berhad (Registration No [198301002944(98127-X)])

Bank Islam is Malaysia's first publicly 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 over 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 Sdn Bhd. For more information on the Group's products and services, visit www.bankislam.com.

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