

1.0 KEY FUND INFORMATION

1.1 Shariah Concept	1.2 Investment Currency	1.3 Fund Inception
Mudarabah	Ringgit Malaysia	April 2017 (Corporate) September 2018 (Retail)

1.4 Product Classification

Unrestricted Investment Account refers to a type of investment account where 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 provide IAH with a combination of steady and recurring income, whilst at the same time allowing the balances to be placed and withdrawn via the counter, cheque, internet banking channels and etc.

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 and Fixed Asset Financing (HFA) Portfolio which is aimed at protecting the principal and generating stable returns.

1.7 Nature Of Investment Account

On demand whereby IAH is able to withdraw at any point of time.

1.8 Investment Asset Allocation

The Bank will allocate IAH's funds in its existing House and Fixed Asset Financing Portfolio that 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 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 Distribution Policy

Profit to be distributed on a monthly basis, but the profit will be calculated on a daily basis. The profit is based on the performance of the House and Fixed Asset 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:
 - Retail:
 - Individuals (Residents and Non Residents)
 - 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 December 2021, iGain fund balance was recorded at RM 1.3 billion.



3.2 Rate of Return

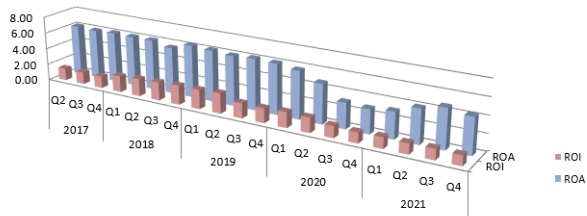
Position 2021	Return on Asset (ROA)* % (p.a.)	Profit Sharing Ratio (Customer: Bank)	Return on Investment (ROI) % (p.a.)
October	4.55%	Based on the agreed profit sharing ratio upon placement of fund, subject to Terms & Conditions	
November	4.23%		
December	4.16%		

* ROA - allocated asset 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



	2017				2018				2019				2020				2021			
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
ROI	1.49	1.48	1.45	1.98	2.14	2.24	2.34	2.34	2.44	1.81	1.76	1.86	1.78	1.41	1.27	1.33	1.25	1.28	1.19	
ROA	6.17	6.03	6.15	6.10	5.62	6.37	6.22	6.03	6.17	6.09	5.76	4.76	3.09	2.90	3.16	4.08	4.73	4.31		

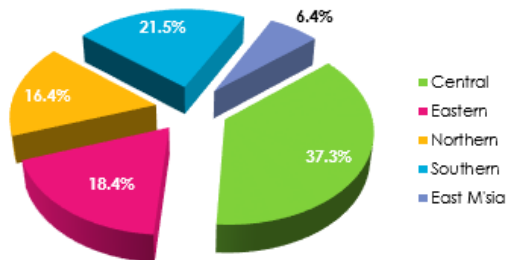
Note: The rates above are average annual rate of return on quarterly basis in percentage (%)

3.4 Income Statement

Profit & Loss Statement for the Quarter ended 31 December 2021			
	October	November	December
	RM'000	RM'000	RM'000
Profit from financing	4,082	4,812	5,536
Direct expenses*	-	-	-
Allowance for impairment on financing	(727)	(659)	(561)
Total Profit	3,355	4,153	4,975
Return on Asset (p.a.)	4.55%	4.23%	4.16%
Return on Investment (p.a.)	Based on the agreed profit sharing ratio upon placement of fund, subject to Terms & Conditions		

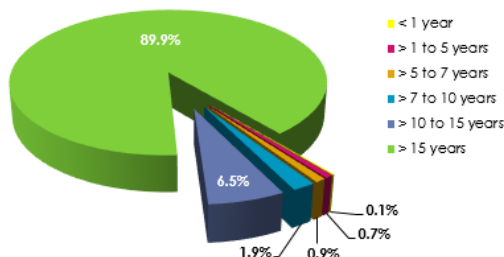
*Currently there are no charges imposed to this fund.

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



A total of 37.3% 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.

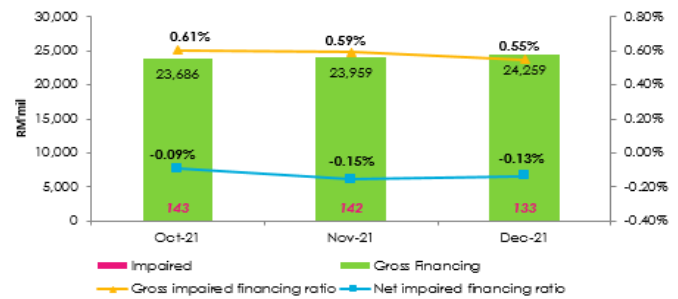
3.6 House and Fixed Asset Financing Portfolio by Remaining Maturity of Facilities



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.

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3.7 Asset Quality of House and Fixed Asset Financing Portfolio



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

4.0 ECONOMIC REVIEW AND PROSPECT

Global economic recovery would continue this year despite uncertainties surrounding the spread of the new Covid-19 variant. Already, World Bank projected that Malaysian economy to expand by 5.8% in 2022 from an estimated of 3.3% growth in 2021, driven by healthy domestic demand and continued growth in exports. Business sentiments have also been improving amid higher new orders and expansion in production level following the lifting of pandemic restrictions. This was in tandem with Malaysia Manufacturing Purchasing Manager's Index (PMI) which has been hovering above the 50-point threshold for the third straight month since October last year (December: 52.8 points vs. November: 52.3 points). Apart from that, the Industrial Production Index (IPI) recovered by 7.5% in first 11 month of 2021 from 5.0% contraction in the same period last year. Similarly, total exports jumped by 25.7% in first 11 month of 2021 after falling by 2.3% during the same period of 2020.

5.0 PROPERTY MARKET AND HOUSE AND FIXED ASSET PORTFOLIO REVIEW

According to latest data published by National Property Information Centre's (NAPIC), Property market sector recorded 61,311 transactions worth RM35.98billion in Q32021, down by 31.3% in volume but value up by 6.5% as compared to Q32020 (89,232;RM33.78billion). With regard to residential properties, 42,620 transactions worth RM17.82billion were recorded in Q32021, a decrease of 23.7% in volume and 8.0% in value as compared to Q32020 (55,845;RM19.37billion). As at Q32021, the number of residential overhang dropped in term of volume and value. There were 30,358 units worth RM19.80billion, a decrease of 2.4% in volume and 1.4% in value as compared to Q22021 (31,112;RM20.09billion). Newly launched houses priced below RM300,000 leading supply with 2,564 units (51.7%). By property type, terraced houses dominated the new launches with 2,182 units (44.1%) of the total units. The Malaysian House Price Index (MHPI) Q32021 stood at 198.6 points (RM428,458), down by 0.7% year-on-year. Quarterly movements saw a decline of 1.9%. The property market performance especially residential subsector will continue to be affected by affordability, overhang issues and also slowing economy.

Bank Islam's Housing and Fixed Asset (HFA) portfolio stood at RM24.26 billion in December, increasing by 1.3% month-on-month (m-o-m) from RM23.96 billion in the previous month. The HFA portfolio rose by 3.6% quarter-on-quarter (q-o-q) to RM24.26 billion in 4Q2021 (3Q2021: RM23.42 billion), attributable to the lower Overnight Policy Rate (OPR) which has been maintained at 1.75%. Subsequently, this should augur well for the housing market, specifically for property seekers who are looking for a lower home financing rate. Meanwhile, Gross Impairment Ratio (GIR) declined to 0.55% in December from 0.59% in the preceding month. The trend is much lower as compared to 1.21% at the industry level as of November 2021. Moving into 2022, the financing impairment trend is expected to improve amid a broad-based recovery in the economy and labour market conditions.