

BANK ISLAM ACHIEVES NET PROFIT OF RM253.0 MILLION IN 1H2025

*Adaptability and strategic focus on customer experience to reinforce
long-term strength and future-proof growth*

HIGHLIGHTS

- The Group registers RM253.0 million net profit in 1H2025.
- Total Net Income rose 9.9% to RM1.4 billion, spurred by more than 65% y-o-y increase in non-fund-based income and strong growth in financing.
- Total Assets expanded by 7.0% y-o-y to RM99.5 billion, catalysed by 6.4% y-o-y growth in gross financing and higher investments in securities.
- Robust customer deposits and investment account growth of 5.4% y-o-y, with healthy current, savings and transactional investment accounts (CASATIA) composition at 35.2%.
- The Group maintained a solid capital position with a Total Capital Ratio of 20.3%.
- Bank Islam is transforming to streamline operations to enhance efficiency.
- Focused on consolidating resources to optimise performance and improve customer service delivery.

KUALA LUMPUR, Monday, [25 August 2025]: Bank Islam Malaysia Berhad (Bank Islam or the Group) posted a resilient performance for the six months ended 30 June 2025 (1H2025) amid increasingly challenging market conditions.

The Group recorded a year-on-year (y-o-y) decline of 5.9% in net profit to stand at RM253.0 million, compared to the corresponding period in 2024. This was primarily due to the higher total overheads and net allowance for impairment and finance cost.

Overheads for the 1H2025 expanded by 10.6% to RM830.8 million as the Group continues to invest in human capital, digital, and technology initiatives. Meanwhile, net allowance for impairment on financing and advances rose by 57.6%, primarily contributed by an increase in net new impaired financing. Accordingly, the financing credit cost increased to 0.35%.

Despite the rise in new impaired financing, the Group maintained a strong asset quality, with its gross impaired financing ratio standing at 1.05% at the end of June 2025, well below the industry average of 1.42%.

Driven by a robust 9.9% y-o-y increase in net income, amounting to RM1.4 billion for the period under review, Bank Islam also recorded a commendable 66.5% growth in non-fund-based income, reaching RM291.9 million. The achievement was supported by stronger fee and commission income, improved net gains from the sale of investment securities and higher income from foreign exchange transactions.

The net income growth was further supported by a 4.9% increase in fund-based income, which rose to RM2.2 billion for 1H2025. This was driven by y-o-y growth in financing and investment securities. As a result, the Group's total assets expanded by a 7.0% y-o-y growth to close at RM99.5 billion at the end of June 2025. Net assets per share stood at RM3.50.

Strong y-o-y growth in gross financing from the Group Retail Banking and Group Institutional Banking, at 5.7% and 8.7% respectively, propelled the Group's total gross financing to RM72.5 billion, marking an overall increase of 6.4%.

The growth is supported by the increase in customer deposits and investment accounts, which rose 5.4% y-o-y to RM82.7 billion. As of June 2025, current, savings and transactional investment accounts (CASATIA) stood at RM29.1 billion, reflecting a healthy composition of 35.2%. Consequently, the net fund-based income recorded a modest growth of 0.6% to RM1.1 billion.

The performance translates to Earnings per Share (EPS) of 11.16 sen and an annualised net Return on Equity (ROE) of 7.1%. Total Capital Ratio remained robust at 20.3% as of 30 June 2025, demonstrating the Group's strong capital position and continued financial resilience.

Commenting on the performance, Bank Islam Group Chief Executive Officer, Dato' Mohd Muazzam Mohamed, said, "Despite a challenging operating environment, the Group continues to achieve resilient financial performance, highlighting its agility and disciplined approach in navigating the heightened competition in the financial sector."

The Group is undergoing a transitional phase, streamlining its operations by removing redundancies and consolidating resources for greater efficiency. Branch optimisation efforts are being implemented to simplify and strengthen market presence, to provide customers a more consistent, reliable and seamless banking experience across all touchpoints.

"Alongside these measures, Bank Islam has continued to invest strategically in technology, infrastructure, and innovation to future-proof the business. Enhancements to digital platforms and the modernisation of operational capabilities are aimed at building resilience, improving service delivery, and positioning the Group to capture new opportunities in a fast-changing financial landscape," he explained.

Bank Islam remains committed to providing competitive returns to its shareholders, while continuing to invest in initiatives that support long-term growth. Mohd Muazzam emphasised that every gain in operational efficiency must go hand-in-hand with delivering meaningful value to the Group's customers.

"As Bank Islam concludes its five-year strategic roadmap (LEAP25) this year, the Group has taken the opportunity to reflect on its journey, drawing lessons and identifying critical areas for improvement. These insights provide a strong foundation for the next phase of growth, as the Group refines its strategies, strengthens its business focus, and delivers sustainable value to customers and stakeholders. This transition also aligns with the aspirations of the 13th Malaysia Plan (RMK-13) and Malaysia's Financial Sector Blueprint 2022-2026, where the Islamic financial industry is recognised as a catalyst for economic diversification, innovation, and inclusive growth," he said.

About Bank Islam Malaysia Berhad

Bank Islam is the first Islamic bank publicly listed in the main market of Bursa Malaysia. Established in July 1983, the bank has over 130 branches and over 900 self-service terminals across Malaysia. As a pure-play Islamic bank, Bank Islam provides retail banking and corporate financial solutions that strictly adhere to Shariah rules and principles. The bank is committed to sustainable prosperity and ESG values and is an official participant of the UN Global Compact Malaysia and Brunei. Bank Islam's core subsidiaries, BIMB Investment and BIMB Securities, offer various Islamic financial services, including investment and stockbroking. For more information on the Group's products and services, please visit www.bankislam.com.

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