

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 IAHS with a combination of steady and recurring income whilst, at the same time, allowing the balances to be placed and withdrawn via the counter, cheque, internet banking channels, etc.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 & 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 IAHS are able to withdraw at any point in time.

1.8 Investment Asset Allocation

The Bank will allocate IAHS' funds in its existing HFA Financing Portfolio which 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 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 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 HFA 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:
 - 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.

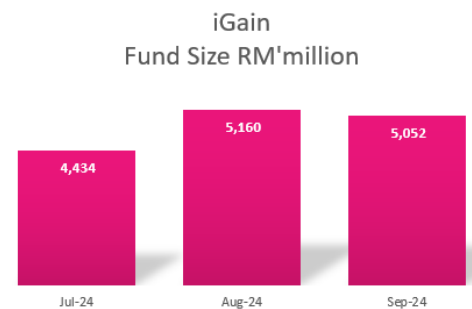
2.0 RISK STATEMENT

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, 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 & Growth

As at September 2024, iGain fund balance was recorded at RM5.1 billion.



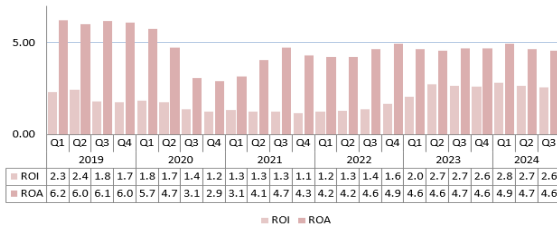
3.2 Rate of Return

Position 2023	Return on Asset (ROA)* % (p.a.)	Profit Sharing Ratio (Customer:Bank)	Return on Investment (ROI) % (p.a.)
July	4.61%	Based on the agreed expected return upon placement of funds. Subject to Terms & Conditions	
August	4.57%		
September	4.58%		

*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



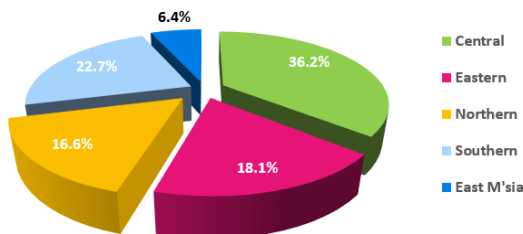
Note: The rates above are the average annual rate of return on quarterly basis in percentage (%)

3.4 Income Statement

Income Statement for the Quarter ended 30 September 2024			
	July	Aug	Sept
	RM'000	RM'000	RM'000
Profit from financing	15,188	16,163	18,690
Direct expenses*	-	-	-
Allowance for impairment on financing	304	213	294
Total Profit	15,492	16,376	18,984
Return on Asset (p.a.)	4.61%	4.57%	4.58%
Return on Investment (p.a.)	Based on the agreed profit-sharing ratio upon placement of funds, subject to Terms & Conditions.		

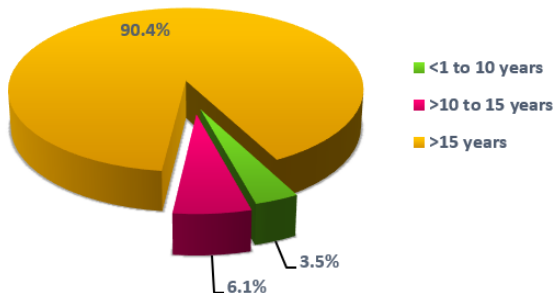
*Currently there are no charges imposed on this fund.

3.5 HFA Financing Portfolio by Geographical Location in Malaysia



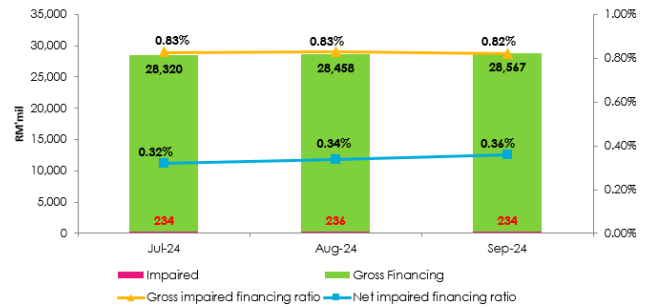
A total of 36.2% of the total HFA Financing Portfolio originates from the Central region. This reflects the concentration of the HFA portfolio in developed areas such as Klang Valley.

3.6 HFA Financing Portfolio by Remaining Maturity of Facilities



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 Portfolio



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

4.0 ECONOMIC REVIEW & PROSPECT

Malaysia's final 2Q24 GDP growth exceeded expectations, achieving a 5.9% YoY increase. This is significantly higher than the 1Q24's 4.2% growth and BNM's estimated potential growth of 3.5%-4.5% for 2024. This strong performance in 2Q24 brought the GDP growth to 5.1% in 1H24.

Key drivers of this growth include the upturn in global tech cycle, increasing tourism activities, continued government cash aid for targeted groups and ongoing implementation of budget measures and catalytic initiatives outlined in the national master plans. Export recoveries and robust foreign direct investment (FDI) inflows have also contributed towards the manufacturing sector's recovery.

Despite the accelerated economic growth in the first half of 2024, it is expected to moderate in the second half of the year (2H24). Our growth forecast for 2024 remains at 4.7%. The headline inflation rate forecast has been lowered from 2.7% to 2.0% for 2024, primarily due to the postponement of fuel subsidies rationalization to later in the year.

Looking ahead, economic growth is projected to remain strong. Although high-frequency indicators of private spending have slowed, private consumption is expected to be bolstered by future job opportunities from anticipated investment projects and income support measures. Investment and construction momentum will continue, driven by the government's efforts to fast-track infrastructure projects and its goal to become a regional digital hub. Additionally, there has been substantial growth in tourist arrivals.

Policy support, such as the restructuring the Employees Provident Fund (EPF) and plans to increase civil servant wages at the end of 2024, will further boost spending. Additionally, robust investment and construction activities are expected to create more job opportunities. The strong growth momentum has continued to support the labour market, with unemployment rate steady at 3.3% and a record labour force participation rate at over 70%.

Upsides to growth could come from more significant spillovers from the technology upcycle and greater realization of investments, while downside risks primarily stem from uncertainties in the external environment.

5.0 PROPERTY MARKET & HFA PORTFOLIO REVIEW

According to data published by the National Property Information Centre (NAPIC), the Property Market Report for the first half of 2024 (1H24) shows the highest growth in volume and value of property transactions in Malaysia over the past five years. The property market recorded 198,906 transactions worth RM105.65 billion in 1H24, marking an 8.0% increase in volume and a 23.8% increase in value compared to 1H23 (184,140; RM85.37 billion).

Sectoral market activity showed upward trends across all sub-sectors, with YoY growths in both volume and value of transactions. The residential sub-sector led the overall property market, contributing 61.3% in total transaction volume. This sub-sector recorded 121,964 transactions worth RM49.43 billion, reflecting a 6.1% increase in volume and 10.4% increase in value as compared to 1H23 (114,973; RM44.78 billion). Newly launched houses priced between RM100,000 and RM500,000 dominated the market in 1H24, with the below RM300,000 price segment leading supply with 8,944 units (39.2%). However, the primary market performance was less encouraging, with 22,827 units launched, down by 34.2% from 34,697 units in 1H23. The sales performance for new launches was 26.2%, slightly higher than the 23.4% recorded in 1H23.

The residential overhang situation improved, with the number of overhang units reducing to 22,642 worth RM14.24 billion, down by 12.3% and 19.5% in volume and value respectively compared to 2H23 (25,816; RM17.68 billion). Perak recorded the highest number of overhang units with 4,161, followed by Johor (3,219 units) and Kuala Lumpur (3,051 units). Residential construction activity increased in 1H24, with completions, starts and new planned supply rising by 11.1% (31,572 units), 1.1% (41,505 units) and 30.1% (40,505 units) respectively compared to 1H23. The Malaysian House Price Index (MHPI) continued to increase at a moderating trend. As at 2Q24, the MHPI stood at 218.7 points, up by 0.9% on annual basis.

As of September 2024, the HFA portfolio stood at RM28.57 billion, reflecting a month-on-month increase of 0.38% from RM28.46 billion in the previous month. The Gross Impairment Ratio (GIR) remained stable at 0.82% in September 2024, slightly lower than the previous month's figure. This ratio is considered low compared to the industry level for the purchase of residential property, which was 1.22% in August 2024. The HFA asset yield slightly decreased to 4.53% in September 2024 from 4.54% in June 2024 (the previous quarter).