

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 that the investment aligns with the Fund's investment objective, while its asset allocation safeguards the investment portfolio.
- Currently, the Bank invests in its existing House & Fixed Asset Financing (HFA), Personal Financing (PF) portfolios and Securities that are Guaranteed by the Government of Malaysia (GG) 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 IAHS' funds to its existing HFA, PF and GG portfolios, which 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 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 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

Profits will be disbursed upon maturity or an agreed payment frequency for investments with a tenure exceeding 15 months, as determined by the Bank and IAH (e.g. monthly, quarterly, half-yearly or yearly).

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:
 - Corporation
 - Government Agencies
 - Government Accounts
 - Universities
 - Companies and Partnerships
 - Other Business and 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

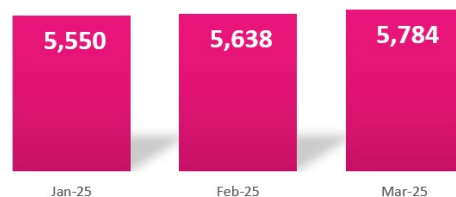
The Board of Directors of Bank Islam has the ultimate responsibility to manage risks related to its operations and business activities by setting risk appetite and tolerance levels that are consistent with the Bank's overall business objectives and desired risk profile. The Board Risk Committee, assisted 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, Wafiyah Investment account fund balance was recorded at RM5.8 billion.

Wafiyah Investment Account Fund Size RM'million



3.2 Rate of Return

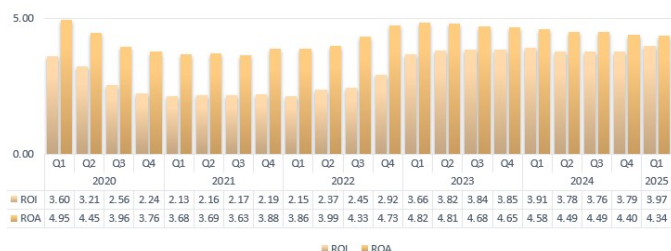
Position 2025	Return on Asset (ROA)* % (p.a.)	Return on Investment (ROI) % (p.a.)
January	4.40%	Based on the agreed expected return upon placement of funds, subject to Terms & Conditions
February	4.30%	
March	4.32%	

*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).

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3.3 Historical Rate of Return



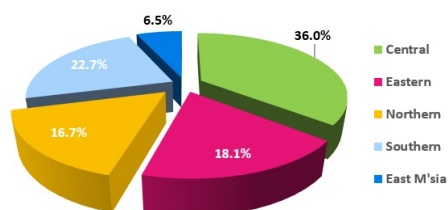
Note: The rates above are the average annual rate of return on a quarterly basis in percentage (%).

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	26,193	21,557	23,683
Direct expenses*	-	-	-
Allowance for impairment on financing	(3,739)	(3,469)	(3,601)
Total Profit	22,454	18,088	20,082
Return on Asset (p.a.)	4.40%	4.30%	4.32%
Return on Investment (p.a.)	Based on the agreed expected return upon placement of funds, subject to Terms & Conditions.		

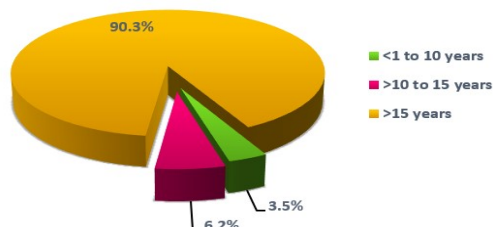
*Currently there are no charges imposed on this fund.

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.

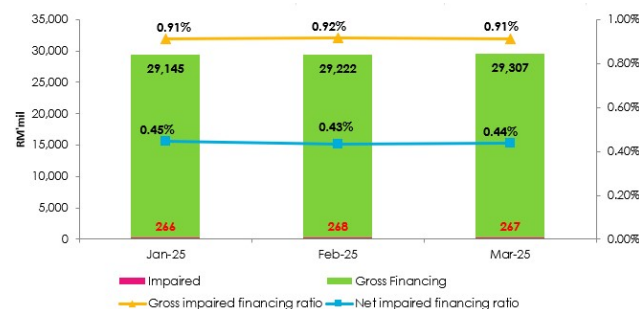
3.6 HFA Financing Portfolio by Remaining Maturity of Facilities



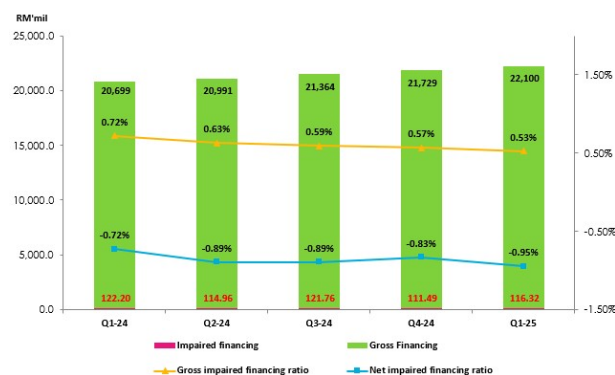
The majority of the HFA Financing Portfolio has a maturity of more than 15 years. This will ensure stability in the profit stream of the HFA portfolio which can then benefit the investment return expectations, especially for long-term IAH.

3.7 Asset Quality of HFA Portfolio

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

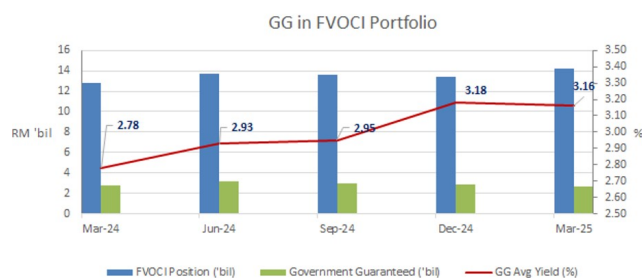


3.8 Asset Quality for PF Portfolio



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

3.9 Asset Quality of Government Guaranteed Securities in FVOCI Portfolio



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.

6.0 PF PORTFOLIO REVIEW

As of March 2025, the PF portfolio grew to RM22.100 billion, reflecting a month-on-month increase of 0.03% from RM22.093 billion recorded in February. The Gross Impairment Ratio (GIR) improved to 0.53% in March 2025, down from 0.67% in the previous month. This ratio remains significantly below the industry average for personal financing, which stood at 2.36% in February 2025, underscoring the Bank's prudent credit assessment practices.

Meanwhile, the PF asset yield edged lower to 5.94% in March 2025, compared to 6.01% in December 2024, reflecting a slight decline in the

previous quarter.

7.0 BOND/SUKUK MARKET REVIEW

In Q1 2025, global macroeconomic conditions underwent a significant shift as US economic sentiment weakened amid heightened policy uncertainty, fueling recession concerns. US Treasuries outperformed during the quarter, as falling yields reflecting growing investor demand driven by softer economic data and mounting worries over the impact of impending tariffs.

In contrast, Germany's decision to ease fiscal constraints and roll out a €500 billion infrastructure plan triggered a sharp sell-off in Bunds, pushing yields to their highest levels since 1990. Meanwhile, in Malaysia's bond market, concerns over sweeping US tariffs weighed on sentiment, leading to generally lower government bond yields. Malaysian Government Securities (MGS) yields declined across all maturities, with the 3-year yield falling by 10bps and the 10-year yield easing by 5bps quarter-on-quarter.

The Monetary Policy Committee (MPC) maintained the Overnight Policy Rate (OPR) at 3.00%. Strong domestic demand and stable Purchasing Managers' Index (PMI) readings further supported bond market resilience, mitigating some external pressures.