

MUDARABAH INVESTMENT ACCOUNT - TERM FUND-i

Fund Performance Report for the Quarter Ended 31 December 2016

Dear Valued Investment Account Holder (IAH),

We are pleased to present the following fund performance report for the quarter-ended 31 December 2016.

FUND INFORMATION

Type of Product

- This is an unrestricted investment account known as Mudarabah Investment Account under the Term Fund-i, where the customers provide the Bank with the mandate to invest in the Bank's selected portfolio of Shariah compliant assets, which may provide customers with potentially higher returns

Applicable Product

- General Investment Account-i (GIA-i)

Type of Investors

- Individual
- Small & Medium Enterprises (SME)
- Business Banking (BB)
- Global Banking (GB)

Fund Inception

- 16 July 2015

Fund Investment Objectives

- The Fund's objective is to preserve capital while providing stable returns through low to moderate risk investments

Fund Investment Strategy

- The Fund will be invested in a blended portfolio of the Bank's assets
- This is a low to moderate risk investment to achieve capital preservation and steady returns

Profit Distribution Frequency

- Monthly

Valuation

- The Bank will perform valuation of the underlying assets of the Fund in accordance with the Malaysian Financial Reporting Standards ("MFRS") which will be carried out on a monthly basis

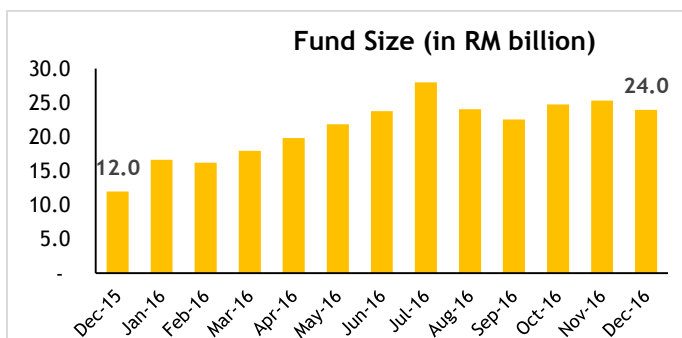
Other Information

- For fees, charges and other details on the product, please refer to www.maybank2u.com.my

FUND PERFORMANCE

Fund Size and Growth

As at December 2016, the Term Fund-i balance was recorded at RM 24 billion, 100% year-to-date growth from RM12 billion in December 2015.



FUND PERFORMANCE

Asset Allocation

The fund is invested in a portfolio of the Bank's retail and non-retail assets¹ and the asset allocation for the past two quarters is as per the table below. The asset allocation is within the stated investment objective and strategy.

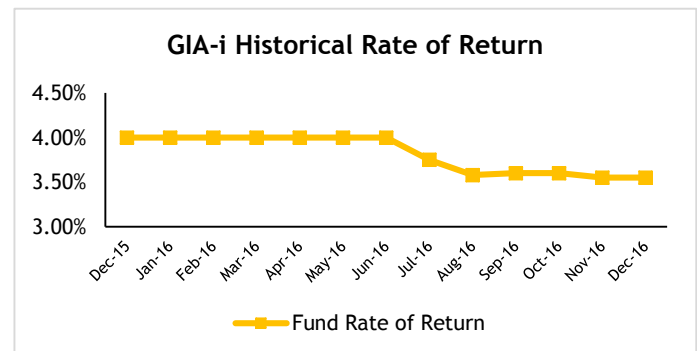
Type of Assets	GIA-i		GIA-i Campaign	
	Sep 2016	Dec 2016	Sep 2016	Dec 2016
Retail Financing	90%	88%	93%	89%
Non-Retail Financing	10%	12%	7%	11%
Marketable Securities	-	-	-	-
	100%	100%	100%	100%

Notes:

¹Retail assets consist of Unit Trust, Automobile, Home, Personal and Credit Card Financing while non-retail assets consists of SME Term and BB Term Financing

Rate of Return of GIA-i

Based on the performance of the underlying assets, the rate of return to customers recorded an average of 3.87%p.a. per month since the Fund's inception and 3.57% for 4Q 2016.



Period	16 Oct 2016 to 15 Nov 2016	16 Nov 2016 to 15 Dec 2016	16 Dec 2016 to 15 Jan 2017
Fund Rate of Return to IAH	3.60% p.a.	3.55% p.a.	3.65% p.a.
Profit Sharing Ratio (PSR) (IAH: Bank)	70:30	70:30	70:30

Notes:

1. The fund rate of return represents the net rate of return to the IAH and is computed based on the following formula:

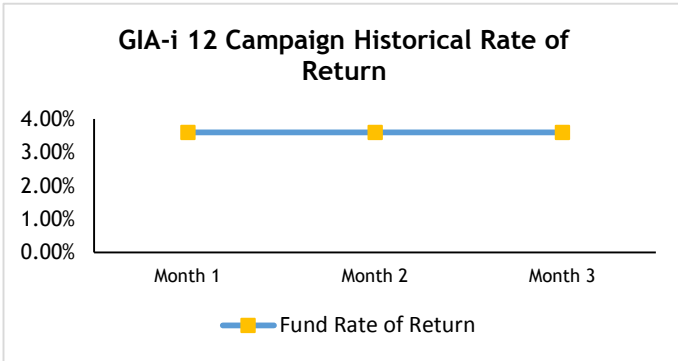
$$\text{Rate of Return} = (\text{Total Income} - \text{Impairment Allowances}) * \text{PSR}$$

2. Past performance is not reflective of future performance

FUND PERFORMANCE

Rate of Return of GIA-i 12-month Campaign (“GIA-i 12”)

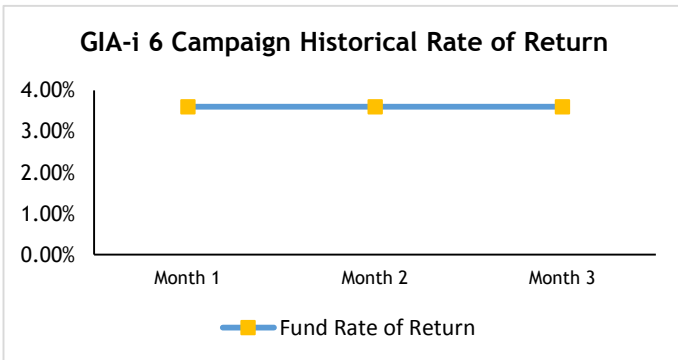
This section is applicable for customers who have made placement under the GIA-i 12 campaign from 16th October 2016 until 31st December 2016.



Month	1	2	3
Fund Rate of Return to IAH	3.60% p.a.	3.60% p.a.	3.60% p.a.
PSR	70:30	70:30	70:30

Rate of Return of GIA-i 6-month Campaign (“GIA-i 6”)

This section is applicable for customers who have made placement under the GIA-i 6 campaign from 16th October 2016 until 31st December 2016.



Month	1	2	3
Fund Rate of Return to IAH	3.60% p.a.	3.60% p.a.	3.60% p.a.
PSR	70:30	70:30	70:30

Notes:

- The fund rate of return represents the net rate of return to the IAH and is computed based on the following formula:

$$\text{Rate of Return} = (\text{Total Income} - \text{Impairment Allowances}) * \text{PSR}$$
- Past performance is not reflective of future performance

MARKET OUTLOOK

Malaysia’s real GDP growth this year is expected to see a slight expansion in growth to 4.4% in 2017 (2016: +4.2%) underpinned by sustained consumer spending, stronger growth in public and private investments and are bound in Government consumption expenditure. Growth in public and private investments will be driven by the roll out of existing and new major infrastructure and investment projects. The Overnight Policy Rate (OPR) is also expected to remain unchanged at 3.00% in 2017 aimed at supporting domestic demand. Loans and financing growth for Malaysia has tapered further to 5% - 5.5% in 2016 from 7% - 8% in 2015, on the back of easing household loans growth. The Bank’s financing growth is expected to be in line with Islamic industry financing.

Source: Maybank Islamic Berhad Financial Statements for the quarter ended 31 Dec 2016