

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) and Vehicle Financing (VF) 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 VF 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 December 2025, Wafiyah Investment account fund balance was recorded at RM 7.8 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.)
October	4.41%	Based on the agreed expected return upon placement of funds, subject to Terms & Conditions
November	4.51%	
December	4.45%	

*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



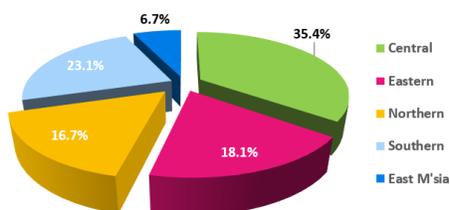
Note: The rates above are the average annual rate of return on a quarterly basis in percentage (%).

3.4 Income Statement

Income Statement for the Quarter Ended 31 December 2025			
	Oct	Nov	Dec
	RM'000	RM'000	RM'000
Profit from financing	39,063	38,180	35,473
Direct expenses*	-	-	-
Allowance for impairment on financing	(5,328)	(4,730)	(4,557)
Total Profit	33,735	33,450	30,916
Return on Asset (p.a.)	4.41%	4.51%	4.45%
Return on Investment (p.a.)	Based on the agreed expected return upon placement of funds, subject to Terms & Conditions.		

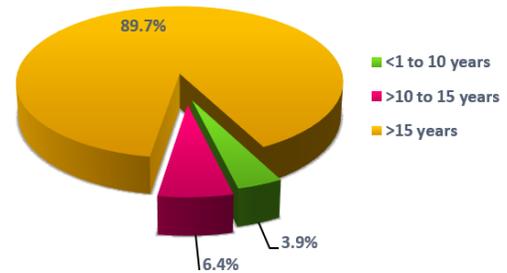
*Currently there are no charges imposed on this fund.

3.5 HFA Financing Portfolio by Geographical Location in Malaysia



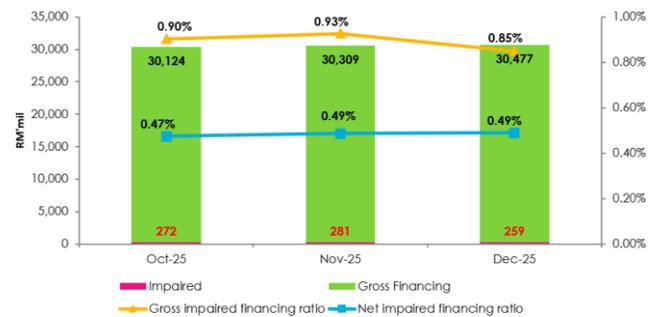
A total of 35.4% of the total HFA Financing Portfolio originates from the Central region. This reflects the concentration of the HFA portfolio in developed areas such as Klang Valley.

3.6 HFA Financing Portfolio by Remaining Maturity of Facilities



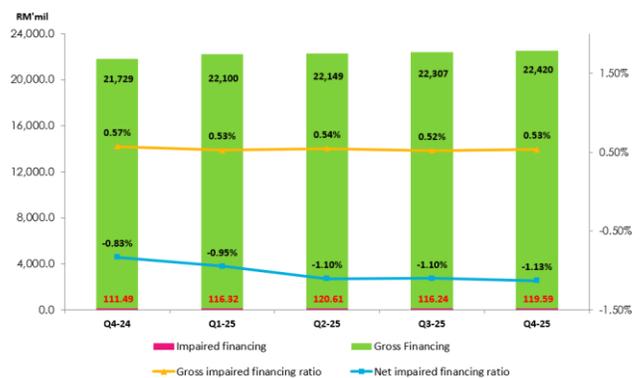
Majority of the HFA Financing Portfolio has a maturity of more than 15 years. This will ensure stability in the profit stream of the HFA portfolio which can then benefit the investment return expectations, especially for long-term IAH.

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 Vehicle Financing Portfolio



4.0 ECONOMIC REVIEW & PROSPECT

Malaysia's economic growth in Q3 2025 exceeded expectations, expanding significantly by 5.2% y-o-y compared with 4.4% in each of the previous two quarters, bringing average growth to 4.7%. The stronger performance was driven by a modest improvement in net exports, alongside a recovery in the mining sector. However, growth is expected to moderate in Q4 2025 as front-loading effects fade and US tariffs begin to weigh more visibly on trade flows, though year-end sales and festive seasons may provide partial support.

Overall, the stronger-than-expected performance in Q3 2025 has prompted us to revise Malaysia's 2025 GDP growth forecast upward to 4.6% from 4.2%. Heading into 2026, downside risks persist amid higher tariffs and ongoing geopolitical tensions. However, government policy support measures and the Visit Malaysia Year 2026 initiative could help cushion the slowdown in external demand.

5.0 PROPERTY MARKET & HFA PORTFOLIO REVIEW

According to the latest data published by National Property Information Centre (NAPIC), the property market sector recorded 108,250 transactions worth RM64.39 billion in Q3 2025, down by 3.5% in volume but up by 12.5% in value compared with Q3 2024 (112,119; RM57.23 billion).

The residential sub-sector led the overall property market, contributing 61.7% of total volume. The residential sub-sector recorded 66,766 transactions worth RM28.51 billion in Q3 2025, down by 5.3% in volume and 0.8% in value as compared with Q3 2024 (70,520; RM28.74 billion). Newly launched houses priced between RM500,001-RM1.0 million led supply with 4,153 units (36.0% of the total units).

By property type, landed properties dominated new launches with 5,892 units (51.1% of the total units). There were 11,533 units launched, down by 15.8% compared with 13,708 units in Q3 2024. Sales performance for new launches recorded at 14.0%, slightly lower than Q3 2024 (22.0%).

As at Q3 2025, the number of residential overhangs increased in

both volume and value. There were 28,672 units worth RM17.25 billion, an increase of 6.5% in volume and 4.9% in value compared with Q2 2025 (26,911; RM16.44 billion). Perak recorded the highest number of overhangs in the country with 11.5% (3,300 units). The Malaysian House Price Index (MHPI) in Q3 2025 stood at 229.1 points (RM494,384), up by 0.1% year-on-year.

As of December 2025, the HFA portfolio reached RM30.48 billion, marking a month-on-month increase of 0.55% from RM30.31 billion in the previous month. The Gross Impairment Ratio (GIR) remained stable at 0.85% in December 2025, a slight decrease from the previous month's figure. This ratio is notably lower than the industry average for residential property purchases, which stood at 1.12% in November 2025.

The HFA asset yield slightly decreased to 4.21% in December 2025, compared to 4.22% in the previous quarter.

6.0 PF PORTFOLIO REVIEW

As of December 2025, the PF portfolio stood at RM22.42 billion, reflecting a 0.12% month-on-month growth from RM22.39 billion in the previous month. The Gross Impairment Ratio (GIR) improved to 0.53%, down from 0.70% in November. This remains well below the industry average of 2.35% for personal financing, underscoring the Bank's prudent credit assessment practices.

The PF asset yield recorded a slight uptick to 5.67% in December 2025, compared to 5.66% in the previous quarter.

7.0 VEHICLE FINANCING REVIEW

As of December 2025, the VF portfolio stood at RM2.55 billion, marking a 0.39% month-on-month growth from RM2.54 billion in November. The Gross Impairment Ratio (GIR) remained stable at 0.16% in December 2025, significantly lower than the industry average of 0.59% for vehicle financing, again reflecting the Bank's disciplined credit practices.

The VF asset yield eased slightly to 4.49% in December 2025, compared to 4.52% in September 2025 (the previous quarter).