

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

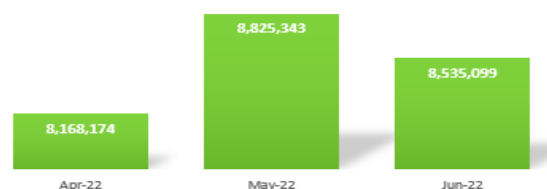
The Board of Directors of Bank Islam has the ultimate responsibility to manage risks related to its operations and business activities by setting risk appetite and tolerance levels that are consistent with the Bank's overall business objectives and desired risk profile. The Board Risk Committee, which 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 June 2022, Wafiyah Investment account fund balance was recorded at RM8.5 billion.

Wafiyah Investment Account
Fund Size RM'000



3.2 Rate of Return

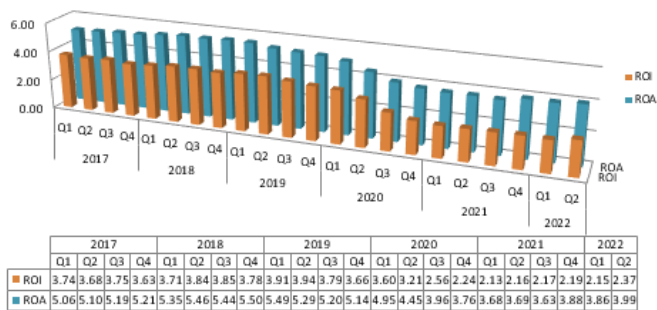
Position 2022	Return on Asset (ROA)* % (p.a.)	Return on Investment (ROI) % (p.a.)
April	3.86%	Based on the agreed expected return upon placement of fund or actual return (whichever is lower), subject to Terms & Conditions
May	3.98%	
June	4.12%	

* 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



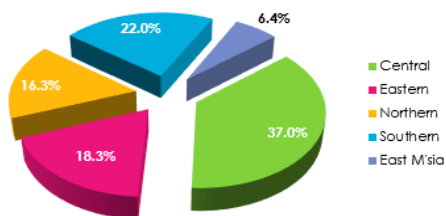
Note: The rates above are average annual rate of return on quarterly basis in percentage (%)

3.4 Income Statement

Profit & Loss Statement for the Quarter ended 30 June 2022			
	April	May	June
	RM'000	RM'000	RM'000
Profit from financing	22,633	29,011	31,251
Direct expenses*	-	-	-
Allowance for impairment on financing	(1,373)	(1,716)	(1,880)
Total Profit	21,260	27,295	29,371
Return on Asset (p.a.)	3.86%	3.98%	4.12%
Return on Investment (p.a.)	Based on the agreed expected return upon placement of fund, subject to Terms & Conditions		

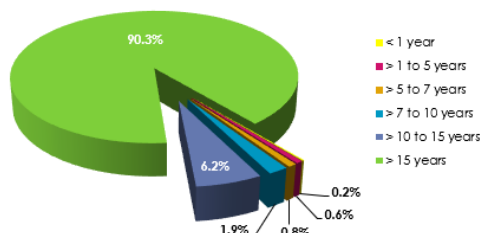
*Currently there are no charges imposed to this fund.

3.5 HFA Financing Portfolio by Geographical Location in Malaysia



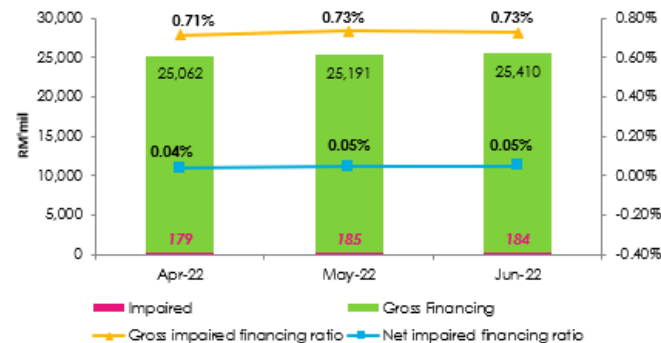
A total of 37.0% of the total HFA Financing Portfolio originates from the Central region. This reflects the concentration of the HFA portfolio to developed areas such as the Klang Valley.

3.6 HFA Financing Portfolio by Remaining Maturity of Facilities



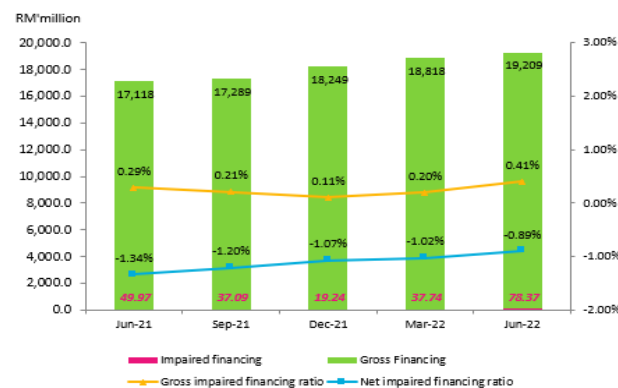
The majority of the HFA Financing Portfolio has a maturity of more than 15 years. This will ensure stability in the profit stream of the HFA portfolio which can then benefit the investment return expectations, especially for long-term IAH.

3.7 Asset Quality of HFA Financing Portfolio



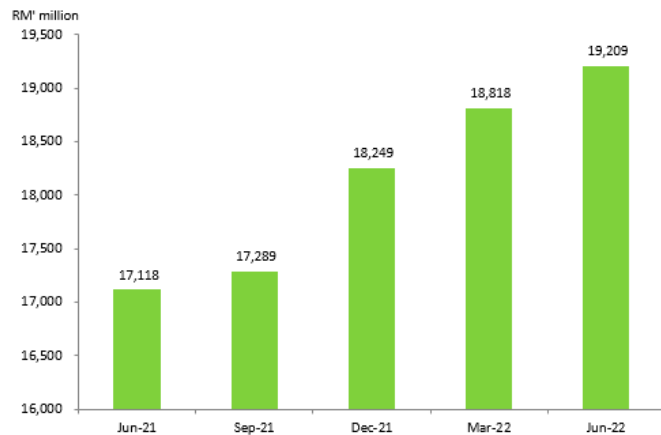
The portfolio's low impaired financing ratio reflects strong asset quality.

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 12.22% per annum. Asset Allocation for Wafiyah only comprises PF customers employed in the public sector.

4.0 ECONOMIC REVIEW AND PROSPECT

The escalating war in Ukraine, prolonged global supply chain disruptions, Covid-related lockdowns in China and inflationary pressures in light of higher energy and food prices are battering economies worldwide including Malaysia. Nevertheless, business sentiments among local manufacturers have been improving following the reopening of international borders commencing on 1 April. This was in tandem with S&P Global Malaysia Manufacturing Purchasing Manager's Index (PMI) which increased to 50.4 points in June from 50.1 points in May as supply constraints have shown clear signs of easing. Apart from that, exports continued to record a double-digit growth of 23.5% during 5M2022, though moderating from a 30.9% expansion in the same corresponding period last year. Moving into 2H2022, the transition to endemic phase of Covid-19 is expected to bolster Malaysia's economic activities particularly for services-related industry.

5.0 PROPERTY MARKET AND HFA PORTFOLIO REVIEW

According to data published by the National Property Information Centre's (NAPIC), property market sector recorded 94,544 transactions worth RM41.91 billion in Q12022, increased by 17.2% in volume and 16.0% in value as compared to Q12021 (80,694; RM36.12 billion). The residential segment remains the mainstay of the property market with 61.1% of total transaction. The residential sub-sector's market recorded 57,750 transactions worth RM22.98 billion, increased by 10.5% in volume and 16.9% in value as compared to Q12021 (52,273; RM19.66 billion). By price range, demand continued to focus on properties worth RM300K and below, as indicated by almost 57% of the total residential transactions. There were 2,936 units residential launched in Q12022. Terraced houses dominated the new launches with 71.0% (2,085 units), followed by semi/detached at 16.0% (472 units) and high-rise units at 9.5% (279 units). As at Q12022, the number of residential overhang dropped in term of volume and value. There were 35,592 units worth RM22.45 billion, down by 3.4% in volume and 1.5% in value as compared to Q42021 (36,863; RM22.79 billion). Johor retained the highest number of overhang in the country with 16.8% (5,992 units). High-rise units dominated overhang with 58.1% (20,680 units). The Malaysian House Price Index (MHPI) in Q12022 stood at 200.9 points (RM433,430). The property market performance especially residential subsector will continue to be affected by affordability and overhang issues and also slowing economy.

Bank Islam's Housing and Fixed Asset (HFA) portfolio stood at RM25.41 billion in June, increasing by 0.9% month-on-month (m-o-m) from RM25.19 billion in the previous month. Similarly, the HFA portfolio rose by 2.4% quarter-on-quarter (q-o-q) to RM25.41 billion in 2Q2022 (1Q2022: RM24.82 billion). In the meantime, the Gross Impairment Ratio (GIR) remains unchanged at 0.73% in June (May: 0.73%). The figure is still low if it were to compare at the industry level of 1.30% during May (April: 1.24%). Additionally, the economy is recovering from the coronavirus disruptions, resulting in a better labour market condition which saw the unemployment rate remained at 3.9% in June (May: 3.9%). Hence, we anticipate the trend of financing repayment will improve moving ahead.

6.0 PF PORTFOLIO REVIEW

Total PF portfolio rose by 12.2% year-on-year (y-o-y) in June to RM19.21 billion (June 2021: RM17.12 billion) compared to a 10.2% y-o-y growth seen in March. It increased by 2.1% from RM18.82 billion as at March to RM19.21 billion as at June. On the other hand, the Gross Impairment Ratio (GIR) rose to 0.41% in June from 0.20% in March. The bank's GIR remained low compared to industry level for personal use at 2.07% during May (April: 1.93%). However, the GIR for the bank and industry has been trending upward since February this year, signalling the customers are having difficulty to meet repayment.