

1.0 KEY FUND INFORMATION

1.1 Shariah Concept 1.2 Investment Currency 1.3 Fund Inception

Mudarabah Ringgit Malaysia June 2015

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 invest in a low-risk Investment Account (IA) that encourages savings while having the opportunity to win prizes via monthly, quarterly, half-yearly and yearly draws. IAHs may visit www.bankislam.com.my to view the list of winners.

1.6 Investment Strategies

Invest in secured retail financial assets. Currently, the Bank invests in its existing House & Fixed Asset (HFA) Financing portfolio, which is aimed at protecting the investment.

1.7 Nature of Investment Account

On demand, whereby IAHs are able to withdraw at any given point in time.

1.8 Investment Asset Allocation

The Bank will allocate IAHs' funds in its existing HFA Financing portfolio, which 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 the movement of the 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 the risk of no returns at all.

This investment account is not protected by Perbadanan Insurans Deposit Malaysia (PIDM). However, the product structure is 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 will be distributed on a monthly basis, but will be calculated on a daily basis. The profit is based on the performance of the HFA 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:
 - Individuals (Residents and Non-Residents)
 - Non-Individuals (Business/Other entities)
- Investors with low risk tolerance
- Investors who desire to win prizes
- Investors with either a short or medium-term investment horizon
- Investors who require a portfolio of Shariah-compliant investments

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

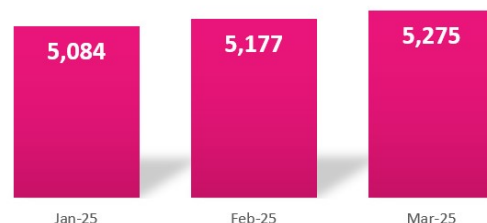
The Board of Directors of Bank Islam has the ultimate responsibility to manage risks related to its operations and business activities by setting risk appetite and tolerance levels that are consistent with the Bank's overall business objectives and desired risk profile. The Board Risk Committee, assisted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

3.0 FUND PERFORMANCE

3.1 Fund Size & Growth

As at March 2025, Al-Awfar account fund balance was recorded at RM5.3 billion.

Al-Awfar Investment Account Fund Size RM'million



3.2 Rate of Return

Position 2025	Return on Asset (ROA)* % (p.a.)	Profit Sharing Ratio (Customer:Bank)	Return on Investment (ROI) (p.a.)
January	4.44%	2:98	0.09%
February	4.41%	1:99	0.05%
March	4.42%	1:99	0.04%

*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



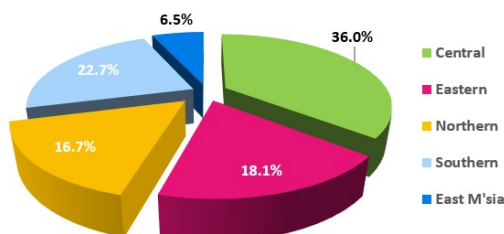
Note: The rates above are the average annual rate of return on a quarterly basis in percentage (%).

3.4 Income Statement

Income Statement for the Quarter Ended 31 March 2025			
	January	February	March
	RM'000	RM'000	RM'000
Profit from financing	19,241	17,188	19,620
Direct expenses*	-	-	-
Allowance for impairment on financing	(282)	(367)	(380)
Total profit	18,959	16,821	19,240
Return on asset (p.a.)	4.44%	4.41%	4.42%
Return on investment (p.a.)	0.09%	0.05%	0.04%

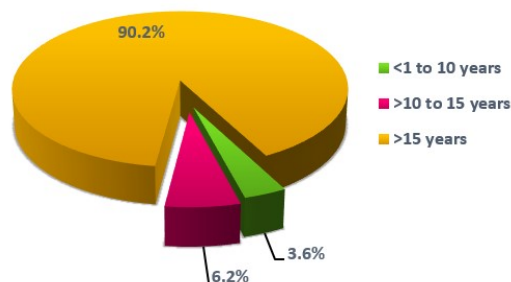
*Currently there are no charges imposed on this fund.

3.5 HFA Financing Portfolio by Geographical Location in Malaysia



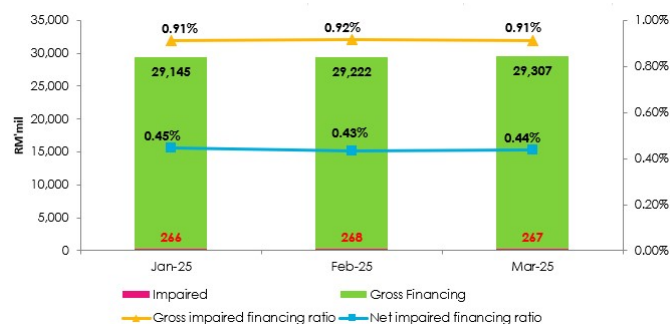
A total of 36.0% of the total HFA Financing portfolio originates from the Central region. This reflects the concentration of the HFA portfolio in developed areas such as Klang Valley.

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 IAHs.

3.7 Asset Quality of HFA Portfolio



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

4.0 ECONOMIC REVIEW & PROSPECT

Recent economic data suggest that Malaysia's Q1 2025 Gross Domestic Product (GDP) growth remains on firm footing, despite concerns over US "reciprocal tariffs". Bank Negara Malaysia (BNM) forecasts GDP growth of 4.5% - 5.5% in 2025 (2024: 5.1%), largely supported by robust domestic demand, which is expected to contribute approximately 95% of total GDP. While this outlook reflects confidence in the economy's underlying strength, we hold a slightly cautious stance, anticipating growth to lean towards the lower end of the forecast range at 4.7%. Heightened trade tensions – particularly the tariffs imposed by Trump on US trading partners, including Malaysia, pose downside risks to the country's trade performance. Retaliatory measures and disruptions to global supply chains could further dampen external demand amid rising protectionist policies.

Nonetheless, domestic demand remains the cornerstone of resilience. A strengthening labor market, rising wage growth, a minimum wage hike and sustained government cash assistance should bolster consumption and offset external sector headwinds.

5.0 PROPERTY MARKET & HFA PORTFOLIO REVIEW

Malaysia's property market recorded substantial improvement in 2024, according to the latest data from the National Property Information Centre (NAPIC). A total of 420,545 property transactions were recorded, amounting to RM232.3 billion – a 5.4% increase in volume and an 18.0% increase in value compared to 2023 (399,008; RM196.83 billion).

The residential sub-sector continued its expansion, maintaining its position as the largest contributor to overall transactions, accounting for 62.0% of total activity. Residential transactions totalled 260,516 units worth RM106.92 billion, reflecting 4.0% growth in volume and 5.9% (250,586; RM100.93 billion).

Demand for residential properties concentrated in the RM300,000-and-below price range, which accounted for 52.5% of total transactions, followed by RM300,001 to RM500,000 at 24.5% and RM500,001 to RM1.0 million at 17.5%. Terrace houses continued to be the preferred choice, making up 43.1% of residential transactions, followed by vacant plots (16.0%) and high-rise units at 13.9%. Among all the states, Selangor led residential transaction, accounting for 21.6% in volume and 29.6% in value with 56,167 transactions totalling RM31.68 billion.

The primary market strengthened in 2024, supported by an increase in unit launches across all states except Perlis in 2024. A total of 75,784 new units entered the market compared to 56,626 units in 2023. Terrace houses

dominated new launches, representing 52.9% (40,083 units), followed by condominium and apartment units at 31.7% (23,995 units). However, sales performance saw a slight decline, with sales rate falling to 37.3% from 40.4% in 2023.

The residential overhang situation improved, with 23,149 unsold units worth RM13.94 billion, marking a 10.3% reduction in volume and a 21.2% decrease in value compared to 2023 (25,816 units; RM17.68 billion). Condominium and apartment units accounted for 60.0% (13,900 units) of the total national overhang. Meanwhile, the Malaysian House Price Index (MHPI) stood at 225.6 points in 2024, with an average house price of RM486,678.

As of March 2025, the HFA portfolio reached RM29.30 billion, reflecting a month-on-month increase of 0.29% from RM29.22 billion in February. The Gross Impairment Ratio (GIR) remained stable at 0.91%, notably lower than the industry average for residential property purchases, which stood at 1.15% in February 2025. Meanwhile, the HFA asset yield slightly declined to 4.49% in March 2025, compared to 4.51% in the previous quarter.