

MEDIA RELEASE



BIMB HOLDINGS BERHAD REPORTS RECORD PBZT OF RM948.3 MILLION FOR FY2017

Driven by robust financing growth and strong asset quality

HIGHLIGHTS

- Group's FY2017 Profit Before Zakat and Taxation (PBZT) rose 9.1% to RM948.3 million
- Pre-tax Return on Equity (ROE) of 20.8%
- Pre-tax Return on Assets (ROA) of 1.5%
- Bank Islam's PBZT increased 6.5% to RM767.1 million
- Net financing growth of 7.5%
- Takaful Malaysia PBZT grew by 14.8% to RM253.7 million

Kuala Lumpur, 28 February 2018 : BIMB Holdings Berhad ("BHB"), Malaysia's premier Islamic financial services Group today announced a Profit Before Zakat and Taxation (PBZT) of RM948.3 million for the financial year ended 31 December 2017 ("FY2017") – the highest ever recorded by the Group.

The PBZT is 9.1% higher than that registered in the previous year.

Over the same period, net profit attributable to shareholders rose 10.9% or RM60.8 million to RM619.8 million. The strong performance translated to an after tax ROE of 15.4%, one of highest among listed banking peers.

For the nine months ended 30 September 2017, an interim single tier dividend of up to RM229.3 million or 14.0 sen per share was proposed by the directors of BHB. It was also proposed that the Dividend Reinvestment Plan ("DRP") be made applicable to the entire proposed interim single tier dividend. BHB registered highest DRP with a subscription rate of 90.88% indicating continuous strong commitment and participation by its' shareholders.

Islamic Banking

Bank Islam Group ("Bank Islam" or "the Bank") reported a PBZT of RM767.1 million for FY2017, an increase of RM46.7 million or 6.5% over the PBZT of the previous financial year of RM720.4 million.

Bank Islam's profitability growth was mainly due to the strong financing growth of 7.5% which is almost double the industry's average financing growth of 4.1%. Financing grew RM2.9 billion to reach RM42.1 billion as at 31 December 2017 with the asset quality

remaining strong and resilient, despite the robust expansion and challenging economic environment.

The strong assets quality is reflected in the improvement of the gross impaired financing ratio of 0.93% as at 31 December 2017 lower than the 0.98% registered as at 31 December 2016. Whilst, the Bank's financing loss coverage ratio stood at 160.0%, much higher than the industry average of 82.9%.

The Bank will continue its focus to sustain its growth momentum in retail market place via its responsible financing agenda and increase its exposure and market share in SME segments; particularly vendor and supply chain financing.

On the funding side, the Bank's customer deposits and investment accounts stood at RM46.2 billion and RM4.3 billion as at 31 December 2017 with a year-on-year increase of RM0.3 billion and RM0.4 billion respectively. The Current and Savings ("CASA") and Investment Accounts (IA) without maturity, low cost deposits and IA ratio stood at 34.6%, higher than the 31.5% registered as at 31 December 2016. The Bank's funding position also remained healthy with the financing to available funds ratio of 81.4% compared to 77.3% in the previous year.

The Bank's capital position continued to be healthy as reflected by its total Capital Ratio of 16.4%. The Bank's pre-tax ROE was 16.4% and after tax ROE was 12.1%.

For 2018, the Bank's corporate direction is premised on the over-arching themes of Value-Based Intermediation ("VBI"). VBI is at the heart of the Bank's business model, to deliver a sustainable performance with a strategic focus to support economic, social and environmental development. "The Bank would continue to focus on providing access to financing, in supporting viable infrastructure projects that supports the economic growth and create job opportunities to the country", said Khairul Kamarudin, CEO of BIMB Holdings Berhad. As part of VBI initiative, the Bank has launched "*Sadaqa House*", a crowdfunding initiative that would support its social finance agenda. It is a digital platform to source funding for social finance and financial inclusion activities. Shariah rules and principles remain fundamental to the Bank's direction along with the new Triple Bottom Line ("TBL") approach embedded in all operating principles.

The Bank will focus on optimising its risks and returns, optimising its resource and productivity as well as its franchise value, which is underpinned by a disciplined balance sheet management. This is to sustain net income margin, preserve asset quality as well as to minimise financial impact arising from the implementation of Malaysian Financial Reporting Standards on Financial Instruments ("MFRS9") in 2018 and the upcoming Net Stable Funding Ratio ("NSFR") requirements.

The Bank will stay on course with its strategy to collaborate with FinTech companies in enhancing its reach and spurring innovation. Digital banking agenda has been formulated to enhance its customer experience and optimise its distribution channel to be more cost effective. It will also continue to invest in its people, to build a strong compliance and risk culture as well as enhance its capability and capacity as one of the key players in Islamic Finance world.

Takaful

Syarikat Takaful Malaysia Berhad Group (“Takaful Malaysia”) recorded a PBZT of RM253.7 million for FY2017, an increase of 14.8% as compared to RM221.0 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 General Takaful business.

Takaful Malaysia’s operating revenue rose 6.2% in FY2017 to RM2,139.1 million from RM2,013.3 million 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 RM1,264.5 million, an increase of 2.9% compared to RM1,229.4 million achieved in the previous year. The increase is mainly attributable to higher sales from Family Takaful mortgage related products.

For the period under review, General Takaful recorded gross earned contributions of RM554.2 million, an increase of 11.1%, compared to RM498.6 million achieved in the previous year. The growth was mainly from fire and motor classes.

Takaful Malaysia in 2018 will remain focused on sustaining its position as the market leader in the Family Takaful business whilst expanding its market share in the General Takaful business to establish a strong foothold in the industry. The Company will continue to enhance its digital capability to increase its product and service accessibility to the consumers by intensifying its online marketing initiatives.

The Company will also embark on multiple digital initiatives to further develop ‘customer centric’ value propositions to remain competitive in the industry. The Company will carry out its key initiatives, including an active management strategy as well as prudent investment and underwriting activities to deliver sustainable results for its shareholders and promote financial security to its customers. It will amplify its brand presence and the 15% Cash Back offered to its customers for making no claims during the coverage period. Takaful Malaysia will continue to emphasize the four core areas of customer reach, operational agility, cost competitiveness and stakeholder confidence to firmly establish the Company as the preferred choice for insurance amongst the consumers.

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 Berhad and BIMB Securities Sendirian Berhad.

Issued by : Group Corporate Communications, BIMB Holdings Berhad

Enquiries : Wan Norkhairi Wan Samad
Head, Group Corporate Communications
BIMB Holdings Berhad / Bank Islam Malaysia Berhad
Tel : +603-27821232
Fax : +603-20888110
Email : wnorkhairi@bankislam.com.my

Omar Atin
Media Relations & Editorial
Group Corporate Communications
BIMB Holdings Berhad / Bank Islam Malaysia Berhad
Tel : +603-27812943 / +6019-3919144
Fax : +603-27812988
Email : omar@bimbholdings.com