

MEDIA RELEASE

BIMB HOLDINGS BERHAD ANNOUNCES GROUP'S PBZT OF RM612.2 MILLION FOR 1H21

HIGHLIGHTS

- Group's Profit Before Zakat and Taxation ("PBZT") was 6.6% higher at RM612.2 million.
- Annualised Net Return on Equity ("ROE") of 11.6%.
- Bank Islam's PBZT rose 22.1% to RM475.0 million.
- Net financing year-on-year ("Y-o-Y") growth of 6.2%.
- Takaful Malaysia's PBZT was RM210.2 million.

KUALA LUMPUR, Monday, 30 August 2021: BIMB Holdings Berhad ("BHB") Group's PBZT rose 6.6%, recording RM612.2 million for the six months ended 30 June 2021 ("1H21"). Net profit similarly increased by 6.8% to RM387.1 million.

The Group registered healthy annualised ROE of 11.6% and net assets per share of RM3.69 as of 30 June 2021.

The Group Overview

COVID-19 continued to impact the economy during the first half of 2021 adversely. With the acceleration of the vaccination programme and the various stimulus packages announced, the government is cautiously optimistic for an economic recovery towards the end of 2021.

To provide temporary cash flow relief to borrowers, the government has also announced several repayment assistance programmes (that involve deferment and reduction of instalments) offered on an "opt-in" basis. Most analysts view the impact of modification loss on banks this year as lower than what was experienced in the previous year. Despite a series of MCOs, asset quality remained strong, projected financing growth hovers around 3% to 4%, driven by the household sector whilst the banking system remained well-capitalised.

Commenting on the results, Mohd Muazzam Mohamed, Chief Executive Officer of BHB, said, "As the world is combatting the COVID-19 pandemic, the Group continues to focus on integrating the principles of Shariah, Value-Based Intermediation ("VBI") as well as environment, social and good governance ("ESG") considerations to remain resilient and promote financial inclusion for all. Bank Islam continues to assist the community in making a positive impact on people's lives and livelihood and meeting their needs. We provided the Repayment Assistance programme for our customers to manage their cash flow better during this challenging time. We also uplifted our growing affordable micro-finance iTEKAD and BangKIT programmes, as well offered other innovative solutions to generate a more significant impact on the underserved and unbankable target group through its social finance arm."

Started in Federal Territory Kuala Lumpur, the iTEKAD programme is now expanded to Perlis and Selangor, benefitting 98 customers with total financing of close to RM1.8 million as of 31 July 2021. While for BangKIT Microfinance, the Bank has approved a financing amount of RM1.01 million to 95 customers since its launch on 25 November 2020.

In support of the community, Bank Islam has intensified its corporate responsibility initiatives through AMAL. In addition, the Bank's Sadaqa House continues to play its role in managing philanthropic funds and providing the support needed for the targeted segment with strategic collaboration with government agencies and non-government organisations ("NGO").

In line with the positive financial performance, as of the end of June 2021, Bank Islam has disbursed and contributed close to RM4.0 million to more than 11,000 individuals and organisations through various initiatives, including the distribution of Sadaqa House's funds to recipients under its four focused sectors, namely education, health, community empowerment and environment.

Mohd Muazzam Mohamed continued, "Bank Islam has also intensified its support towards small and medium enterprises ("SMEs") through collaborations with Government-Linked Companies ("GLCs") and other large corporations via vendor development and financing programmes. In June 2021, we partnered with Halal Development Corporation Berhad ("HDC") to provide GO Halal SME Financing ("Go Halal Fund") with an initial allocation of RM100 million. The facility will assist SMEs in a better coordinated and structured format, improving capacity building."

In paving the way for affordable investing for retail customers, Bank Islam's wholly-owned subsidiary, BIMB Investment Management Berhad ("BIMB Investment"), launched the world's first Shariah Sustainability Robo-Intelligence Investing app called the "BEST Invest". It introduces a new investment dimension into the fund management industry in Malaysia. In March 2021, BIMB Investment launched the Makmur myWakaf Fund ("MWF"). The new fund is aimed at investors who wish to channel a part of their investment returns for wakaf purposes to underprivileged communities in Malaysia. BIMB Investment is the first fund management company to structure and design a wakaf unit trust fund under the Securities Commission ("SC") Waqf-Featured Fund Framework introduced on 12 November 2020. The fund is also a qualified sustainable and responsible investment ("SRI") fund under the SC Guidelines on Sustainable and Responsible Investment Funds.

Nearing the end of the group restructuring exercise, the Bank aspires to unlock value for all, paving the way for the country's only listed pure-play full-fledged Islamic financial institution.

Takaful Malaysia will continue its strategic initiatives to strengthen its business resilience and adjust its operating models in managing the business in a very different market and dynamic operational landscape. Takaful Malaysia remains vigilant and cautious in managing operating costs, business growth, and portfolio risk.

As a forerunner and early embracer of online distribution and new digital technologies supporting its distribution channels, Takaful Malaysia can minimise some sales and operational challenges faced during the COVID-19 pandemic. Its digital and technological capabilities have enabled the company to maintain uninterrupted business services to sales intermediaries, bank partners,

and customers. Notably, they have a wide range of online takaful products that customers can easily access its affordable online takaful solutions at their fingertips, especially during the COVID-19 outbreak. Takaful Malaysia has increased its social media presence to cross-sell its online products, targeting customers who may not have access to intermediaries for face-to-face selling.

Takaful Malaysia will continue to roll out more innovative strategies via implementing its digital and online solutions, digital ecosystem expansion of its distribution capabilities, strategic partnerships with leading Islamic banks and brand awareness initiatives. It would enable Takaful Malaysia to sustain its market-leading position, while supporting business growth and customer-centricity.

Islamic Bank

Bank Islam Group ("Bank Islam" or "the Bank") recorded a PBZT of RM475.0 million for the 1H21, which rose by 22.1% over the corresponding period in 2020. The increase is mainly due to no significant modification loss charged during the period for moratorium granted to customers. Whereas for the corresponding period in 2020, the Bank incurred an RM97.8 million modification loss on the automatic moratorium granted in April 2020.

The Bank's total assets stood at RM73.6 billion as of 30 June 2021, a year-on-year increase by RM5.0 billion from RM68.6 billion reported until 30 June 2020, which was mainly contributed by the increase in financing, advances and others by RM3.2 billion and increase in cash and short-term funds by RM1.0 billion.

At the end of June 2021, customer deposits and investment accounts stood at RM61.9 billion, with a year-on-year increase of RM3.3 billion or 5.8%. Total current and saving accounts and transactional investment accounts ("CASATIA") composition is healthy at 38.6% of total customer deposits and investment accounts.

Total gross impaired financing as of 30 June 2021 was RM407.2 million compared to RM371.5 million as of 30 June 2020. With gross impaired financing sustained at 0.72%, the Bank maintains its prudential risk management while persevering resilience amidst the prolonged challenges by sustaining traction on sound financial standing.

Takaful

Syarikat Takaful Malaysia Keluarga Berhad ("Takaful Malaysia") recorded a PBZT of RM210.2 million for 1H21, lower as compared to RM211.8 million achieved in 1H20.

Operating revenue for 1H21 was RM1,616.7 million, 13.1% higher than RM1,428.8 million posted in 1H20. The growth was mainly attributable to higher sales from both Family and General Takaful businesses.

Family Takaful business generated gross earned contributions of RM924.9 million for 1H21, higher than RM772.1 million in the corresponding period last year due to higher sales from credit-related



products. General Takaful business also recorded a higher gross earned contributions of RM415.2 million in 1H21 and was mainly attributable to motor classes.

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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