

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.
- The Bank invests in its blended portfolio of assets such as House & Fixed Asset Financing (HFA), Personal Financing (PF) portfolios, Vehicle Financing (VF) 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, VF 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 are changes in investment strategies and asset allocation for this investment fund as described in 1.6 and 1.8.

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

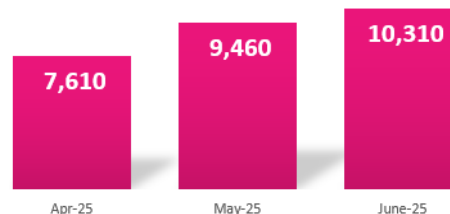
The Board of Directors of Bank Islam has the ultimate responsibility to manage risks related to its operations and business activities by setting risk appetite and tolerance levels that are consistent with the Bank's overall business objectives and desired risk profile. The Board Risk Committee, assisted 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 June 2025, Wafiyah Investment account fund balance was recorded at RM10.3 billion.

Wafiyah Investment Account Fund Size RM'million



3.2 Rate of Return

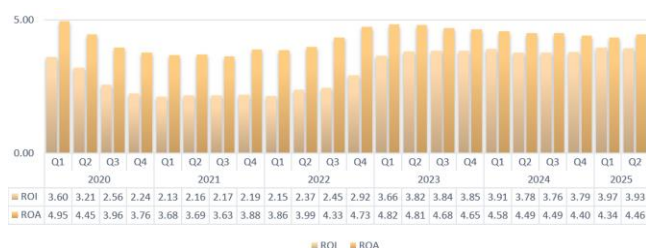
Position 2025	Return on Asset (ROA)* % (p.a.)	Return on Investment (ROI) % (p.a.)
April	4.31%	Based on the agreed expected return upon placement of funds, subject to Terms & Conditions
May	4.51%	
June	4.56%	

*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



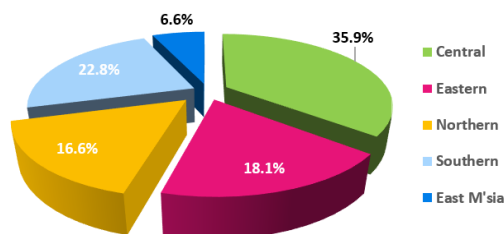
Note: The rates above are the average annual rate of return on a quarterly basis in percentage (%).

3.4 Income Statement

Income Statement for the Quarter Ended 30 June 2025			
	April	May	June
	RM'000	RM'000	RM'000
Profit from financing	25,701	36,721	43,331
Direct expenses*	-	-	-
Allowance for impairment on financing	(3,940)	(5,208)	(6,289)
Total Profit	21,761	31,513	37,042
Return on Asset (p.a.)	4.31%	4.51%	4.56%
Return on Investment (p.a.)	Based on the agreed expected return upon placement of funds, subject to Terms & Conditions.		

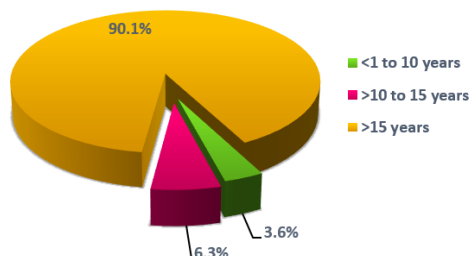
*Currently there are no charges imposed on this fund.

3.5 HFA Financing Portfolio by Geographical Location in Malaysia



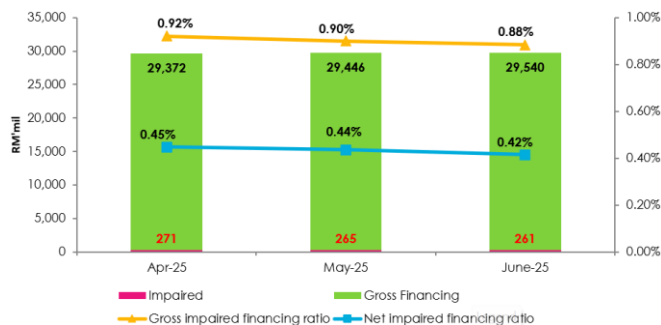
A total of 35.9% of the total HFA Financing Portfolio originates from the Central region. This reflects the concentration of the HFA portfolio in developed areas such as Klang Valley.

3.6 HFA Financing Portfolio by Remaining Maturity of Facilities



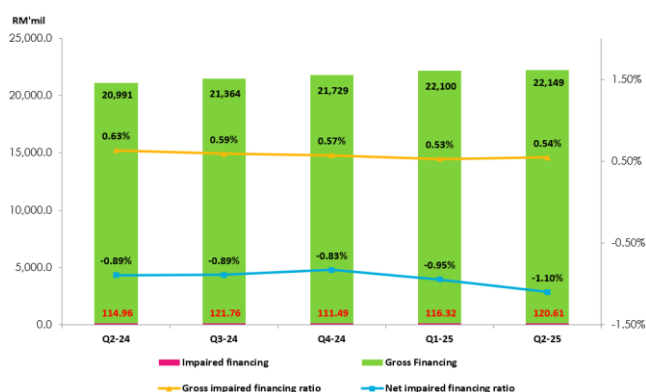
Majority of the HFA Financing Portfolio has a maturity of more than 15 years. This will ensure stability in the profit stream of the HFA portfolio which can then benefit the investment return expectations, especially for long-term IAH.

3.7 Asset Quality of HFA Portfolio



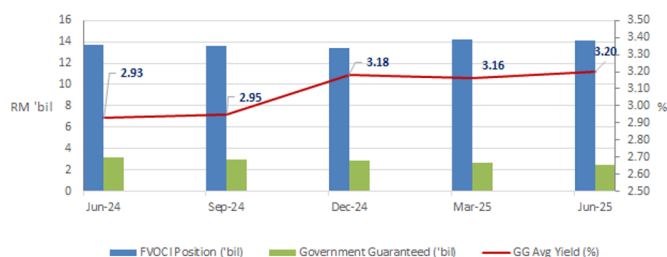
The portfolio's low impaired financing ratio reflects strong asset quality.

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

Global growth is expected to moderate, with forecasts revised downward due to rising trade tensions stemming from higher tariffs and stricter trade policies. Geopolitical risks, particularly in the Middle East, have also dampened global economic and financial market sentiment. As a result, we have revised Malaysia's 2025 GDP growth forecast to 4.4% (from 4.7%; 2024: 5.1%).

Despite external headwinds, domestic demand is expected to remain the main driver of growth, supported by strong employment and wage gains that continue to fuel private consumption. A stable, low-inflation environment and an expanding tourism sector will further support household spending. Investment activity remains robust, backed by multi-year infrastructure projects and realisation of approved investments. However, we remain cautious of persistent geopolitical risks and global

trade uncertainties, which could weigh on business, consumer and investor confidence.

5.0 PROPERTY MARKET & HFA PORTFOLIO REVIEW

According to the latest data published by the National Property Information Centre (NAPIC), the property market recorded 97,772 transactions worth RM51.42 billion in Q1 2025, marking a decline of 6.1% in volume and 8.9% in value as compared to Q1 2024 (104,194; RM56.47 billion).

The residential segment remains the mainstay of the property market, accounting for 60.7% of total transactions. Within this sub-sector, 59,306 transactions worth RM24.51 billion were recorded, representing a decrease of 5.6% in volume and 2.9% in value as compared to Q1 2024 (62,823; RM25.25 billion). In terms of price range, demand continued to concentrate on properties priced at RM300,000 and below, which made up nearly 52.0% of all residential transactions.

During Q1 2025, 12,498 residential units were launched. Terraced houses led the new launches with 61.3% (7,668 units), followed by high-rise units at 27.2% (3,396 units) and semi-detached units at 5.7% (712 units).

As for Q1 2025, the residential overhang situation was less encouraging in both volume and value. There were 23,515 units worth RM15.0 billion, up by 1.6% in volume and 7.7% in value compared to Q4 2024 (23,149; RM13.94 billion). The Federal Territory of Kuala Lumpur (WPKL) recorded the highest number of overhang units nationwide, accounting for 15.6% (3,668 units). High-rise units dominated the overhang with 57.6% (13,549 units). The Malaysian House Price Index (MHPI) stood at 225.3 points (RM486,070) in Q1 2025.

As of June 2025, the HFA portfolio reached RM29.54 billion, reflecting a month-on-month increase of 0.31% from RM29.45 billion in May. The Gross Impairment Ratio (GIR) remained stable at 0.88% in June 2025, slightly lower than the previous month's figure. This ratio is notably below the industry average for residential property purchases, which was 1.15% in June 2025. The HFA asset yield marginally decreased to 4.48% in June 2025, compared to 4.49% in the previous quarter.

6.0 PF PORTFOLIO REVIEW

As at June 2025, the PF portfolio stood at RM22.15 billion, reflecting a month-on-month decrease in growth of 0.03% from RM22.16 billion in May. The Gross Impairment Ratio (GIR) improved to 0.54%, down from 0.68% in the preceding month –significantly below the industry average of 2.47% for personal financing. This underscores the bank's prudent credit assessment practices.

The PF asset yield recorded a slight dip to 5.89% in March 2025, compared to 5.94% in March 2024 (the previous quarter).

7.0 BOND/SUKUK MARKET REVIEW

In Q2 2025, global financial markets experienced significant volatility driven by uncertainty surrounding tariff policies and tensions in the Middle East. Early concerns over a potential trade war eased after President Trump announced a 90-day moratorium on reciprocal tariff implementation. While US Treasury yields remained largely flat, the yield curve steepened amid investor anxiety over rising federal debt levels linked to the "One Big Beautiful Bill Act." Yields on 30-year US bonds climbed to 20 basis points during the quarter.

Domestically, Malaysian government bonds rallied as BNM maintained the Overnight Policy Rate (OPR) for the twelfth consecutive meeting, citing downside risks to growth. Against the backdrop subdued inflation and persistent export challenges, BNM is anticipated to implement a 25-basis-point cut to the OPR in the second half of 2025 to further bolster domestic demand.

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