

1.0 KEY FUND INFORMATION

1.1 Shariah Concept	1.2 Investment Currency	1.3 Fund Inception
Mudarabah	Ringgit Malaysia	April 2017 (Corporate) September 2018 (Retail)

1.4 Product Classification

Unrestricted Investment Account refers to a type of investment account where 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 provide IAH with a combination of steady and recurring income, whilst at the same time allowing the balances to be placed and withdrawn via the counter, cheque, internet banking channels and etc.

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 and Fixed Asset Financing (HFA) Portfolio which is aimed at protecting the principal and generating stable returns.

1.7 Nature Of Investment Account

On demand whereby IAH is able to withdraw at any point of time.

1.8 Investment Asset Allocation

The Bank will allocate IAH's funds in its existing House and Fixed Asset Financing Portfolio that generates 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 Distribution Policy

Profit to be distributed on a monthly basis, but the profit will be calculated on a daily basis. The profit is based on the performance of the House and Fixed Asset Financing Portfolio.

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)
 - 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 March 2022, iGain fund balance was recorded at RM 1.4 billion.



3.2 Rate of Return

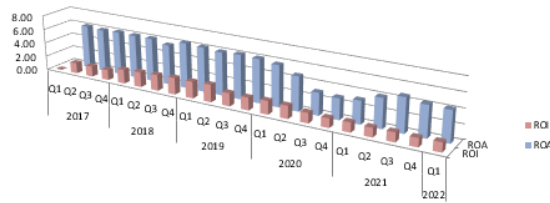
Position 2022	Return on Asset (ROA)* % (p.a.)	Profit Sharing Ratio (Customer: Bank)	Return on Investment (ROI) % (p.a.)
January	4.27%	Based on the agreed profit sharing ratio upon placement of fund, subject to Terms & Conditions	
February	4.27%		
March	4.18%		

* ROA - allocated asset 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



	2017				2018				2019				2020				2021				2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
ROI	0.00	1.49	1.48	1.45	1.98	2.14	2.24	2.34	2.44	1.81	1.76	1.86	1.78	1.41	1.27	1.33	1.25	1.28	1.19	1.28	1.28
ROA	0.00	6.17	6.03	6.15	6.10	5.62	6.37	6.22	6.03	6.17	6.09	5.76	4.76	3.09	2.90	3.16	4.08	4.73	4.31	4.24	4.24

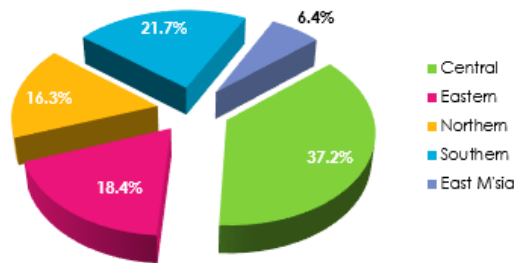
Note: The rates above are average annual rate of return on quarterly basis in percentage (%)

3.4 Income Statement

Profit & Loss Statement for the Quarter ended 31 March 2022			
	January	February	March
	RM'000	RM'000	RM'000
Profit from financing	5,479	4,689	5,601
Direct expenses*	-	-	-
Allowance for impairment on financing	(418)	(418)	(412)
Total Profit	5,061	4,271	5,189
Return on Asset (p.a.)	4.27%	4.27%	4.18%
Return on Investment (p.a.)	Based on the agreed profit sharing ratio upon placement of fund, subject to Terms & Conditions		

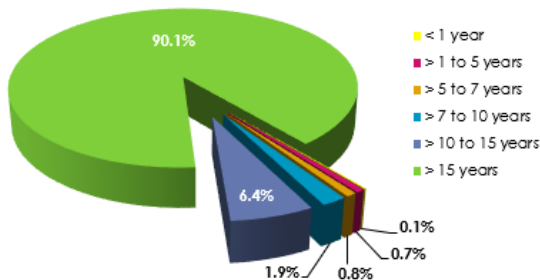
*Currently there are no charges imposed to this fund.

3.5 House and Fixed Asset Financing Portfolio by Geographical Location in Malaysia



A total of 37.2% of the total House and Fixed Asset Financing Portfolio originates from the Central region. This reflects the concentration of the HFA portfolio to developed areas such as the Klang Valley.

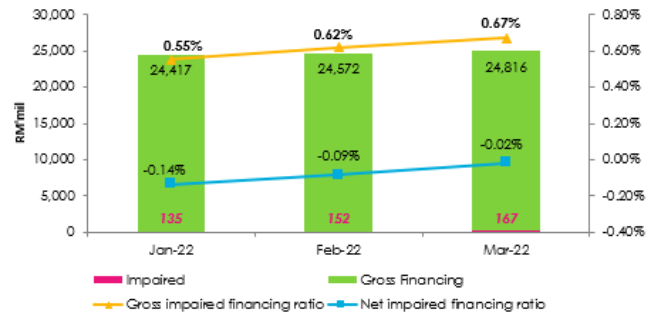
3.6 House and Fixed Asset Financing Portfolio by Remaining Maturity of Facilities



The majority of the House and Fixed Asset 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.

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3.7 Asset Quality of House and Fixed Asset Financing Portfolio



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

4.0 ECONOMIC REVIEW AND PROSPECT

While global economic recovery is expected to continue this year. However, the current geopolitical tensions in Ukraine are creating uncertainties and a lot of cascading effects to other economies. Thus far, the World Bank anticipates that Malaysia's economy to expand by 5.5% in 2022, slightly lower than the earlier projection of 5.8% due to the unfolding developments surrounding the Ukraine crisis. Apart from that, business sentiments have also been deteriorating as high Covid-19 infections and rising raw material prices have weighed on demand conditions and client confidence. This was in tandem with Malaysia's Manufacturing Purchasing Manager's Index (PMI) which declined to 49.6 points in March from an expansionary level of 50.9 points in February. Be that as it may, Malaysia's Industrial Production Index (IPI) still recorded a positive growth as it increased by 4.1% in 2M2022 (2M2021: 1.3%), mainly supported by the Manufacturing sector (2M2022: 6.0% vs. 2M2021: 4.0%). Similarly, exports jumped by 20.4% in 2M2022 from a 11.5% growth in the same period last year. Moving forward, the lifting of border restrictions commencing on 1 April 2022 is expected to facilitate cross-border business activities, trade and investment-related services.

5.0 PROPERTY MARKET AND HOUSE AND FIXED ASSET PORTFOLIO REVIEW

According to data published by the National Property Information Centre's (NAPIC), property market sector recorded a slight improvement in 2021 but has yet to surpass the pre-pandemic level recorded prior to 2020. It was reported that the property market sector recorded 300,497 transactions worth RM144.87 billion in 2021, increased by 1.5% in volume and 21.7% in value as compared to 2020 (295,968; RM119.08 billion). The residential segment remains the mainstay of the property market with 66.2% of total transaction. There were 198,812 transactions worth RM76.90 billion, increased by 3.9% in volume and 16.7% in value as compared to 2020 (191,354; RM65.87 billion). By price range, demand continued to focus on RM300,000 and below, as indicated by almost 56.0% of the total residential transactions, followed by RM300,001 to RM500,000 (24.6%). Majority of the demand comes from terraced houses, formed around 43.0% of total transactions. Of the total, Selangor recorded the highest residential transaction with 24.5% in volume and 34.4% in value (48,755; RM26.49 billion). The primary market saw lesser release of new launches. There were nearly 44,000 units launched in 2021, against 47,178 units in 2020. Terraced houses dominated the new launches with 60.1% (26,372 units), followed by condominium/apartment units at 27.4% (12,018 units). The number of residential overhang situation was less encouraging in term of volume and value. There were nearly 37,000 units worth RM22.79 billion, increased by 24.7% in volume and 20.5% in value respectively as compared to 2020 (29,565; RM18.92 billion). The Malaysian House Price Index (MHPI) in 2021 stood at 201.5 points (RM434,758). Bank Islam's Housing and Fixed Asset (HFA) portfolio stood at RM24.82 billion in March, increasing by 1.0% month-on-month (m-o-m) from

RM24.57 billion in the previous month. The HFA portfolio rose by 2.3% quarter-on-quarter (q-o-q) to RM24.82 billion in 1Q2022 (4Q2021: RM24.26 billion). The low overnight policy rate (OPR) has served good opportunity for those who are taking out property financing. In the meantime, the Gross Impairment Ratio (GIR) increased slightly to 0.67% in March from 0.62% in the preceding month. However, the trend is much lower as compared to 1.21% at the industry level as of February 2022 (January 2022: 1.18%). This year, we foresee the financing impairment trend to improve amid recovery in the labour market whereby the unemployment rate is anticipated to further decline around to 4.0% as economic activity starts to pick up.