

## MEDIA RELEASE



### BIMB HOLDINGS BERHAD PBZT SURPASSED RM1.0 BILLION FOR FY2018

#### HIGHLIGHTS

- Group Profit Before Zakat and Taxation ("PBZT") rose 12.4% to RM1.07 billion
- Robust Return on Equity (ROE) of 15.4%
- Bank Islam's PBZT increased 5.6% to RM810.3 million
- Takaful Malaysia's PBZT rose 32.9% to RM337.0 million

**Kuala Lumpur, Thursday, 28 February 2019:** BIMB Holdings Berhad's ("BHB") earnings have hit a new high with Group Profit Before Zakat and Taxation (PBZT) at RM1.07 billion for the financial year ended 31 December 2018 ("FY2018").

Mohd Muazzam Mohamed, Chief Executive Officer of BHB said "We are very pleased to announce that the strong performance translates to an after-tax ROE of 15.4%, outpacing most industry peers. Earnings per share was also higher at 40.36 sen compared with 37.94 sen in the previous financial year, while net asset per share improved to RM2.97 compared with RM2.77 as at end December 2017".

For the period under review, net profit attributable to shareholders rose 10.1% or RM62.3 million to RM682.1 million.

During the year, an interim single tier dividend of up to RM262.5 million or 15.5 sen per share was proposed for the nine-months ended September 2018. The Board has also proposed that the Dividend Reinvestment Plan ("DRP") be made applicable to the entire proposed interim single tier dividend. BHB registered a DRP subscription rate of 85.95%, indicating continuous strong shareholder commitment and participation.

#### **Islamic Banking**

Bank Islam Group ("Bank Islam" or "the Bank") reported a PBZT of RM810.3 million for FY2018, an increase of RM43.2 million or 5.6% over the previous financial year of RM767.1 million.

Bank Islam's profit growth was mainly due to higher income resulting from the increase in the Base Rate and Base Financing Rate by 25 basis points effective February 2018, and a strong financing growth of 8.5%, which is almost double the industry's average financing growth of 4.3% (November 2018). Financing grew RM3.6 billion to reach

RM45.7 billion as at 31 December 2018 with the asset quality remaining strong and resilient, despite the robust expansion and challenging economic environment.

The strong assets quality is reflected in the low gross impaired financing ratio of 0.92%, lower than the 0.93% registered at the end of 2017. This compares positively against the 1.49% registered by the banking system as at end November 2018.

The Bank's financing loss coverage ratio stood at 187.8%, almost double the industry average of 97.5% as at end December 2018.

On the funding side, the Bank's customer deposits and investment accounts stood at RM49.9 billion and RM5.2 billion at 31 December 2018 with a year-on-year increase of RM3.7 billion and RM0.9 billion respectively. The Current and Savings ("CASA") and Investment Accounts (IA) without maturity, low cost deposits/IA ratio stood at 32.1%. The Bank's funding position also remained healthy with the financing to available funds ratio of 77.7%.

The Bank's capital position continued to be healthy as reflected by its total Capital Ratio of 17.7%.

Supportive measures adopted by the Malaysian government as announced in Budget 2019 are in place to ensure the growth of the Islamic economy. These include, the continued prioritisation on Islamic banking, enlargement on halal productivity industry, increasing Shariah-compliant Small Medium Enterprise ("SME") Financing Scheme and digital initiatives.

In this regard, the Bank's strategic plan for the next three years is to deliver sustainable performance with a strategic focus to support economy, community and environment. The Bank's corporate direction is premised on Value-based Intermediation ("VBI"), driving the business model. With Shariah Principles/ Halal and Trustworthy being the key distinctive features, the Bank will continue its journey adopting VBI principles such as Triple Bottom Line ("TBL") considerations, of community, environment and prosperity.

### **Takaful**

Syarikat Takaful Malaysia Keluarga Berhad Group ("Takaful Malaysia") recorded a 32.9% increase in PBZT to RM337.0 million for FY2018, compared to RM253.7 million achieved in the previous year. The higher profit is attributable to higher net wakalah fee income arising from the robust business growth in the Family and General Takaful business.

Takaful Malaysia's operating revenue rose 23.4% in FY2018 to RM2.639 billion from RM2.139 billion in the preceding year. The increase is mainly attributable to higher sales generated by both Family Takaful and General Takaful business.

For the 12 months under review, Family Takaful generated gross earned contributions of RM1.608 billion, an increase of 27.2% compared to RM1.264 billion achieved in the previous year. The increase is mainly attributable to higher sales from credit-related products.

For the period under review, General Takaful recorded gross earned contributions of RM685.8 million, an increase of 23.7%, compared to RM554.2 million achieved in the previous year. The growth was mainly from fire and motor classes.

During the period under review, Takaful Malaysia completed the proposed reorganisation of its Family and General Takaful business pursuant to the requirements of Sections 16(1) and 286 of the Islamic Financial Services Act 2013 ("IFSA). Bank Negara Malaysia has on 29 June 2018 issued the licensed certificates for the Family Takaful and General Takaful businesses respectively, effective 1 June 2018.

Despite business sentiments remaining cautious in 2019, the Takaful industry is expected to outperform the conventional insurers in view of the strong demand in the Takaful products. Takaful Malaysia is poised to further expand its market share in 2019.

To sustain its market leading position, the company will continue with its innovative strategies via the implementation of its digital strategy, introduction of online solutions, expansion of its distribution capabilities, strategic partnerships with leading Islamic banks and Brand awareness initiatives.

To support business growth and customer centricity, the company will continue its digital strategy to build the full digital ecosystem and to expand the business focus beyond credit-related business to reach out to the wide retail customer base of major partner banks.

It is the commitment of Takaful Malaysia to continue responding to the needs of customers with reliable and better protection solutions and services that they deserve to firmly establish the company as the preferred choice for insurance.

For further information on BHB, please visit [www.bimbholdings.com](http://www.bimbholdings.com)

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### **About BIMB Holdings Berhad**

BIMB Holdings Berhad ("BHB") is the first Islamic Financial Holding company approved by Bank Negara Malaysia under the Islamic Financial Services Act 2013. BHB was incorporated in Malaysia on 20 March 1997 and was listed on the Main Market of Bursa Malaysia Securities Berhad on 16 September in the same year. The core subsidiaries of the BHB Group are pioneers in various Islamic financial services including banking, takaful, stockbroking, and other related services namely Bank Islam Malaysia Berhad, Syarikat Takaful Malaysia Keluarga Berhad and BIMB Securities Sendirian Berhad.

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