

1.0 KEY FUND INFORMATION

1.1 Shariah Concept	1.2 Investment Currency	1.3 Fund Inception
Wakalah	Ringgit Malaysia	May 2016 (Corporate) September 2016 (Retail)

1.4 Product Classification

Unrestricted Investment Account refers to a type of investment account whereby the Investment Account Holder (IAH), without specifying any particular restrictions or conditions, provides the Bank with the mandate to make the ultimate decision to invest.

1.5 Investment Objectives

To generate moderate returns over an agreed period of the investment based on the underlying risk profile of the assets.

1.6 Investment Strategies

- To ensure investment is within the investment objective of the Fund with its asset allocation safeguarding the investment portfolio.
- Currently, the Bank invests in its existing House & Fixed Asset Financing (HFA) and Personal Financing (PF) Portfolio aimed at providing stable profits.

1.7 Nature of Investment Account

Term Investment Account. For retail customers, the tenure offered is from 1 month to 24 months. For corporate customers, the minimum tenure is 1 day to a maximum of 10 years or as specified by the Bank on a case-to-case basis.

1.8 Investment Asset Allocation

The Bank will allocate IAH's funds in its existing HFA and PF Portfolio that generate stable profits.

1.9 Valuation of Allocated Asset

To be carried out on a monthly basis as part of the process to determine the returns to the IAH. The returns on this investment account will be affected by the performance of the allocated assets including, but not limited to, the quality of assets (i.e. impairment) and movement of Effective Profit Rate (EPR) in relation to financing assets that are priced based on floating rate methods etc. The principal and returns are not guaranteed and an IAH may be exposed to a risk of no returns at all. This investment account is not protected by Perbadanan Insurans Deposit Malaysia (PIDM).

However, the product structure was designed to mitigate the risk of losing the principal amount. In the event of a liquidation scenario, the IAHs are ranked ahead of depositors.

1.10 Payment Policy

Profit will be paid upon maturity or any payment frequency (for investment with tenure over 15 months), as agreed by the Bank and IAH (e.g. monthly / quarterly / half-yearly / yearly basis).

1.11 Statement on Any Changes

There have been no changes in the investment objectives, strategies, restrictions and limitations during the quarter period.

1.12 Investor Profile

- Category of investors:
 - Retail:
 - Individuals (Residents and Non Residents)
 - Small and Medium Enterprises (SMEs)
 - Corporate:
 - Corporate
 - Government Agencies
 - Government Accounts
 - Universities
 - Companies and Partnerships
 - Other Business & Non- Business Entities
- Investors with either a short or medium term investment horizon
- Investors who require a portfolio of Shariah- compliant investments
- Investors with low to medium risk tolerance
- Investors who seek stable profits

Note: Investors are advised to carefully consider all risk factors before making an investment decision. Investors will be exposed to the following risks; market risk, credit risk, liquidity risk, operational risk, legal risk and shariah non-compliance risk. Please visit Bank Islam's website for further explanation of each risk.

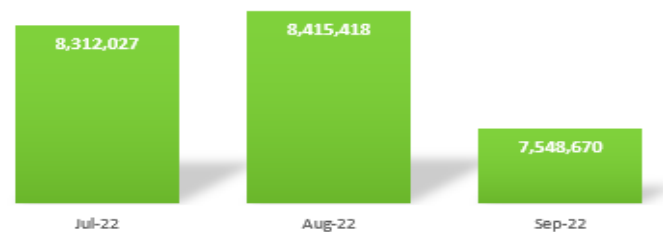
2.0 RISK STATEMENT

The Board of Directors of Bank Islam has the ultimate responsibility to manage risks related to its operations and business activities by setting risk appetite and tolerance levels that are consistent with the Bank's overall business objectives and desired risk profile. The Board Risk Committee, which is assisted by the Group Risk Management Division, ensures that there is an effective oversight on development of strategies, policies, procedures and infrastructure to manage the Bank's risks.

3.0 FUND PERFORMANCE

3.1 Fund Size and Growth

As at September 2022, Wafiyah Investment account fund balance was recorded at RM7.5 billion.



3.2 Rate of Return

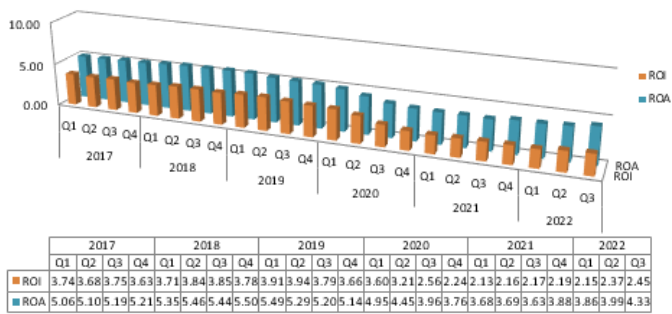
Position 2022	Return on Asset (ROA)* % (p.a.)	Return on Investment (ROI) % (p.a.)
July	4.21%	Based on the agreed expected return upon placement of fund or actual return (whichever is lower), subject to Terms & Conditions
August	4.31%	
September	4.48%	

* ROA - allocated assets of the fund.

Note:

For further illustration, please refer to the Product Disclosure Sheet (PDS), Terms & Conditions and Investment Confirmation Notice (where applicable).

3.3 Historical Rate of Return



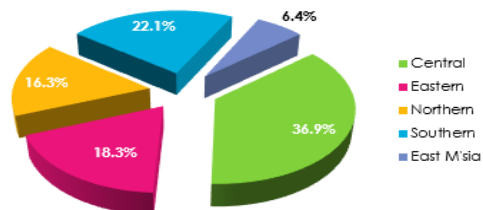
Note: The rates above are average annual rate of return on quarterly basis in percentage (%)

3.4 Income Statement

Profit & Loss Statement for the Quarter ended 30 September 2022			
	July	August	September
	RM'000	RM'000	RM'000
Profit from financing	32,220	32,201	31,262
Direct expenses*	-	-	-
Allowance for impairment on financing	(1,859)	(1,927)	(1,943)
Total Profit	30,361	30,274	29,319
Return on Asset (p.a.)	4.21%	4.31%	4.48%
Return on Investment (p.a.)	Based on the agreed expected return upon placement of fund, subject to Terms & Conditions		

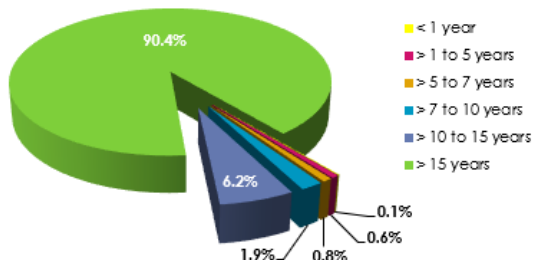
*Currently there are no charges imposed to this fund.

3.5 HFA Financing Portfolio by Geographical Location in Malaysia



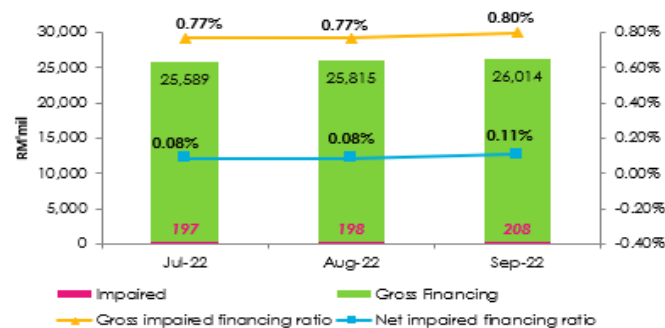
A total of 36.9% of the total HFA Financing Portfolio originates from the Central region. This reflects the concentration of the HFA portfolio to developed areas such as the Klang Valley.

3.6 HFA Financing Portfolio by Remaining Maturity of Facilities



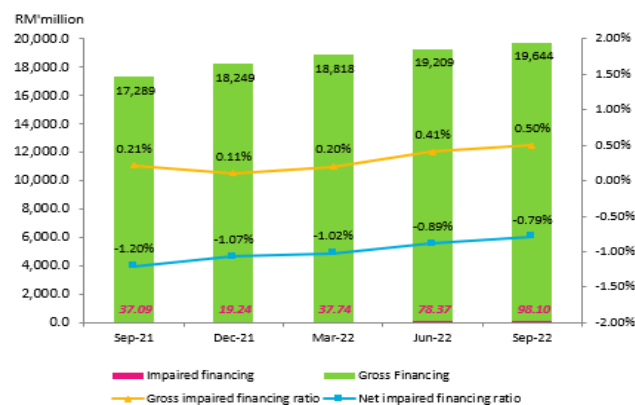
The majority of the HFA Financing Portfolio has a maturity of more than 15 years. This will ensure stability in the profit stream of the HFA portfolio which can then benefit the investment return expectations, especially for long-term IAH.

3.7 Asset Quality of HFA Financing Portfolio

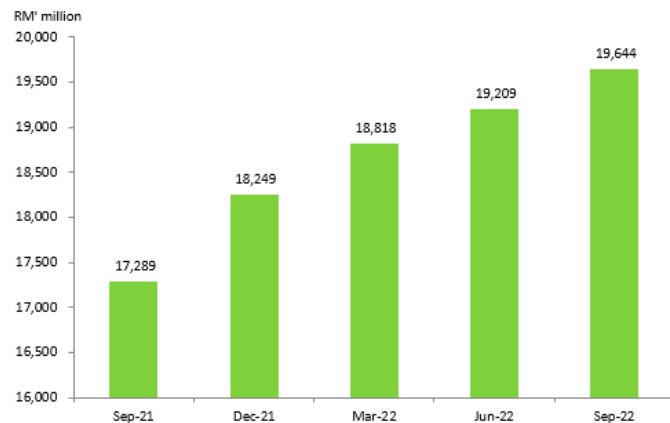


The portfolio's low impaired financing ratio reflects strong asset quality.

3.8 Asset Quality for PF Portfolio



The portfolio's low impaired financing ratio reflects strong asset quality.



3.9 PF Portfolio Growth in Bank Islam

The PF Portfolio has grown at a rate of 13.62% per annum. Asset Allocation for Wafiyah only comprises PF customers employed in the public sector.

4.0 ECONOMIC REVIEW AND PROSPECT

The International Monetary Fund (IMF) projected the global economy to grow by 3.2% in 2022, slower than 6.0% in 2021 and slashed global GDP to 2.7% for 2023 from the previous 2.9% estimate made in July. Although the pandemic's impact has receded, the ongoing Russia-Ukraine military conflicts, high inflationary environment, and Zero-Covid Strategy in China have clouded the global economic outlook. Nevertheless, the Malaysian economy remains resilient despite external challenges owing to the strong pick up in private consumption, export growth and elevated global oil prices. The full resumption of economic activities has supported the economy to grow by 8.9% during the second quarter. Furthermore, the country's Industrial Production Index performance remained sturdy, increasing significantly by 13.6% in August (July: 12.5%). In addition, exports continued to record double-digit growth of 30.3% during 8M2022 after rising by 24.9% in the same period last year. Looking forward, continued improvement in the labour market and strong domestic demand will be the pillars of growth for Malaysia's economy going into 2023.

5.0 PROPERTY MARKET AND HFA PORTFOLIO REVIEW

According to data published by the National Property Information Centre's (NAPIC), property market sector recorded a significant increase in H12022 as compared to H12021. It was reported that the property market sector recorded 188,002 transactions worth RM84.40 billion in H12022, an increase of 34.5% in volume and 36.1% in value compared to H12021 (139,752; RM62.01 billion). The residential segment remains the mainstay of the property market with 61.8% of total transaction. The residential sub-sector's market recorded 116,178 transactions worth RM45.62 billion, increased by 26.3% in volume and 32.2% in value as compared to H12021 (92,017; RM34.51 billion). Newly launched houses priced between RM100K-RM500K dominated the market in H12022, with the RM300k to RM500K price segment leading supply with 4,380 units (41.5%). More than 10,000 units of newly launched were recorded, down by 66.7% compared 31,687 units (revised) in H12021. Sale performance for new launches recorded at 20.3% slightly lower compared to H12021 (revised 20.6%) and H22021 (28.1%). The residential overhang situation improved amidst market recovery. There were recorded 34,092 units worth RM21.73 billion, down by 7.5% and 4.6% in volume and value respectively against H22021. Construction activity recorded an increase in completion and new planned, each up by 5.9% and 12.9% respectively whilst housing starts decreased by 7.2% compared to H12021. The Malaysian House Price Index (MHPI) continued to increase at a moderating trend. As at Q22022, the MHPI stood at 203.5 points, up by 0.5% on annual basis. The property market performance especially residential subsector will continue to be affected by affordability, overhang issues and also uncertain global economy.

Bank Islam's Housing and Fixed Asset (HFA) portfolio stood at RM26.01 billion in September, increasing by 0.8% month-on-month (m-o-m) from RM25.82 billion in the previous month. Similarly, the HFA portfolio rose by 2.4% quarter-on-quarter (q-o-q) to RM26.01 billion in 3Q2022 (2Q2022: RM25.41 billion). In the meantime, the Gross Impairment Ratio (GIR) increased slightly to 0.80% in September from 0.77% in the preceding month. However, the figure is relatively low compared to the purchase of residential property's industry level of 1.35% during August (July: 1.41%). At the same time, the labour market continued to recover following a steady growth momentum during 1H2022. The unemployment rate remains unchanged at 3.7% in August (July: 3.7%), improving from 4.6% in the same month last year. As such, we expect the financing payment trend to improve moving forward.

6.0 PF PORTFOLIO REVIEW

Total PF portfolio rose 13.6% year-on-year (y-o-y) to RM19.64 billion in September (September 2021: RM17.30 billion) compared to 12.2% in June. It increased by 2.3% quarter-on-quarter (q-o-q) from RM19.21 billion in June to RM19.64 billion in September. On the other hand, the Gross Impairment Ratio (GIR) rose to 0.50% in September from 0.41% in June. The bank's GIR remained very low compared to the industry level for personal use at 2.72% during August (July: 2.81%). However, the GIR for the bank and industry has been trending upward since February this year. This scenario suggests customer's disposable income squeeze amid a high profit rate environment and the gradual easing of payment assistance.