

MEDIA RELEASE

ANOTHER RECORD YEAR FOR BIMB HOLDINGS BERHAD FY2019 PBZT RISES 13.1% TO RM1.2 BILLION

HIGHLIGHTS

- The Group's Profit Before Zakat and Taxation ("PBZT") rose 13.1% to RM1.2 billion.
- Net Return on Equity ("ROE") of 15.7%.
- Bank Islam's PBZT increased 4.1% to RM843.5 million.
- Takaful Malaysia's PBZT grew 23.9% to RM417.7 million.

Kuala Lumpur, Thursday, 27 February 2020: BIMB Holdings Berhad ("BHB") turned in another year of record earnings, with Group PBZT breaching RM1.2 billion or 13.1% higher, for the financial year ended 31 December 2019 ("FY2019"). Both Islamic banking and takaful businesses performed strongly.

Earnings per share rose to 44.75 sen compared with 40.36 sen in the previous financial year. The increased PBZT translates into a ROE of 15.7%, while Net Asset per share improved to RM3.34 compared with RM2.97 as at end December 2018.

For the period under review, net profit attributable to shareholders rose 15.4% or RM104.8 million to RM786.9 million.

On 29 November 2019, the Board of Directors of BHB had declared an interim single tier dividend of RM282.3 million or 16.0 sen per ordinary share for FY2019. Of the total dividend declared, approximately 62.89% or RM177.8 million was distributed as cash dividend. The remaining 37.11% amounting to RM104.4 million was distributed via the Dividend Reinvestment Plan (DRP) at RM3.68 per share. A total of 28,381,100 new ordinary shares were issued under the DRP.

Islamic Banking

Bank Islam Group ("Bank Islam" or "the Bank") reported a PBZT of RM843.5 million for FY2019, an increase of RM33.2 million or 4.1% over the previous financial year of RM810.3 million.

The Bank's improved performance was mainly due to higher total income, resulting from a strong net financing growth of 8.3%, which is more than double the industry's average financing growth of 4.1% (December 2019), as well as an increase in investment securities of 9.3%. Net financing stood at RM49.5 billion whilst investment securities was RM12.8 billion.

The Bank's asset quality remains strong and resilient as reflected by the low gross impaired financing ratio of 0.86% at end 2019, lower than the 1.51% registered by the banking system at end December 2019.

As at 31 December 2019, customer deposits and investment accounts ("IA") stood at RM57.6 billion with a y-o-y increase of RM2.6 billion or 4.7%. Current and Savings accounts ("CASA") and Transactional IA ratio was 32.7%.

The Bank's capital position also remained healthy to support continuous business growth with a Total Capital Ratio of 18.7% as at 31 December 2019.

The Islamic banking sector in Malaysia now aims to go beyond quantitative growth to explore potential qualitative progress, evidenced by the launch of the Value-Based Intermediation ("VBI") in 2017, an initiative through which Islamic banking institutions transform their business activities to enable delivery of sustainable and positive impact on the community, economy and the environment.

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 VBI, at the heart of the Bank's business model. With Shariah Principles/ Halal and Trustworthy being our key distinctive features, the Bank continues its journey in adopting VBI principles such as Triple Bottom Line ("TBL") considerations which consist of people, planet and prosperity. The Bank is also committed to promote digital competency among our employees for the expected changes brought about by digitalisation. Digitalisation allows the Bank to fully embrace the concept of financial inclusion, hence inclusive growth, being one of our main focus. It enables the Bank to introduce new, innovative products and deliver digital services that serve the needs of the largely untapped (and expanding) underserved market segment. By going digital, the Bank can truly serve everyone at any time and any place.

Takaful

Syarikat Takaful Malaysia Keluarga Berhad ("Takaful Malaysia") recorded a 23.9% increase in PBZT to RM417.7 million for FY2019, compared with the previous year's RM337.0 million. This was achieved through higher net wakalah fee income arising from the growth in the Family Takaful business and higher net investment income.

Takaful Malaysia's operating revenue rose 18.4% in FY2019 to RM3.1 billion. The increase was mainly due to higher sales generated by Family Takaful business.

Family Takaful business generated gross earned contributions of RM2.0 billion for FY2019, an increase of 27.0%, compared with RM1.6 billion in the previous year. The increase was mainly attributable to higher sales from credit-related products.

In FY2019, General Takaful business generated gross earned contributions of RM706.2 million, an increase of 3.0% over the previous year's RM685.8 million. The growth was mainly from fire and commercial classes.

Despite business sentiments remaining cautious in 2020, the Takaful industry is expected to outperform the conventional insurers in view of the strong demand for Takaful products. Takaful Malaysia is poised to further expand its market share in 2020. 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.

Particularly, the company will further strengthen its distribution capabilities for general takaful business in view of greater potential to enlarge the takaful market share in the general insurance and takaful sector. 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

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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