

## 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 House & Fixed Asset Financing and Personal Financing 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, and Legal risk. Please visit Bank Islam's website for further explanation of each risk.

## 2.0 RISK STATEMENT

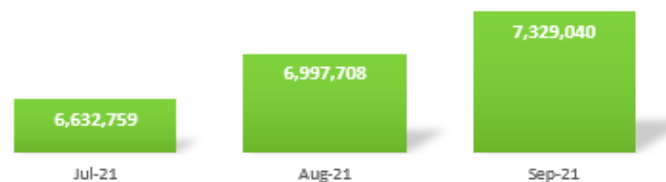
The Board of Directors of Bank Islam has the ultimate responsibility to manage risks related to its operations and business activities by setting risk appetite and tolerance levels that are consistent with the Bank's overall business objectives and desired risk profile. The Board Risk Committee, which is assisted by the Risk Management Divisions, 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 September 2021, Wafiyah Investment account fund balance was recorded at RM7.3 billion.

### Wafiyah Investment Account Fund Size RM'000



### 3.2 Rate of Return

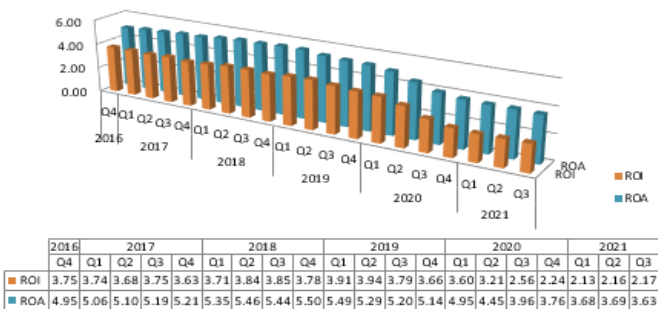
Position 2021	Return on Asset (ROA)* % (p.a.)	Return on Investment (ROI) % (p.a.)
July	3.61%	Based on the agreed expected return upon placement of fund or actual return (whichever is lower), subject to Terms & Conditions
August	3.61%	
September	3.67%	

\* 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**



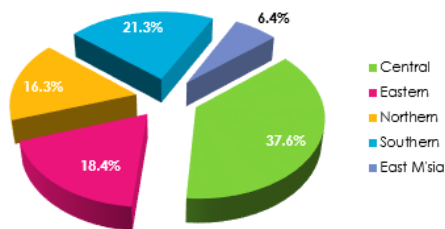
Note: The rates above are average annual rate of return on quarterly basis in percentage (%)

**3.4 Income Statement**

Profit & Loss Statement for the Quarter ended 30 September 2021			
	July	August	September
	RM'000	RM'000	RM'000
Profit from financing	23,223	23,609	24,398
Direct expenses*	-	-	-
Allowance for impairment on financing	(3,149)	(3,214)	(2,232)
Total Profit	20,074	20,395	22,166
Return on Asset (p.a.)	3.61%	3.61%	3.67%
Return on Investment (p.a.)	Based on the agreed expected return upon placement of fund, subject to Terms & Conditions		

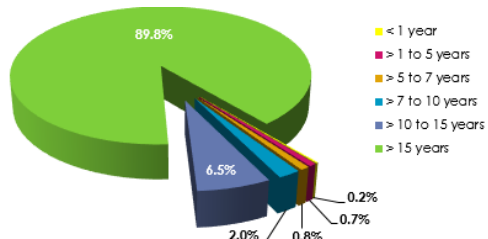
\*Currently there are no charges imposed to this fund.

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



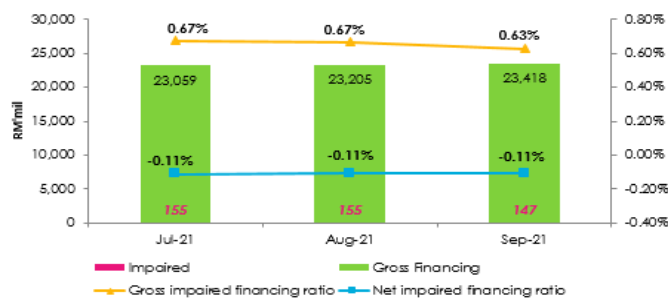
A total of 37.6% of the total House and Fixed Asset Financing Portfolio originates from the Central region. This reflects the concentration of the HFA portfolio to developed areas such as the Klang Valley.

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



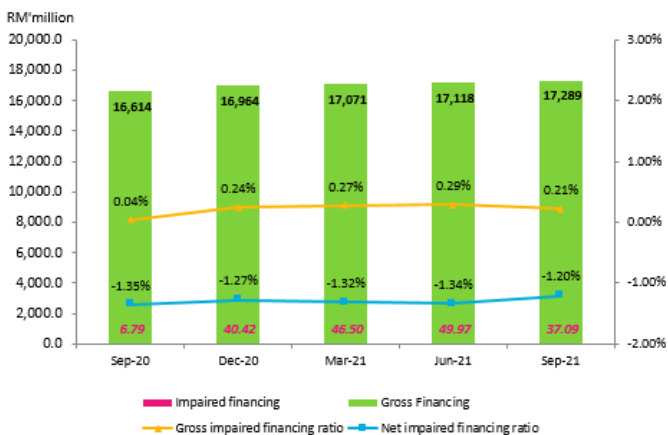
The majority of the House and Fixed Asset Financing Portfolio has a maturity of more than 15 years. This will ensure stability in the profit stream of the HFA portfolio which can then benefit the investment return expectations, especially for long-term IAH.

**3.7 Asset Quality of House and Fixed Asset Financing Portfolio**



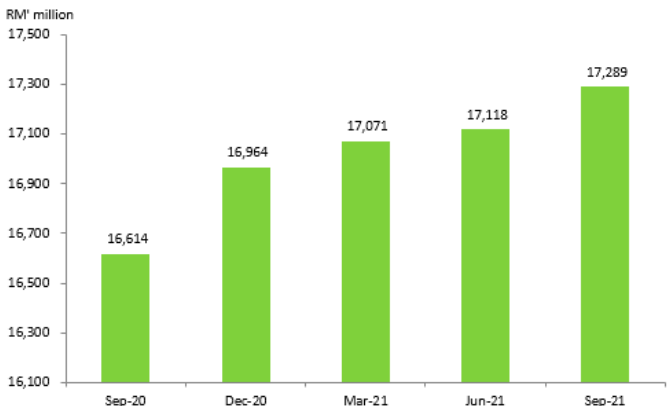
The portfolio's low impaired financing ratio reflects strong asset quality.

**3.8 Asset Quality for Personal Financing Portfolio**



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

**3.9 Personal Financing Portfolio Growth in Bank Islam**



The Personal Financing Portfolio has grown at a rate of 4.06% per annum. Asset Allocation for Wafiyah only comprises Personal Financing customers employed in the public sector.

#### 4.0 ECONOMIC REVIEW AND PROSPECT

The migration of states to the remaining phases of the National Recovery Plan (NRP) has progressed smoothly with no states being classified under Phase 1 of the NRP. Factories are also allowed to increase their working capacity according to the number of workers that are fully vaccinated. For example, factories which have 80% of their workers fully vaccinated can operate at 100% working capacity. Aside from that, the reopening of the Malaysian economy via the resumption of interstate travel effective from 11 October will improve human mobility. Therefore, economic activities particularly tourism and leisure can be carried out on a larger scale and thus, contribute more output to the nation's economy. Be that as it may, the surge in demand for goods and raw materials has led to a supply chain bottleneck across the globe, giving rise to higher inflationary pressure.

#### 5.0 PROPERTY MARKET AND HOUSE AND FIXED ASSET PORTFOLIO REVIEW

According to data published by the National Property Information Centre (NAPIC), the property market sector recorded a significant increase in H12021 as compared to H12020. It was reported that the property market sector recorded 139,754 transactions worth RM62.01 billion in H12021, an increase of 21.0% in volume and 32.1% in value compared to H12020 (115,476;RM46.94billion). The residential segment remains the mainstay of the property market with 65.8% of total transactions. The residential sub-sector's segment recorded 92,017 transactions worth RM34.51billion, increasing by 22.2% in volume and 34.7% in value as compared to H12020 (75,318;RM25.61billion). Newly launched houses priced between RM100K-RM500K dominated the market in H12021, with the RM300k to RM500K price segment leading overall supply with 6,606 units (39.7%). Sale performance for new launches recorded an improvement of 24.7% compared to H12020. The residential overhang continued to increase due to slow market absorption of the primary market, recording 31,112 units worth RM20.09billion, an increase of 5.2% in volume and 6.2% in value respectively against the preceding half. Construction activity recorded an increase in completion, starts and new planned, each up by 8.7%, 35.3% and 36.0% respectively compared to H12020. The Malaysian House Price Index (MHPI) saw an unprecedented negative growth in Q22021 after a series of slow quarterly growth since 2018. MHPI stood at 197.9 points, down by 1.2% year-on-year. The property market performance especially the residential subsector will continue to be affected by affordability, overhang issues and also a slowing economy.

Bank Islam's Housing and Fixed Asset (HFA) portfolio stood at RM23.42 billion in September, increasing by 0.9% month-on-month (m-o-m) from RM23.21 billion in the previous month. The HFA portfolio rose by 1.9% quarter-on-quarter (q-o-q) to RM23.42 billion in 3Q2021 (2Q2021: RM22.99 billion). The lower Overnight Policy Rate (OPR) has allowed buyers to lock in favourable financing rates, particularly for those who are finding it difficult to pay higher monthly financing repayments. Meanwhile, the Gross Impairment Ratio (GIR) improved to 0.63% in September from 0.67% in the preceding month. The trend is much lower as compared to 1.26% at the industry level as of August 2021. Moving forward, the reopening of the economy could further support the residential property market, together with the implementation of various government initiatives and assistance.

#### 6.0 PERSONAL FINANCING PORTFOLIO REVIEW

Total PF portfolio moderated by 4.1% year-on-year (y-o-y) in September this year to RM17.29 billion from RM16.61 billion in September last year. On a quarterly basis, it increased by 1.0% to RM17.29 billion in 3Q2021 (2Q2021: RM17.12 billion). Meanwhile, the Gross Impairment Ratio (GIR) decreased by 0.21% in September from 0.29% in June. In addition, the bank's GIR remained low compared to industry level for personal use at 2.06% during August (July: 2.08%) indicating prudent credit amid continuing risks from the Covid-19 pandemic.