

The Malaysian Reserve

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BIMB net profit up 12% YoY to RM137m

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BIMB Holdings Bhd's net profit for the first-quarter ended March 31, 2015, grew 12% year-on-year (YoY) to RM137.1 million on account of growth in business activities and net financing.

The revenue for the quarter was up at RM809.08 million compared to RM726.8 million in the same period last year, BIMB said in a statement on Bursa yesterday.

To put in perspective, Bank Islam Group, the Islamic banking arm of BIMB is also looked upon

as a prospective bank for merger with Malaysia Building Society Bhd that wants to become a full-fledged Islamic Bank in five years' time. Bank Islam saw its profit for the quarter rise 4% YoY to RM173.7 million.

"The improved performance was mainly attributed to growth in business activities. Correspondingly, fund based income increased by RM76 million or 20.8% and non-fund based income was also higher by RM4.3 million or 6.2%," the statement from BIMB said.

Net financing assets grew by RM624.2 million or 8.5%

(annualised) to reach RM30.1 billion as at the end of March 2015 compared to RM29.5 billion as at Dec 31, 2014.

The bank's gross impaired financing ratio was 1.2% while the net impaired financing ratio was a negative 0.74% compared to 1.14% and a negative 0.82% respectively as at Dec 31, 2014.

The takaful business of the group Syarikat Takaful Malaysia Bhd's profit for the quarter rose 39.1% to RM62.2 million compared to the corresponding period last year.

"The higher profit was attributable to higher wakalah

fee income and lower expense reserves," BIMB said.

Operating revenue for the takaful business rose 30.2% to RM562.5 million, from the corresponding quarter in the preceding year.

The increase was mainly attributable to higher sales generated by both the family takaful and general takaful businesses and higher net investment income.

Earnings per share for the period under review increased 6.9% to 8.84 sen. BIMB stocks were down seven sen on Bursa yesterday to close at RM4.