

MALAYSIA'S PREMIER
SHARIAH - COMPLIANT
FINANCIAL SERVICES GROUP



2018 HALF-YEAR FINANCIAL PERFORMANCE

ANALYSTS & FUND MANAGERS BRIEFING

BIMB HOLDINGS BERHAD
27 AUGUST 2018

HALF YEAR JUNE 2018 HIGHLIGHTS



**Total revenue RM1,991.5 million, + 6.9%
(HY June 18 vs. HY June 17)**



**PBZT RM510.9 million, + 10.7%
(HY June 18 vs. HY June 17)**



ROE: 19.5% & ROA: 1.6% (based on PBZT)

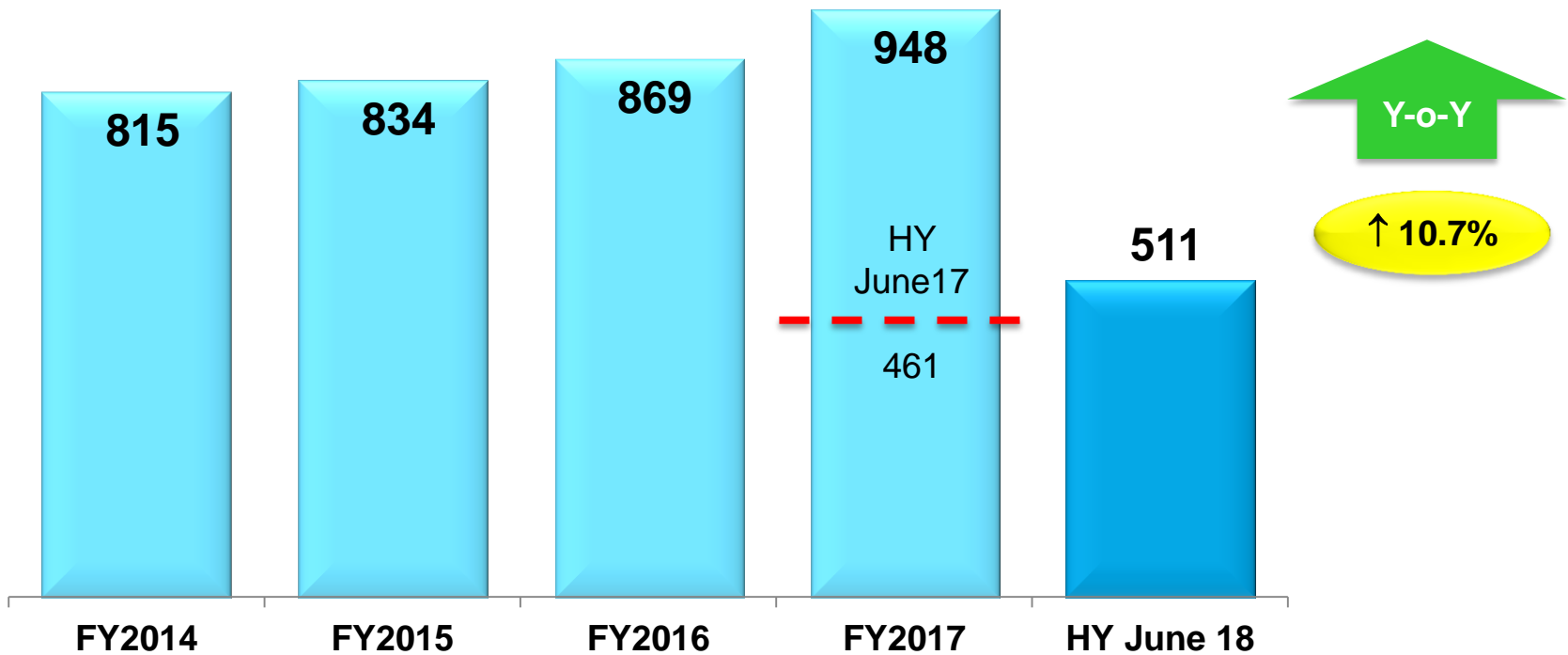


Net Financing RM43.2 billion, + 6.7% Y-o-Y

PROFITABILITY

Profit before zakat & taxation

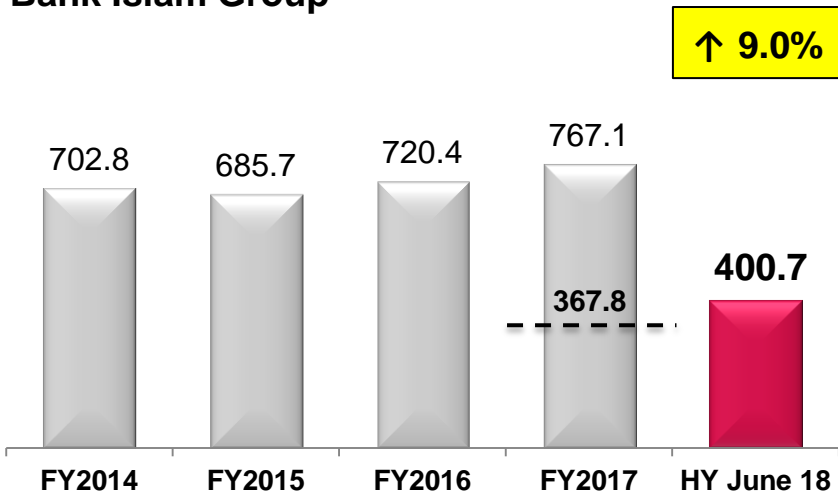
RM million



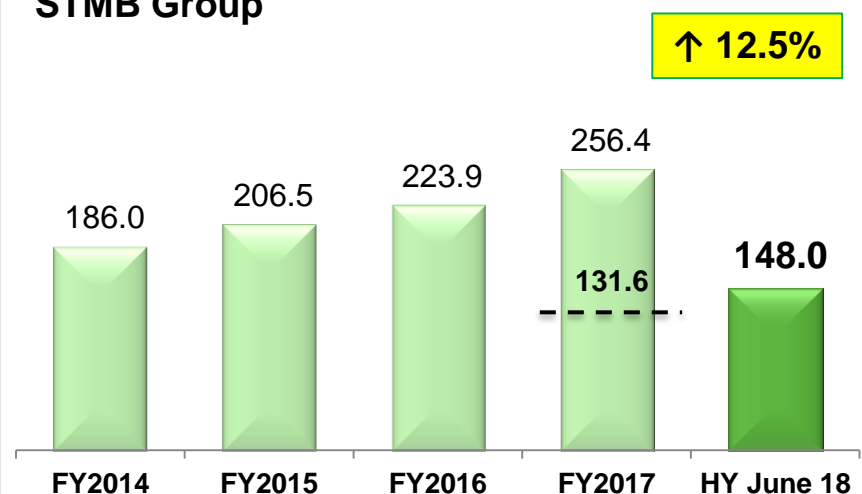
PROFITABILITY TREND – BHB GROUP

Profit before zakat and taxation (RM million)

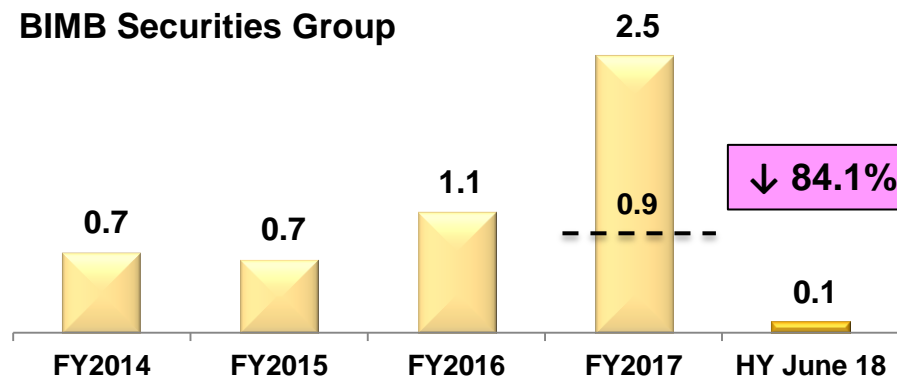
Bank Islam Group



STMB Group



BIMB Securities Group



GROUP KEY FINANCIAL INDICATORS

	Actual June 18	Actual Dec 17
Return on Equity (%) based on PBT	19.5%	20.8%
Return on Assets (%) based on PBT	1.6%	1.5%
Return on Equity (%) based on PAT	14.1%	15.4%
Return on Assets (%) based on PAT	1.1%	1.1%
Cost Income Ratio (%)	57.4%	61.4%
Earnings per Share (sen)	19.10	37.94
Net Tangible Assets per Share (RM)	2.89	2.77

KEY CONSOLIDATED FINANCIAL POSITION ITEMS

RM million	June 18	Dec 17	Variance	
			Amount	%
Total Assets	66,246.7	65,784.6	462.1	0.7
<i>of which:</i>				
Cash, short-term funds and placements	3,676.6	5,966.8	(2,290.2)	-38.4
Investment securities	16,097.7	14,621.4	1,476.3	10.1
Net financing, advances and others	43,229.6	42,113.4	1,116.2	2.7
<i>Gross impaired financing</i>	427.2	398.3	28.9	7.3
Takaful assets	731.6	677.7	53.9	8.0
Deposits from customers	44,430.4	45,870.6	(1,440.2)	-3.1
Investment accounts	4,520.4	3,969.3	551.1	13.9
Recourse obligation on financing sold to Cagamas	1,501.2	-	1,501.2	-
Takaful liabilities	7,117.1	6,962.3	154.8	2.2
Sukuk liabilities	2,275.2	2,235.9	39.3	1.8
Equity	5,284.1	4,918.4	365.7	7.4

CONSOLIDATED PROFIT & LOSS

RM million	6 months Actual		Variance	
	June 18	June 17	Amount	%
Total revenue	1,991.5	1,862.8	128.7	6.9
Profit to depositors & investment account holders	(643.4)	(595.4)	(48.0)	-8.1
Net income	1,348.1	1,267.4	80.7	6.4
Total operating overheads	(736.1)	(715.8)	(20.3)	-2.8
Operating results	612.0	551.6	60.4	10.9
Allowance for impairment on financial assets	(35.8)	(33.8)	(2.0)	-5.9
Finance cost from issuance of sukuk	(65.3)	(56.4)	(8.9)	-15.9
Profit before zakat & taxation (PBZT)	510.9	461.4	49.5	10.7
Zakat	(7.9)	(5.1)	(2.8)	-54.3
Taxation	(132.0)	(128.9)	(3.1)	-2.4
Profit after zakat & taxation (PAT)	371.0	327.4	43.6	13.3
Profit attributable to Owners of the Company	322.0	286.8	35.2	12.3

CAPITAL ADEQUACY RATIO

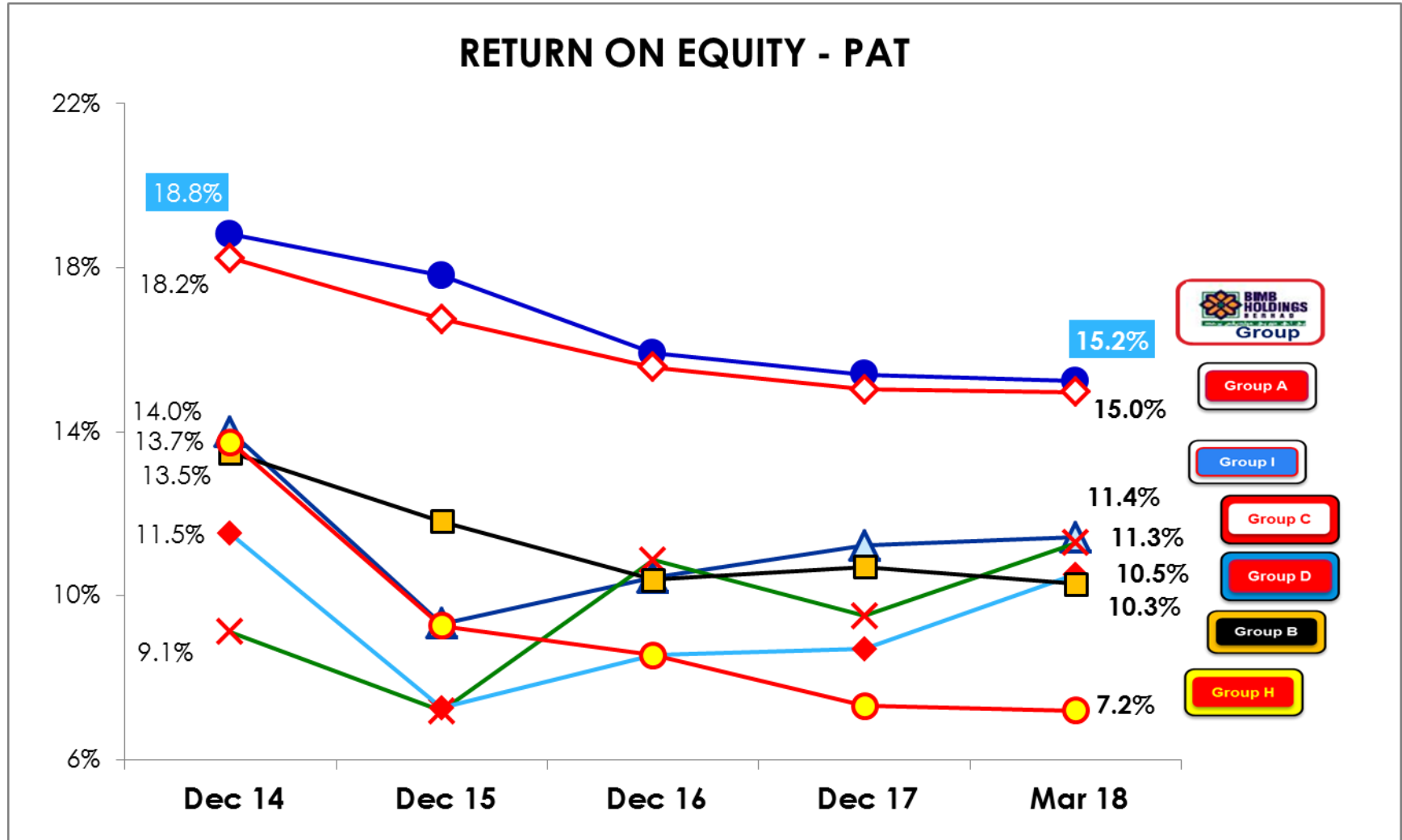
- On 16 October 2015, BNM has issued a Policy Document on Observation Period Reporting requesting Financial Holding Companies (FHCs) to report on Capital Adequacy Ratios effective 1 January 2016 on a quarterly basis.
- The following are the minimum capital adequacy requirements (including the capital conservation buffer (CCB)) which FHCs are required to maintain:

	CET 1 Capital Ratio	Tier 1 Capital Ratio	Total Capital Ratio	of which CCB
2016	5.125%	6.625%	8.625%	0.625%
2017	5.750%	7.250%	9.250%	1.25%
2018	6.375%	7.875%	9.875%	1.875%
2019	7.000%	8.500%	10.500%	2.5%

CAPITAL ADEQUACY RATIOS RM million	June 18		Dec 17	Dec 16
	Exclude 1H18 profits	Include 1H18 profits		
Common Equity Tier 1 (CET1)/ Tier 1 Capital (%)	10.433%	11.288%	10.031%	9.473%
Total Capital Ratio (%)	14.196%	15.051%	13.702%	12.568%
CAPITAL *				
Total CET1 and Tier 1 Capital		4,269	3,880	3,357
Sukuk Murabahah		1,000	1,000	700
Collective assessment allowance		423	420	397
Total Capital		5,692	5,300	4,454
RISK WEIGHTED ASSETS (RWA)				
Credit RWA		36,995	37,713	34,152
Credit RWA Investment Account (IA)		(3,130)	(2,836)	(2,399)
Market RWA		650	602	610
Operational RWA		3,303	3,201	3,075
Total RWA		37,818	38,680	35,438











* Include 6 months to June 2018 profits

SELECTED FINANCIAL HOLDING CONGLOMERATES



Excluding BHB Group, the other financial conglomerates operate both Islamic and conventional banking operations

FINANCIAL HOLDING CONGLOMERATES – SNAPSHOT @ 29 JUNE 2018

	Market price @ 29 June 2018 RM	Market Cap RM billion	Price-to-Book ratio [P/B] (x)	Price Earnings ratio [PE] (x)	Position @ 31 March 2018			
					ROE (based on PAT) %	Cost-to-income ratio %	Total Capital Ratio %	Gross Impaired Loans/ Financing ratio %
	9.00	98.5	1.4	12.5	10.3%	47.6%	19.1%	2.4%
	23.36	90.7	2.5	16.5	15.0%	32.6%	15.8%	0.5%
	5.45	51.0	1.3	11.0	11.3%	49.8%	16.7%	3.2%
	5.46	21.9	1.1	11.2	10.5%	48.8%	17.0%	2.3%
	18.00	20.7	0.9	13.7	11.4%	42.7%	15.3%	0.8%
	3.75	11.3	0.8	10.0	7.2%	60.7%	17.0%	1.7%
	1.16	7.1	1.0	16.3	17.5%	26.7%	18.5%	4.8%
	3.85	6.5	1.3	10.1	15.2%	54.8%	16.9%	1.0%
	4.04	6.3	1.2	12.7	9.3%	48.6%	18.6%	1.4%
	2.56	5.0	0.7	10.7	7.1%	65.4%	17.3%	2.5%

BANK ISLAM

KEY FINANCIAL INDICATORS

	Actual June 18	Actual Dec 17	Islamic Banking System	Banking System
PROFITABILITY				
Return on equity (%) – based on PBT	15.8% ^	16.4%	15.1% *	13.0% *
Return on assets (%) – based on PBT	1.4% ^	1.4%	1.1% *	1.5% *
Return on equity (%) – based on PAT	11.3% ^	12.1%	NA	NA
Return on assets (%) – based on PAT	1.0% ^	1.0%	NA	NA
Non-Fund Based Income Ratio (%)	8.4%	10.4%	5.6% *	18.1% *
Cost Income Ratio (%)	51.6%	57.0%	44.6% *	44.8% *
ASSET QUALITY				
Gross impaired financing ratio (%)	0.97%	0.93%	1.34% #	1.59% #
Net impaired financing ratio – less IA & CA (%)	-0.77%	-0.41%	-0.03% #	0.10% #
Financing loss coverage ratio (%)	177.9%	160.0%	102.2% #	93.8% #
EFFICIENCY				
Financing to available fund ratio (%)	81.9%	81.4%	93.3% #	83.9% #
CASA & Transactional IA to Total Deposits & IA (%)	34.2%	34.6%	23.3% ##	26.7% ##
CAPITALISATION				
Total Capital Ratio (%)	16.9%	16.4%	17.2% #	17.0% #

^ Annualised

* Bank Negara
Malaysia Annual
Report 2017

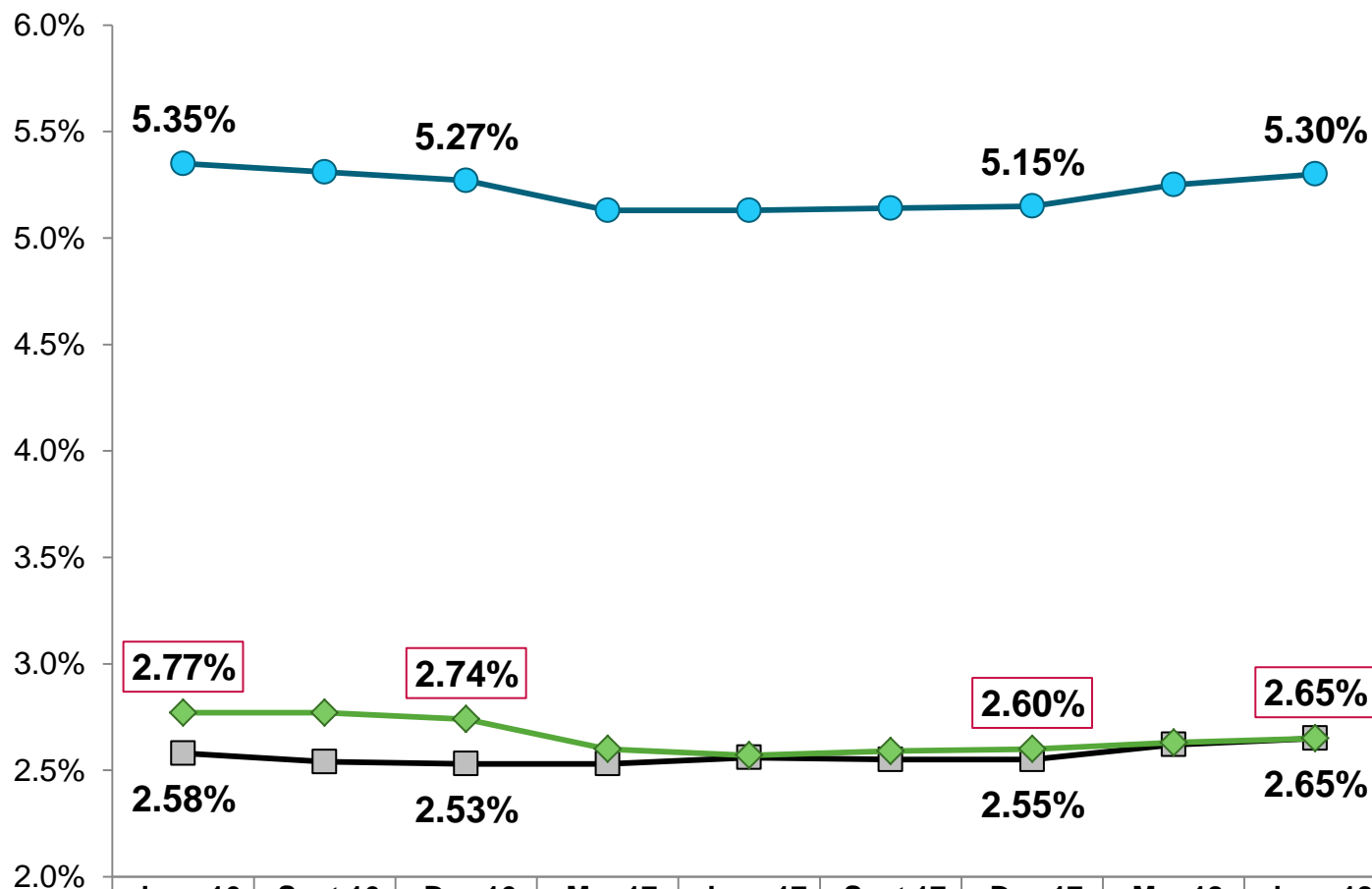
Bank Negara
Malaysia Monthly
Statistical Bulletin @
June 2018

Excludes
Transactional IA

BANK ISLAM – PROFIT & LOSS

RM million	6 months Actual		Variance	
	June 18	June 17	Amount	%
Total revenue	1,580.8	1,496.1	84.7	5.7
Profit to depositors & investment account holders	(654.1)	(604.2)	(49.9)	-8.3
Net income	926.7	891.9	34.8	3.9
Total operating overheads	(464.4)	(471.6)	7.2	1.5
Operating results	462.3	420.3	42.0	10.0
Allowance for impairment on financing & advances	(35.9)	(33.6)	(2.3)	-6.8
Reversal of impairment on other financial assets	0.1	(0.2)	0.3	150.0
Finance cost from issuance of sukuk	(26.9)	(19.5)	(7.4)	-37.9
Profit before zakat & taxation (PBZT)	399.6	367.0	32.6	8.9
Profit after zakat & taxation (PAT)	285.9	265.0	20.9	7.9

NET INCOME MARGIN TREND

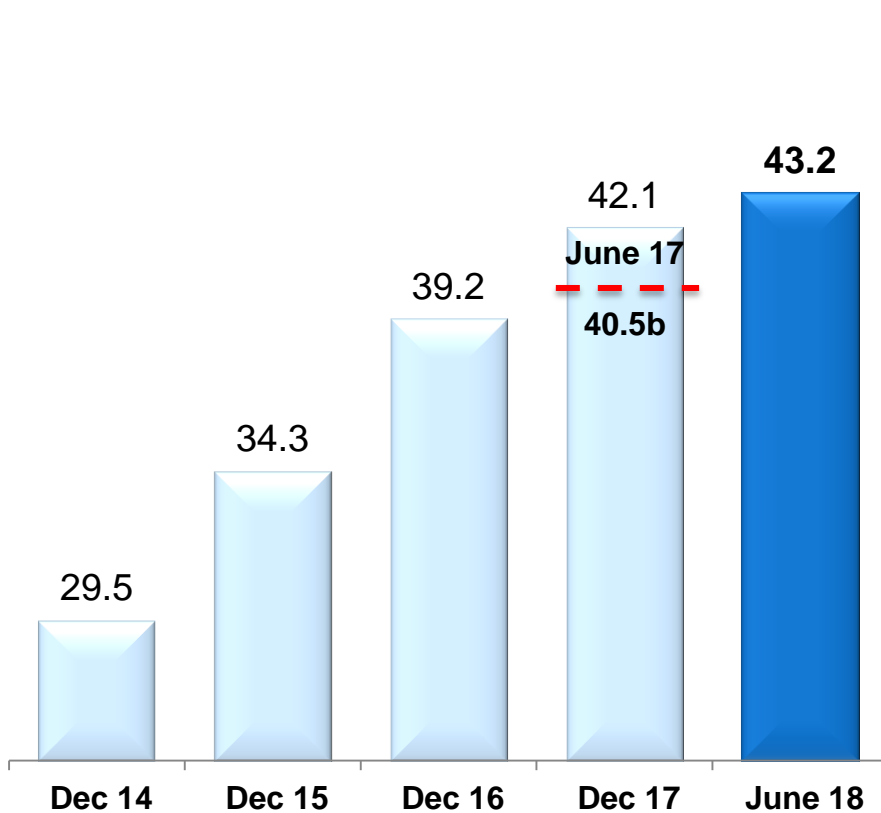


● Average assets rate	5.35%	5.31%	5.27%	5.13%	5.13%	5.14%	5.15%	5.25%	5.30%
■ Average liabilities rate	2.58%	2.54%	2.53%	2.53%	2.56%	2.55%	2.55%	2.62%	2.65%
◆ Net income margin	2.77%	2.77%	2.74%	2.60%	2.57%	2.59%	2.60%	2.63%	2.65%

FINANCING GROWTH

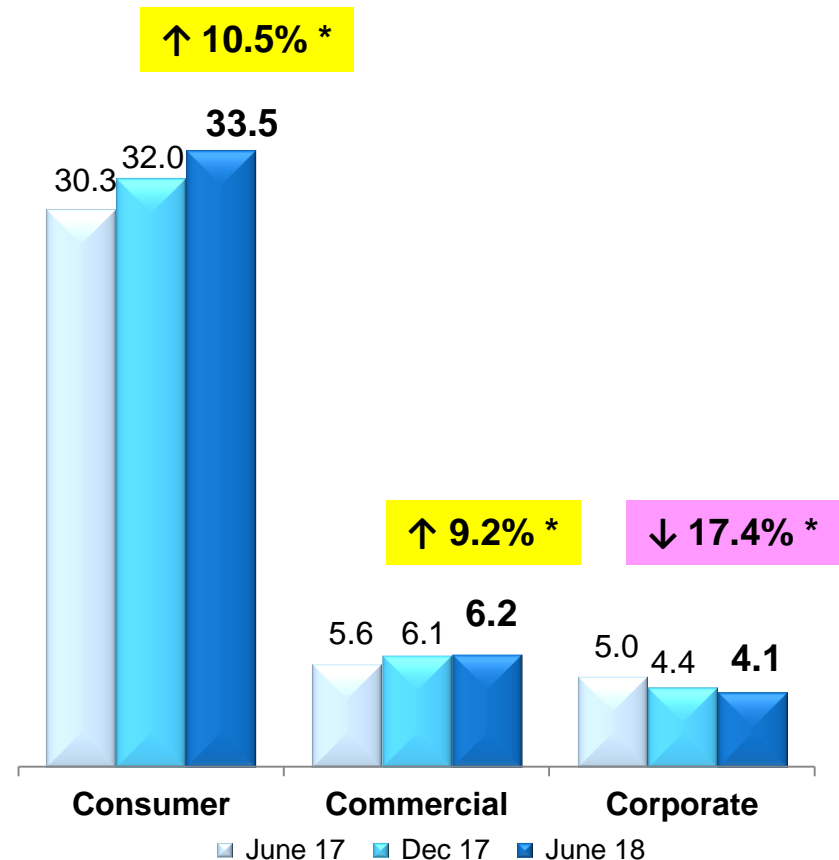
Net financing growth 6.7%*

RM billion



Gross financing growth of 6.8%*

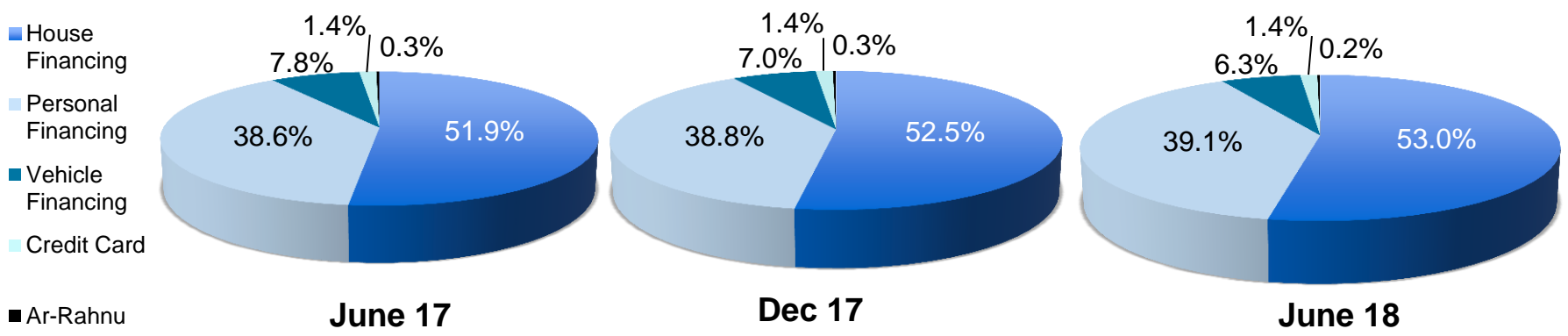
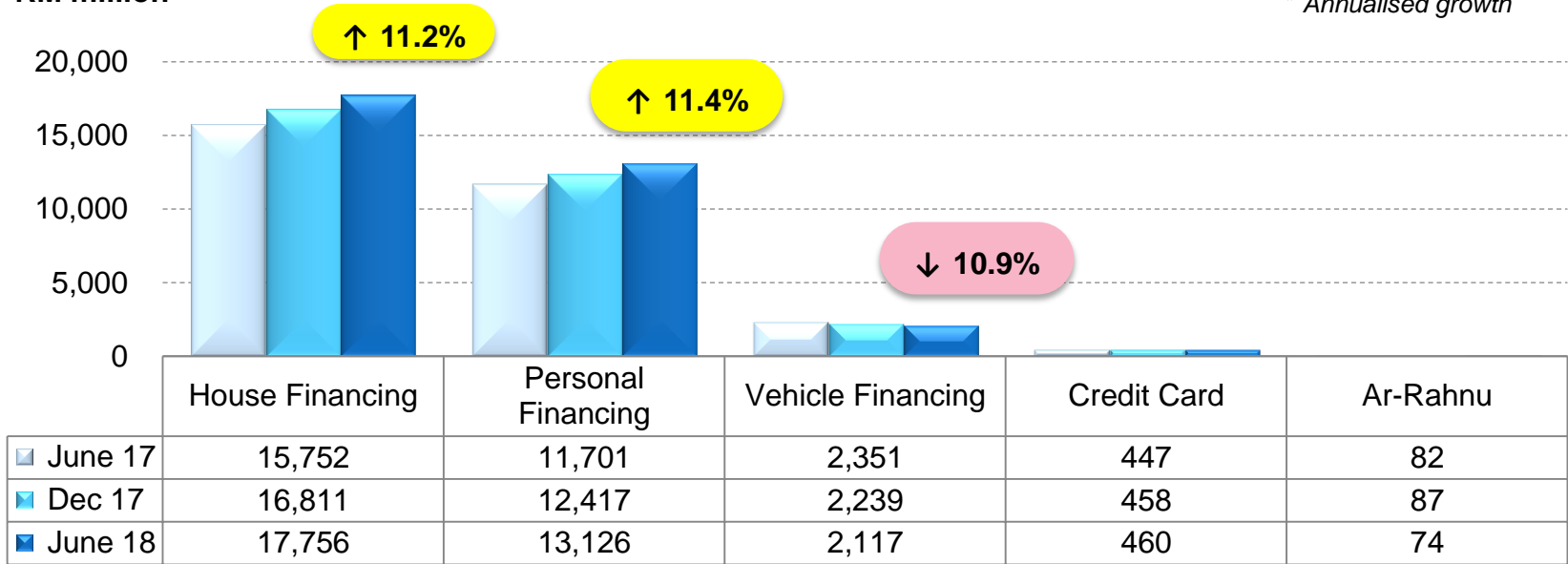
RM billion



CONSUMER FINANCING

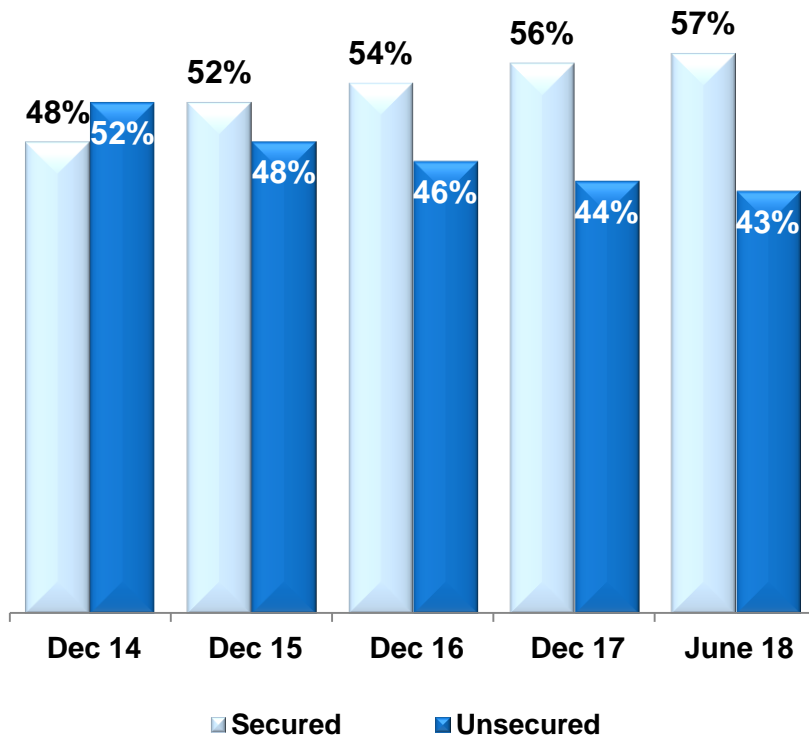
RM million

* Annualised growth

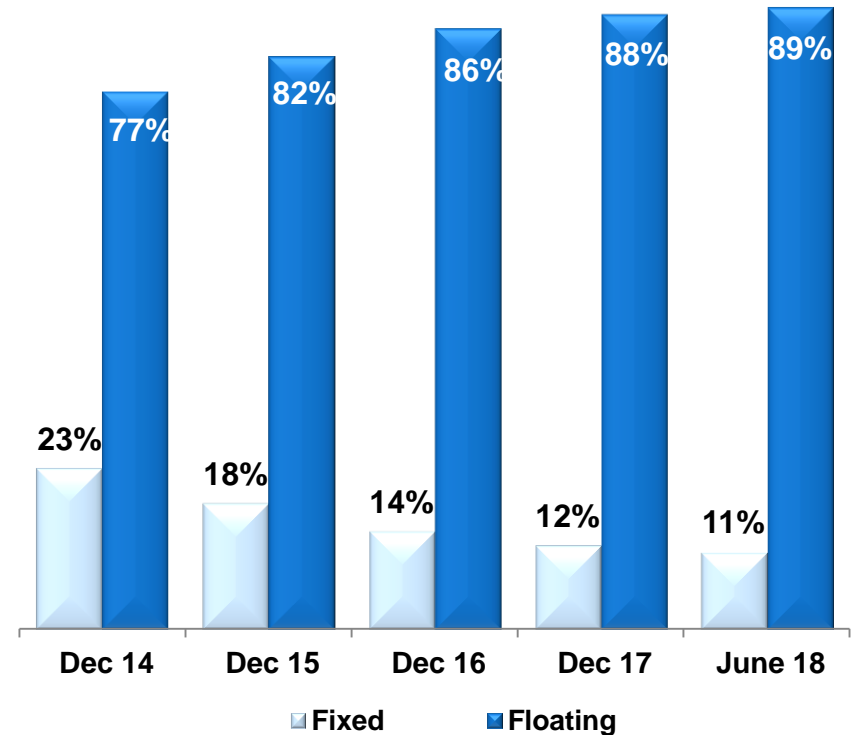


GROSS FINANCING: SECURED vs. UNSECURED & FIXED vs. FLOATING

**Gross Financing#
Secured vs. Unsecured**



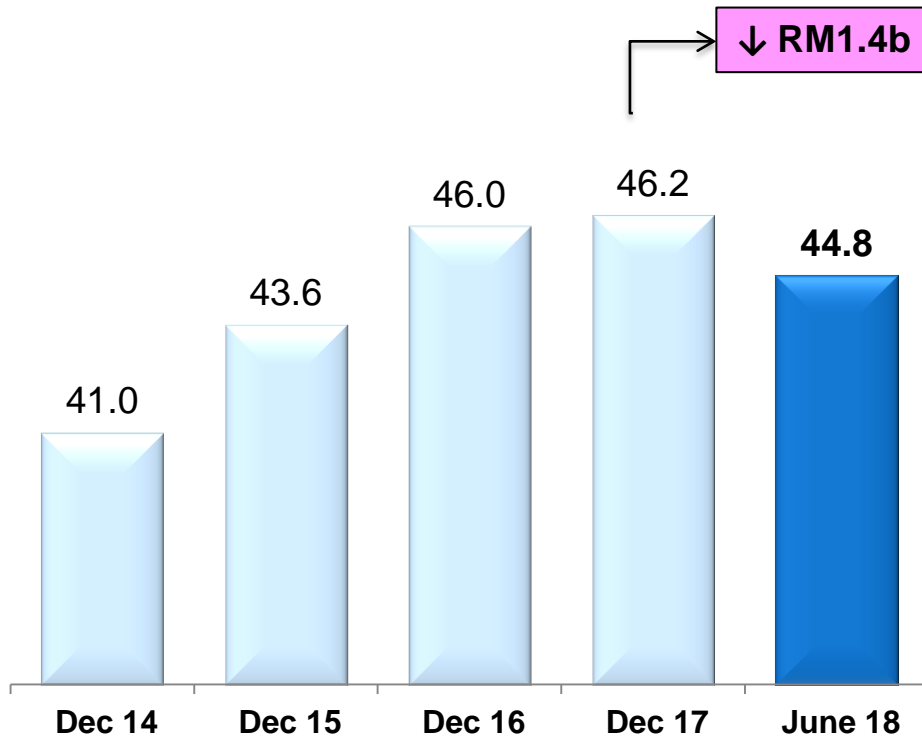
**Gross Financing
Fixed vs. Floating**



Above excludes Corporate Banking

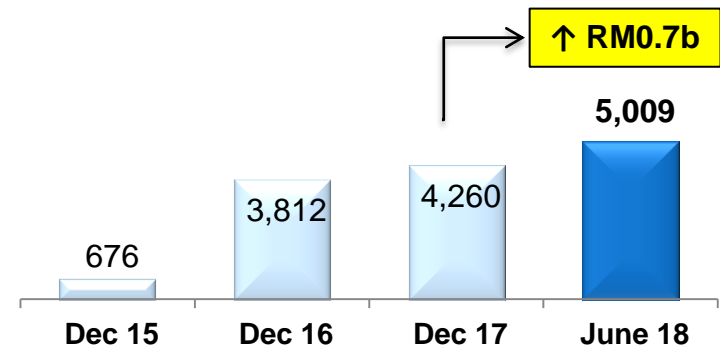
FUNDING

CUSTOMER DEPOSITS RM Billion

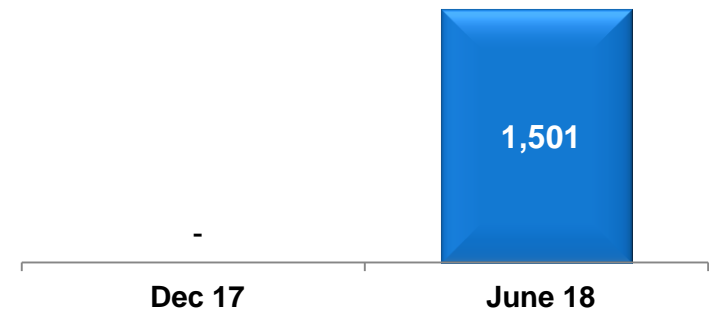


INVESTMENT ACCOUNT RM Million

Unrestricted Investment Account (URIA)



RECOURSE OBLIGATION ON FINANCING SOLD TO CAGAMAS RM Million



CASA DEPOSITS & TRANSACTIONAL INVESTMENT ACCOUNT

RM million	Dec 14	Dec 15	Dec 16	Dec 17	June 18
Total Deposits	41,022	43,595	45,950	46,209	44,775
<i>of which: CASA Deposits</i>	15,631	15,288	14,136	15,482	14,675
Investment Accounts (URIA)	-	676	3,812	4,260	5,009
<i>of which: Transactional IA</i>	-	461	1,517	1,994	2,357
Total Deposits & Investment Accounts	41,022	44,271	49,762	50,469	49,784
➔ CASA Deposits & Transactional IA	15,631	15,749	15,653	17,476	17,032

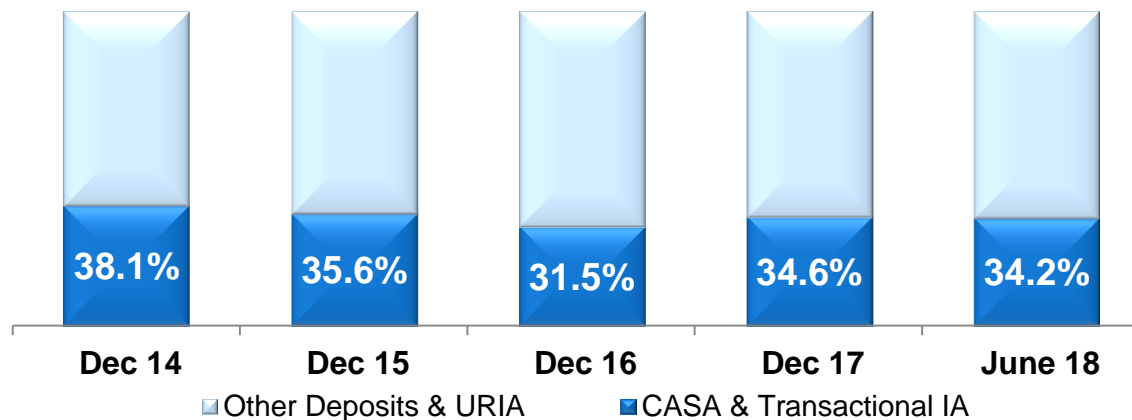


↓ 5.2%

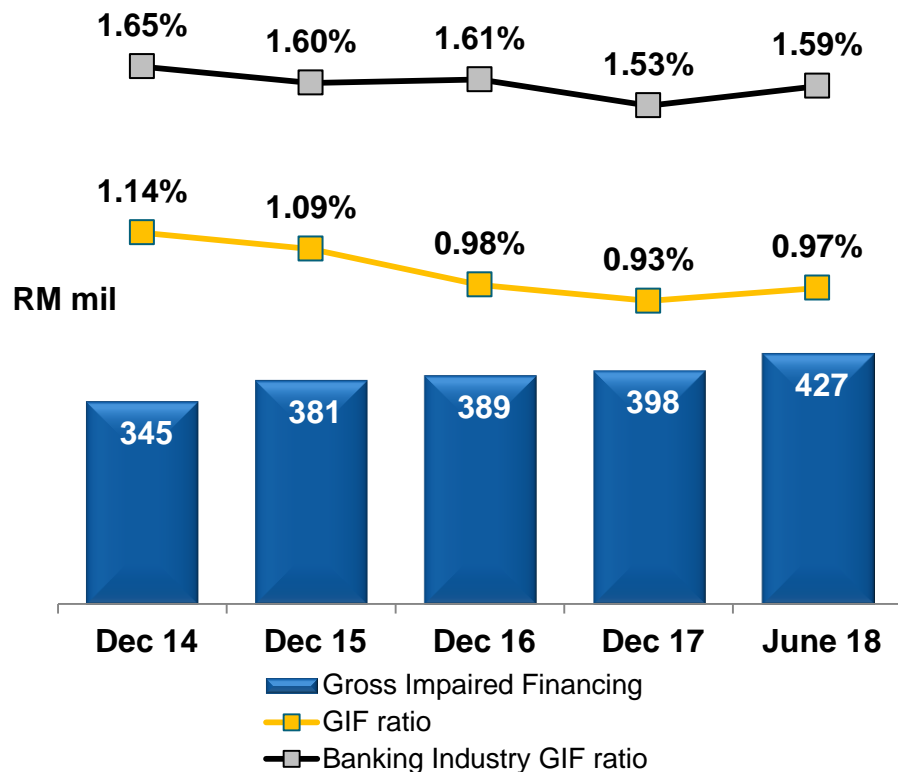
↑ 18.2%

↓ 2.5%

**CASA & Transactional IA against
Total Deposits & Investment Accounts**



ASSET QUALITY

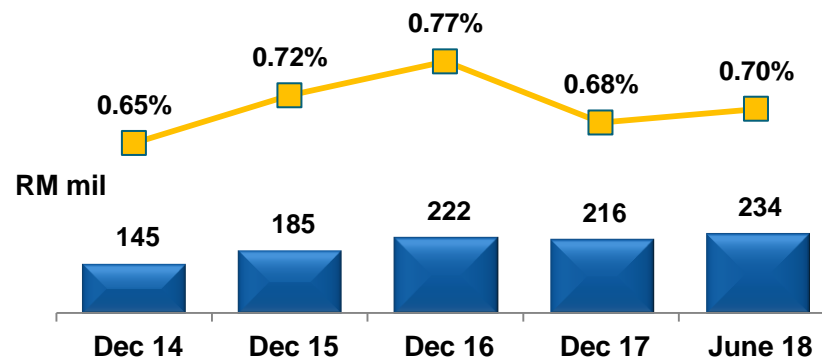


Financing Loss Coverage	Dec 14	Dec 15	Dec 16	Dec 17	June 18
Bank Islam	170.4%	174.6%	175.4%	160.0% *	177.9%
Banking Industry	100.4%	96.3%	90.2%	82.9%	93.8%

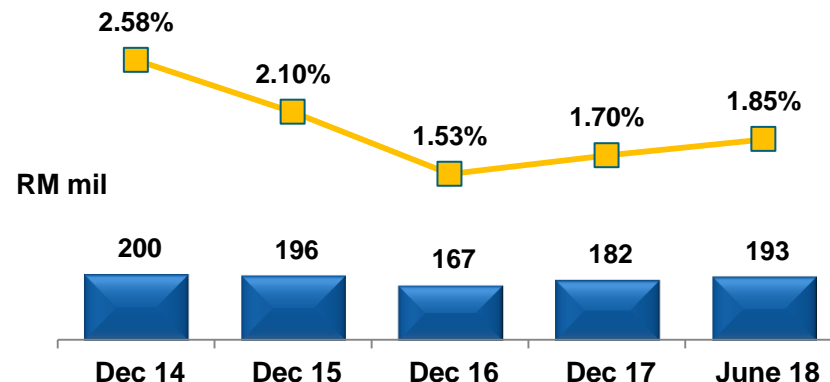
* inclusive of regulatory reserve

Gross impaired financing of which:

Consumer



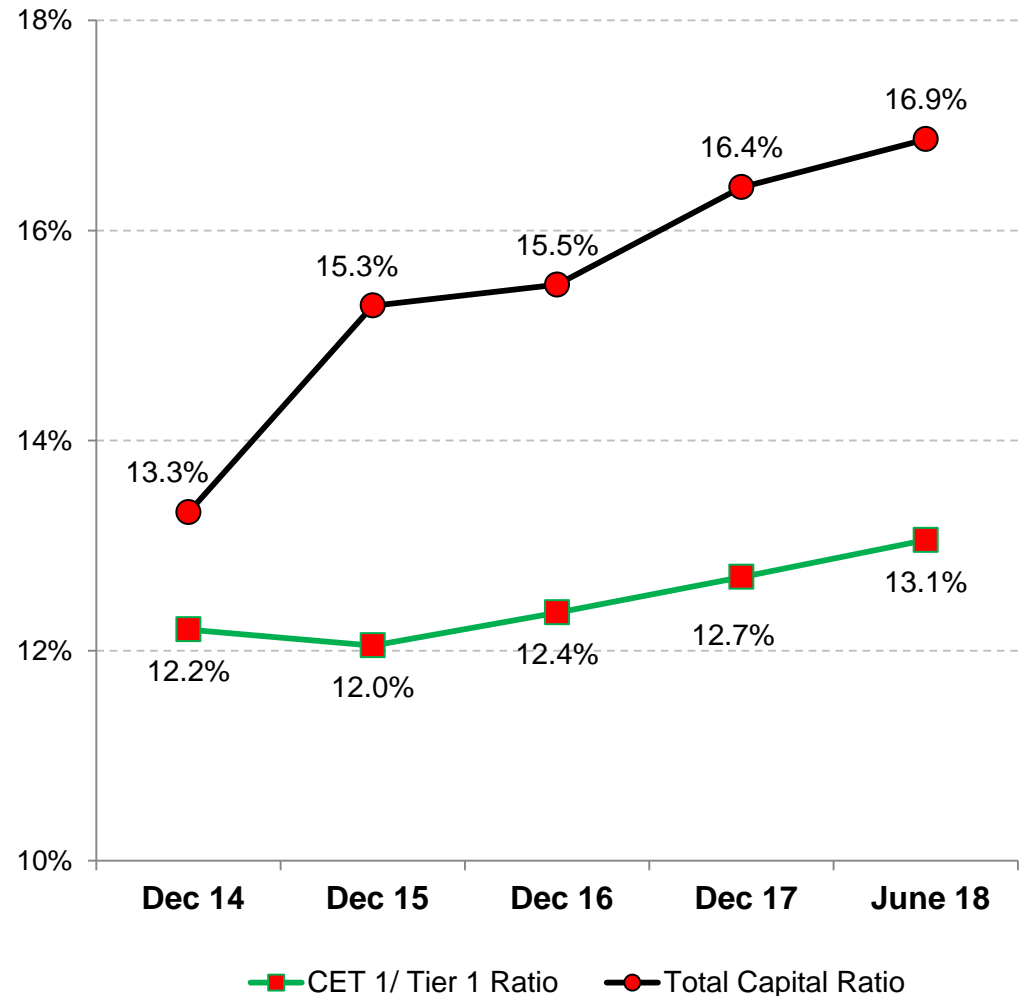
Corporate and Commercial



CAPITAL ADEQUACY

Minimum capital adequacy requirements
(including the capital conservation buffer (CCB)):

	2016	2017	2018	2019
CET 1 Capital Ratio	5.125%	5.750%	6.375%	7.000%
Tier 1 Capital Ratio	6.625%	7.250%	7.875%	8.500%
Total Capital Ratio	8.625%	9.250%	9.875%	10.500%
of which CCB	0.625%	1.250%	1.875%	2.500%



We
Should
Talk...

FINANCIAL HIGHLIGHTS
6 MONTHS ENDED
JUNE 2018



1-300 8 TAKAFUL (825 2385)

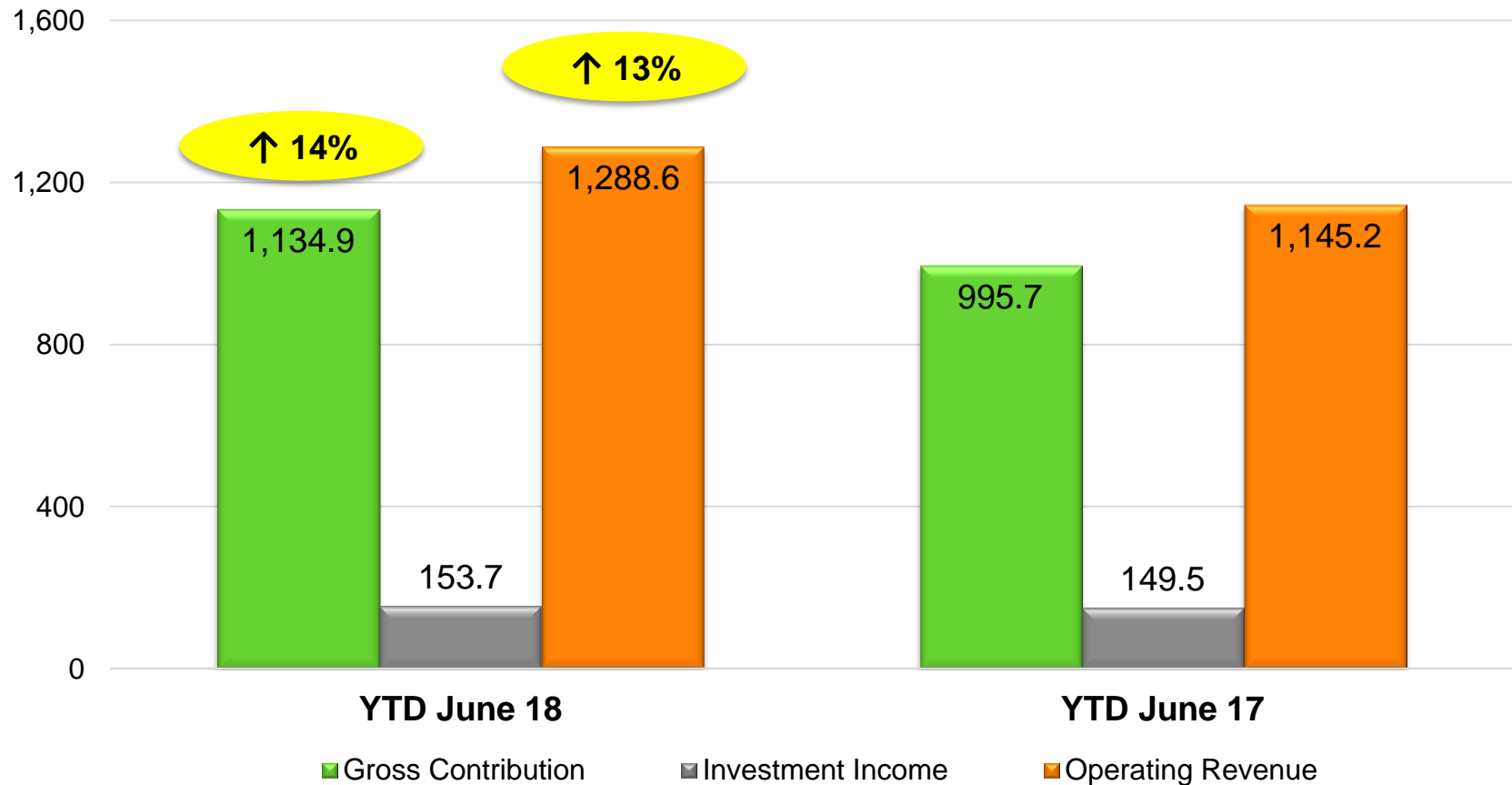
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 csu@takaful-malaysia.com.my



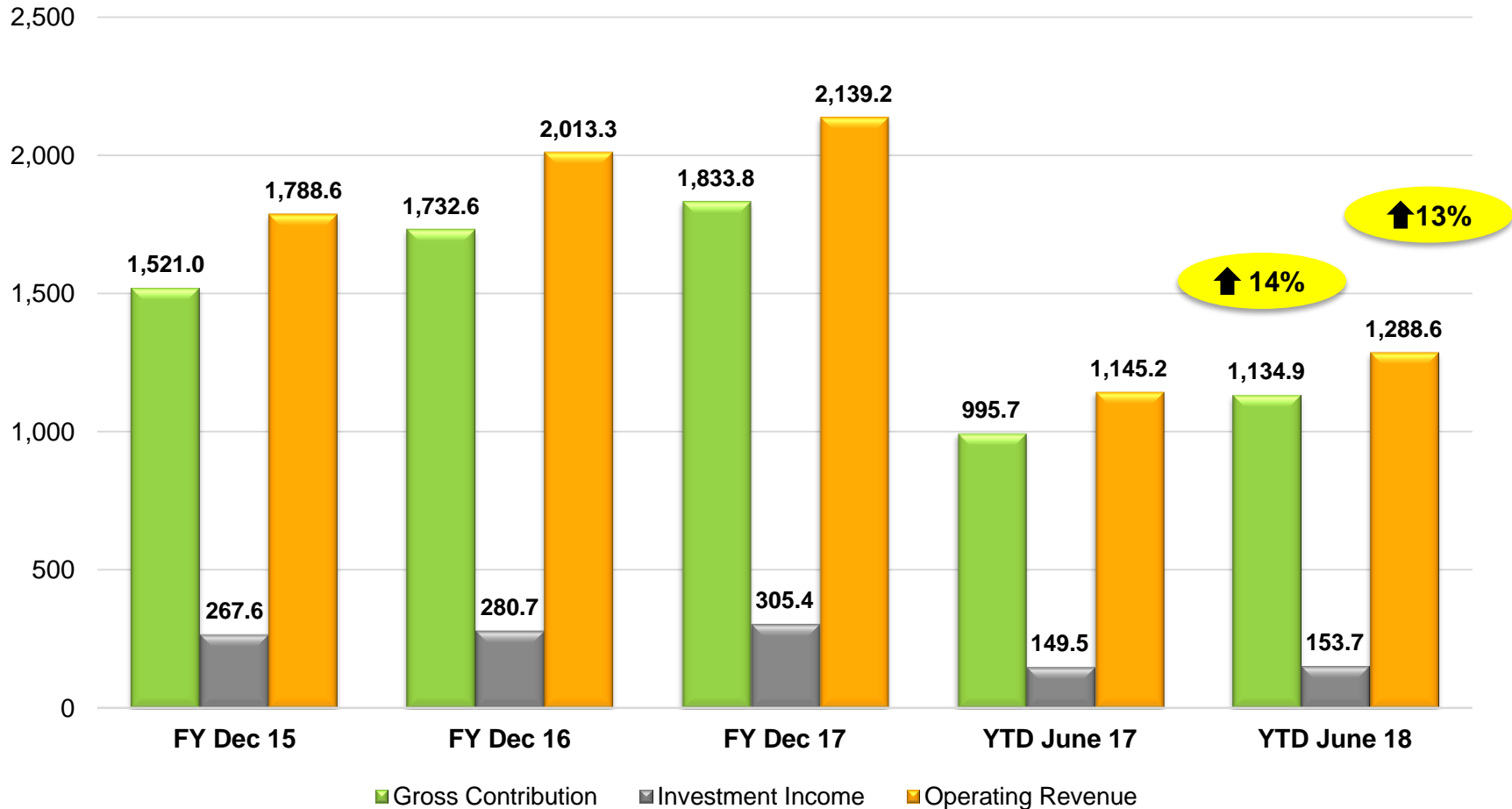
GROUP OPERATING REVENUE

RM million



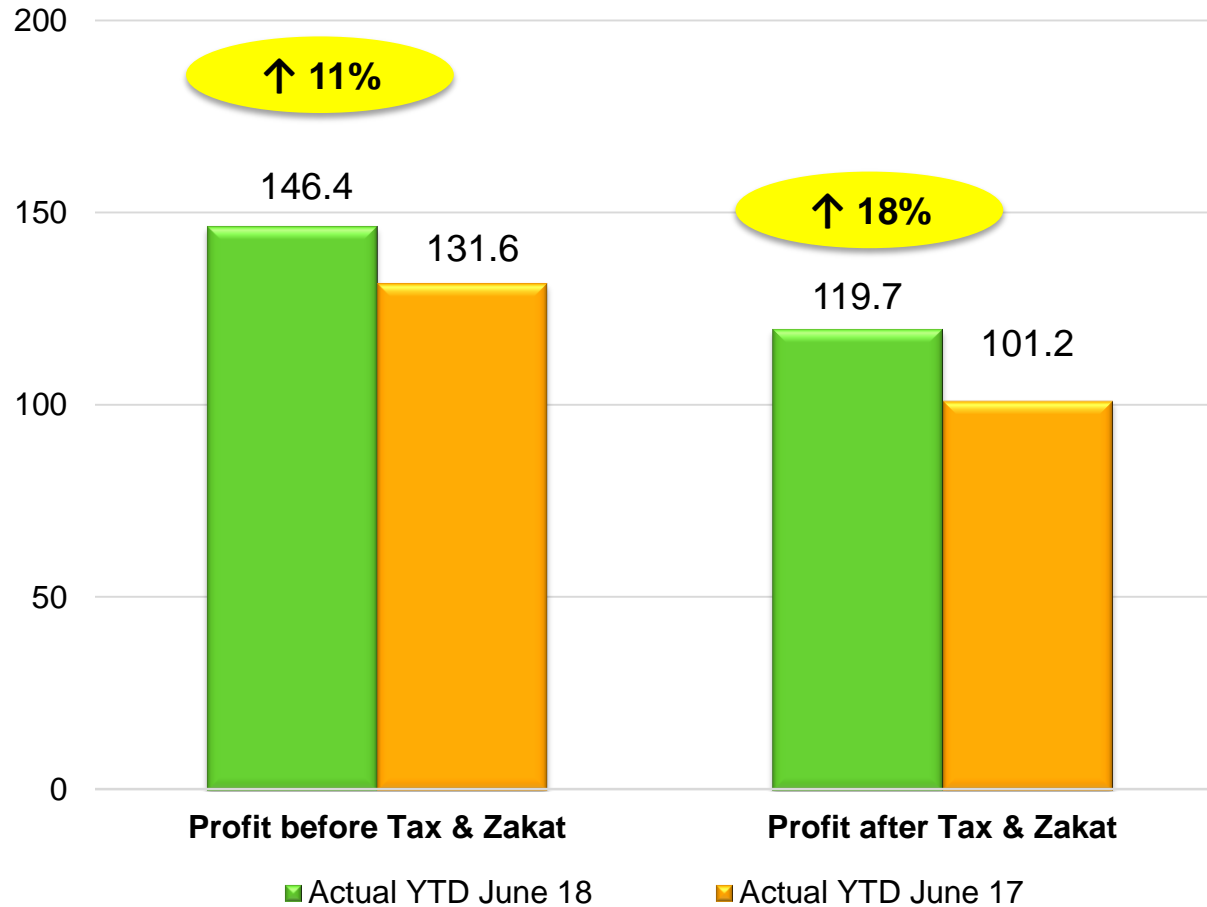
GROUP OPERATING REVENUE

RM million



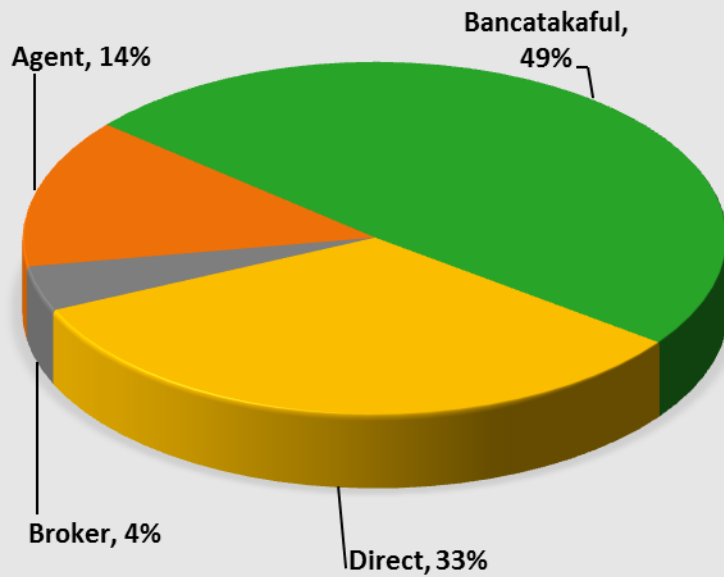
PROFITABILITY

RM million



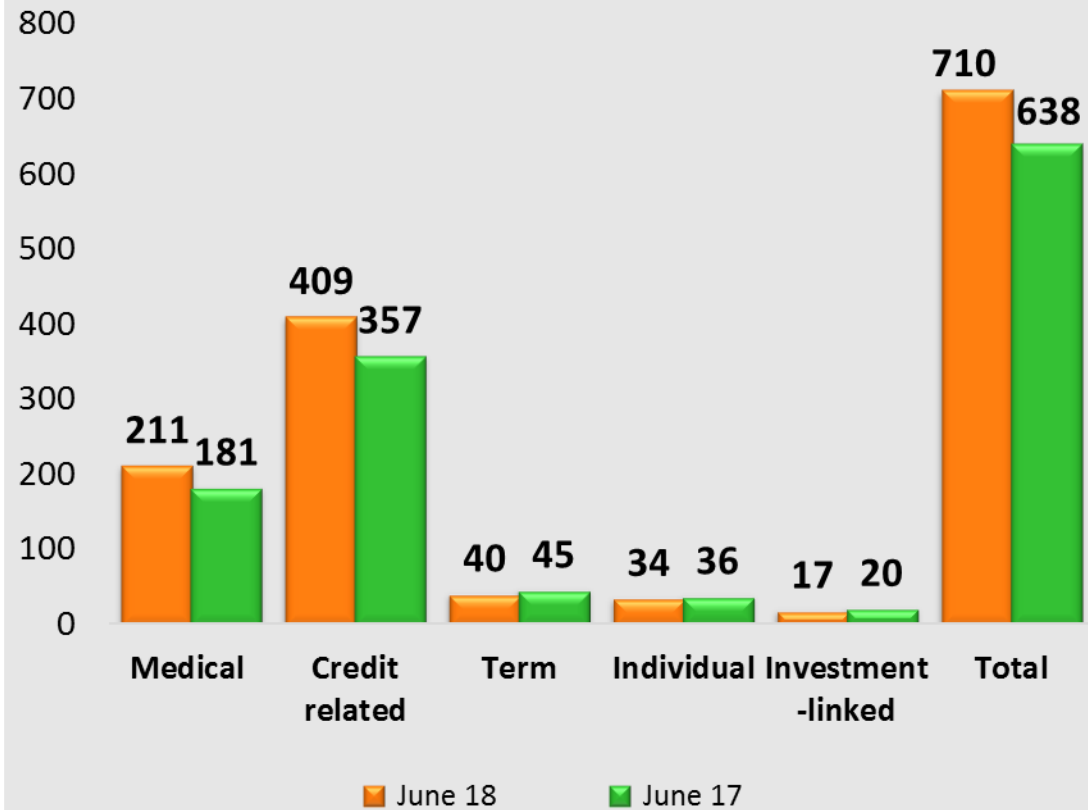
COMPANY FAMILY TAKAFUL GROSS CONTRIBUTION

 Channel



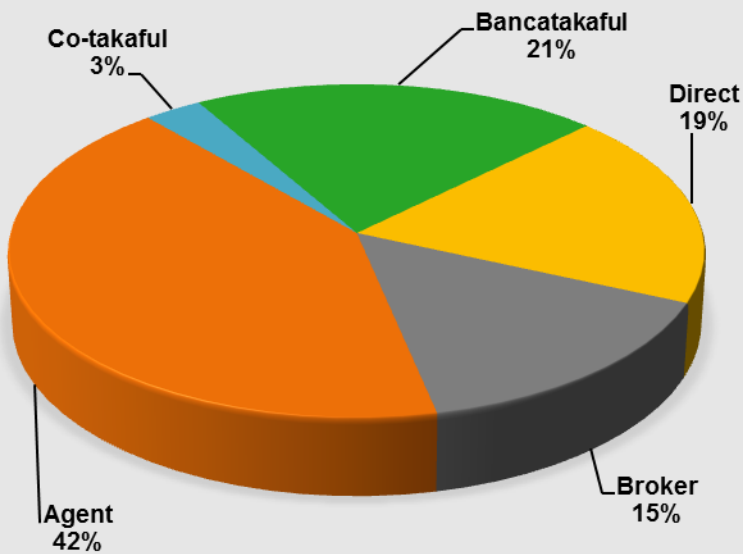
 Product

RM' million



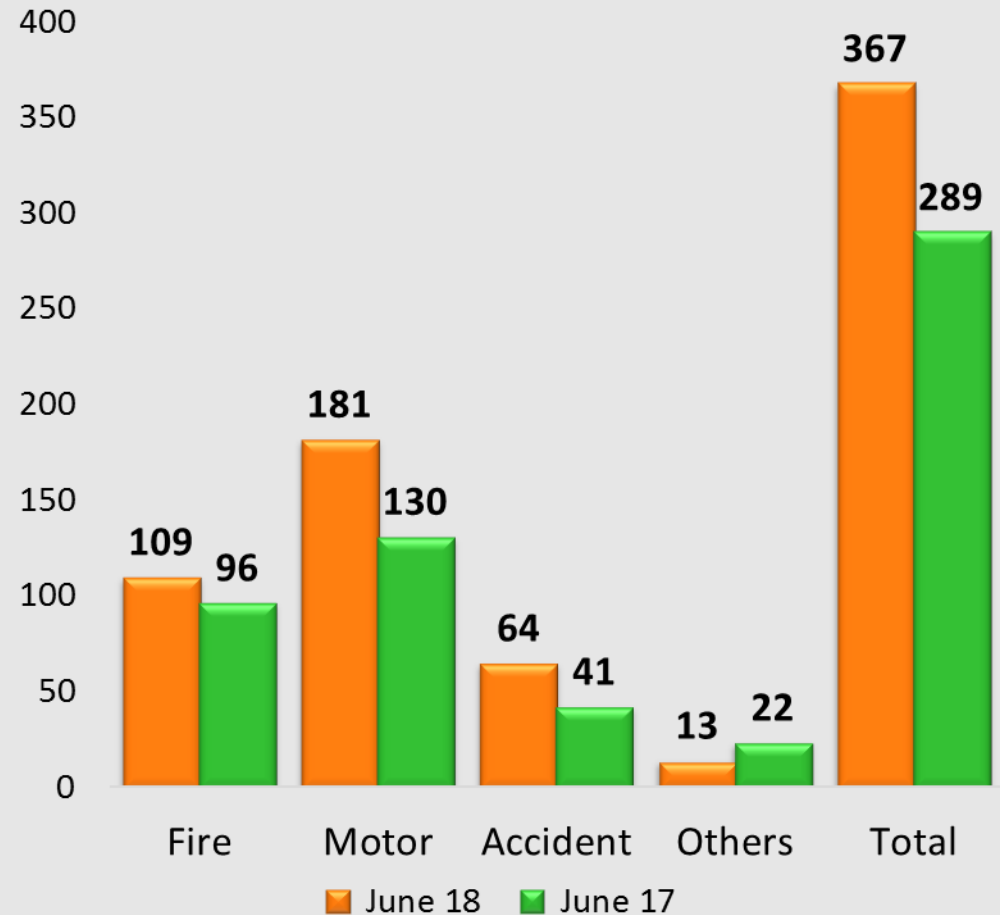
COMPANY GENERAL TAKAFUL GROSS CONTRIBUTION

 Channel



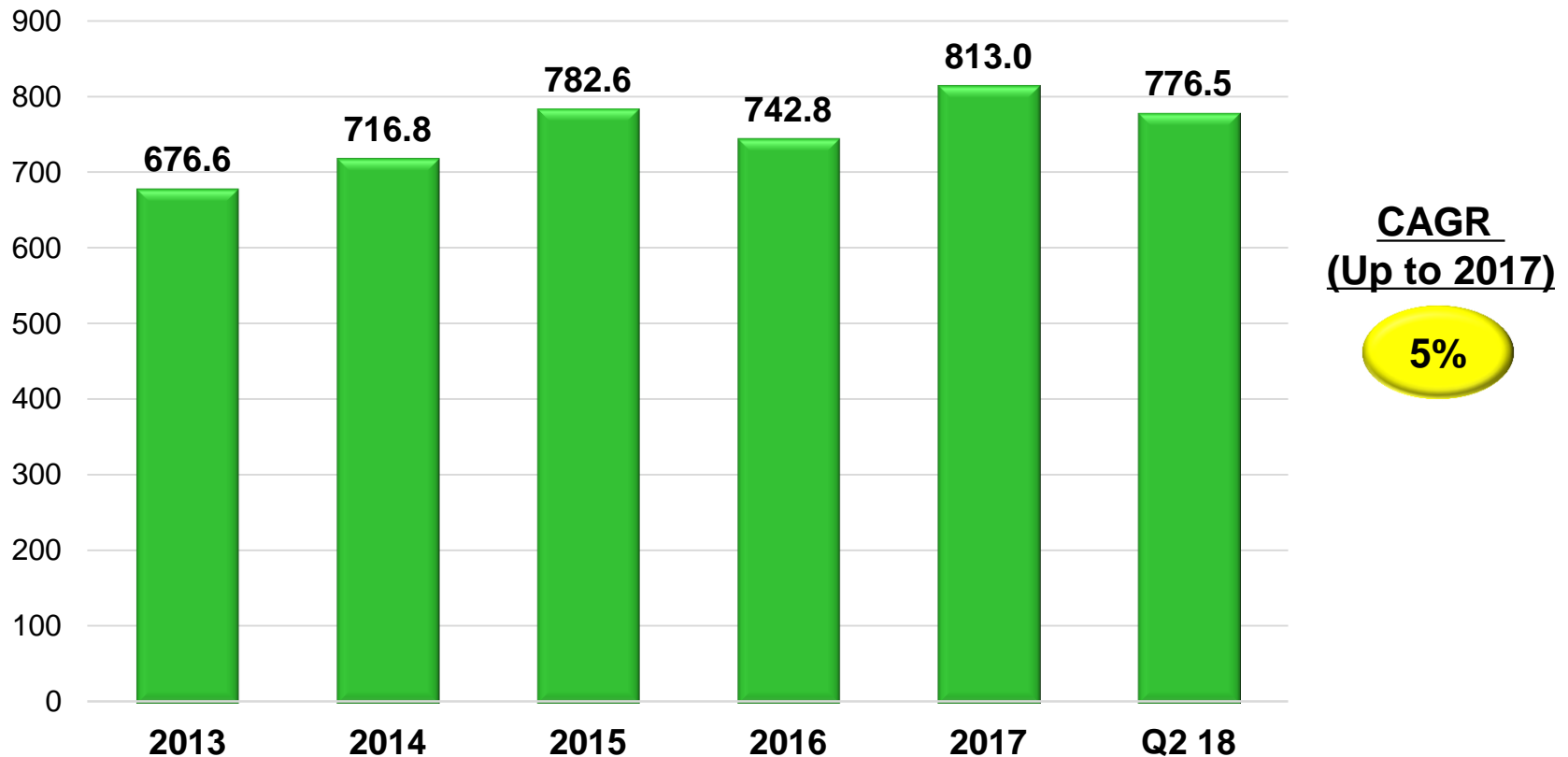
RM' million

 Class of Business



SURPLUS POSITION OF FAMILY PARTICIPANTS' FUND

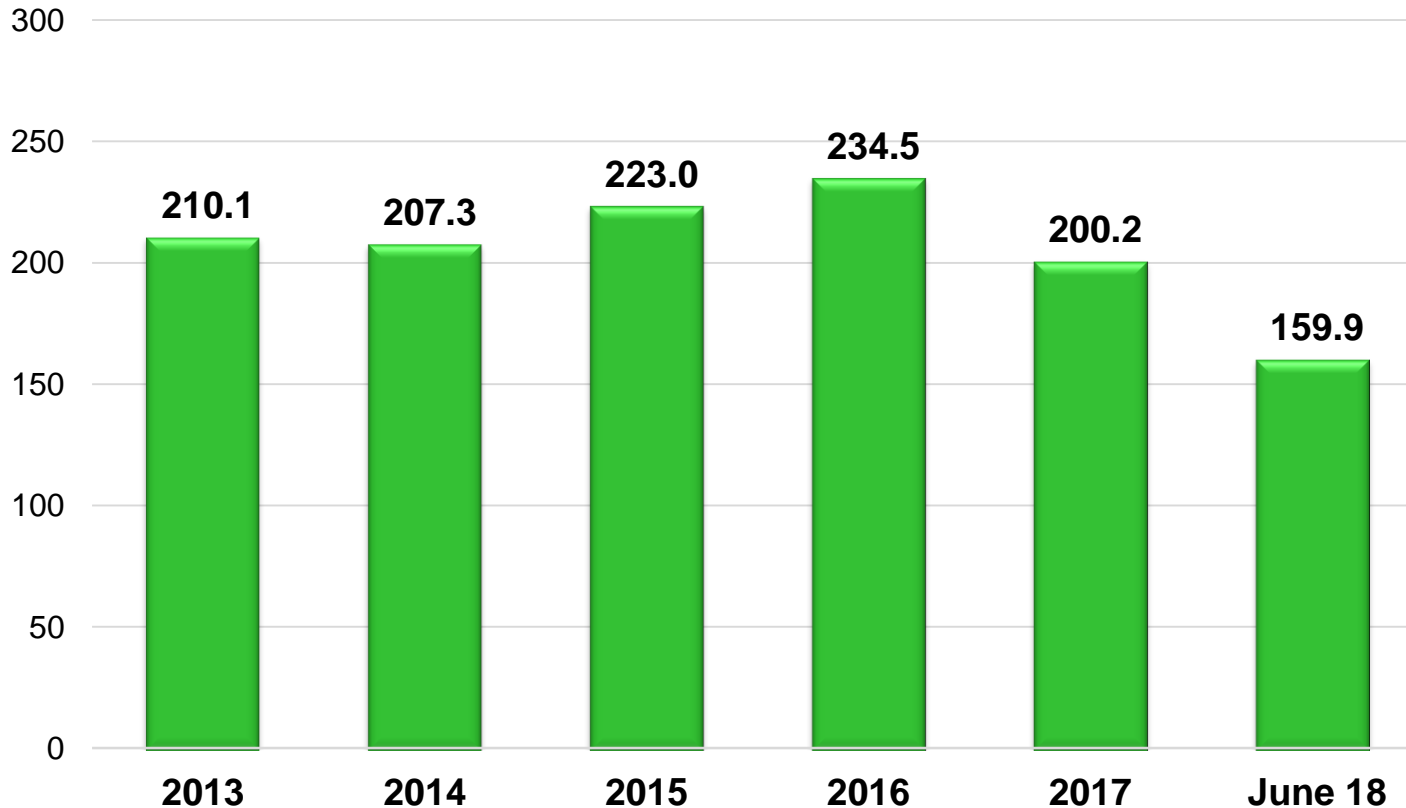
RM million



As of Q2 18, the retained surplus ratio is 23.2% based on the Family Participants' Fund and total assets of RM2.80 billion. As of 2017, the retained surplus ratio is 30.7% based on the Family Participants' Fund and total assets of RM2.65 billion.

SURPLUS POSITION OF GENERAL TAKAFUL RISK FUND

RM million

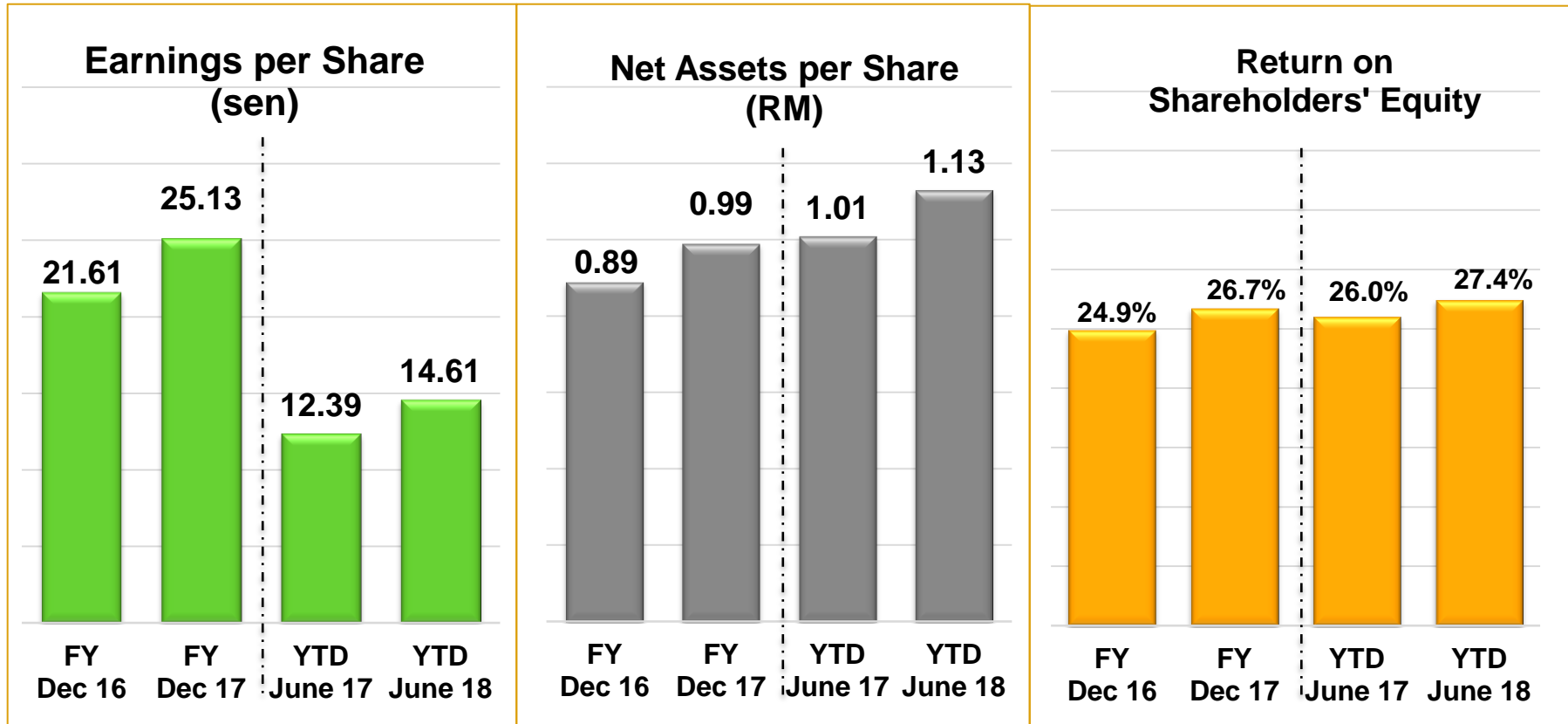


CAGR
Up to 2017

-1%

As of Q2 2018, the retained surplus ratio is 22.0% based on the General Takaful Risk Fund total assets of RM737.8 million. As of 2017, the retained surplus ratio is 25.7% based on the General Takaful Risk Fund total assets of RM777.9 million.

KEY FINANCIAL INDICATORS



- YTD June 2018 Total Assets : RM8.3 billion versus YTD June 2017 RM8.2 billion. The growth of 1.8% mainly from Takaful Family Funds.

Thank You والسلام

