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Higher earnings for BIMB

It gains from improvement in Islamic banking, takaful operations

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PETALING JAYA: BIMB Holdings Bhd posted a 9.9% increase in net profit to RM135.7mil for the first quarter ended March 31, 2015 from RM123.46mil a year ago on improvement in contributions from the Islamic banking and takaful businesses.

Revenue for the period grew 11.3% to RM809.08mil against RM726.9mil.

BIMB said in a filing with Bursa Malaysia that Bank Islam reported a profit before zakat and taxation of RM173.7mil on higher business activities. Year-on-year (y-o-y) net financing assets stood at RM30.1bil as at end-March.

As a result, fund-based income

increased by RM76mil while non-fund based income grew by RM4.3mil.

The bank's gross impaired financing ratio was 1.20%, while the net impaired financing ratio was a negative 0.74% compared with 1.14% and a negative 0.82% respectively as at Dec 31, 2014.

As at end-March, customer deposits stood at RM41.5bil at a 14.7% y-o-y increase, while the low cost current and savings accounts grew 3.9% on-year.

Syarikat Takaful Malaysia Bhd recorded a 39.1% higher profit before zakat and taxation of RM62.2mil due to improved *wakalah* fee income and lower expense reserves.

Operating revenue rose 30.2% to RM562.5mil from a year ago on the

back of higher sales generated by both the family takaful and general takaful businesses as well as improved net investment income.

Meanwhile, BIMB said Bank Islam was moving into the final phase of its Hijrah to Excellence "H2E" (2013-2015) corporate plan.

"It is expected to sustain its growth momentum albeit with a cautious stance, taking into consideration the current economic condition.

"In a rising interest rate environment, Bank Islam foresees an increase in bilateral financing as a means to raise funds by corporates rather than going out to the capital market," it said.

To drive secured financing for better asset quality, Bank Islam will focus on structured financing products for the specific assets, infra-

structure projects and project financing for state government-related entities.

"Likewise, it wants to remain aggressive and dynamic with its key measures to drive low-cost funding, continuous product innovation and expand the value chain through cross-marketing," said BIMB.

Bank Islam intends to further expand its branch network to capture higher deposits and widen its reach to new potential markets. It currently has 141 branches nationwide and aims to achieve 150 branches by end-2015.

Takaful Malaysia will continue with its value proposition of rewarding its customers with the 15% Cash Back and establish a strong foothold in the local insurance and takaful industry.