

1.0 KEY FUND INFORMATION

1.1 Shariah Concept	1.2 Investment Currency	1.3 Fund Inception
Mudarabah	Ringgit Malaysia	1 July 2025

1.4 Product Classification

Unrestricted Investment Account (UA) is an investment account where the Investment Account Holder (IAH), without imposing any specific restrictions or conditions, authorizes the Bank to make investment decisions on their behalf.

1.5 Investment Objectives

To provide IAH with a combination of steady and recurring income, whilst allowing balances to be placed and withdrawn via the counter services, cheque facilities and internet banking channels.

1.6 Investment Strategies

To ensure investment is within the investment objective of the Fund with its asset allocation safeguarding the investment portfolio.

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 fund is invested in a diversified portfolio of the Bank's non-retail assets, aligned with:

- The United Nations (UN) Sustainable Development Goals (SDGs)
- Bank Negara Malaysia's (BNM) Climate Change and Principle-Based Taxonomy (CCPT)

Key sectors include renewable energy, green financing, clean transportation, clean water and sanitation as well as other sectors that contribute to sustainable cities and communities.

1.9 Valuation of Allocated Asset

To be carried out on a monthly basis to determine the returns for IAHs.

Returns are influenced by:

- Asset performance
- Asset quality (e.g. impairment levels)
- Movements in Effective Profit Rates (EPR)

The principal and returns are not guaranteed, and IAHs may be exposed to the risk of no returns.

This investment account is not protected by Perbadanan Insurans Deposit Malaysia (PIDM). However, the product structure is designed to mitigate the risk of capital loss. In the event of liquidation, IAHs rank ahead of depositors.

1.10 Distribution Policy

Profit will be calculated daily based on the performance of the underlying investment assets and credited to the IAH's account at the end of each month or upon account closure.

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

- Corporations
- Government agencies
- Government accounts
- Universities
- Companies and partnerships
- Other business and non-business entities
- Investors with a short or medium-term investment horizon
- Investors requiring a portfolio of Shariah-compliant investments
- Investors with low to medium risk tolerance
- Investors who seek stable profits

1.13 Investment Risk

Investors are advised to carefully consider all associated risks, including market, credit, liquidity, operational, legal and Shariah non-compliance risks. For further details on each risk, please visit Bank Islam's website at www.bankislam.com.

One key risk associated with this fund is investment concentration risk, which arises from excessive exposure to a particular asset class, a single counterparty or a specific geographical location. Such concentration may result in substantial losses and adversely the financial position of the fund or entity.

Given the fund's focus on non-retail assets, exposure to individual counterparties may be higher, thereby increasing sensitivity to asset impairment and potentially impacting investment returns.

To mitigate this risk, concentration levels are closely monitored at the asset level on monthly basis, ensuring exposures do not exceed the 25% threshold in accordance with BNM's Investment Policy Document.

2.0 RISK STATEMENT

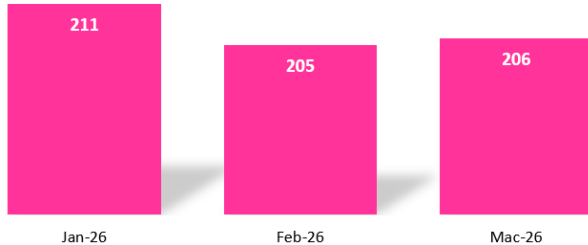
The Board of Directors of Bank Islam holds ultimate responsibility for risk management, including setting the Bank's risk appetite and tolerance levels in line with the Bank's overall business objectives.

The Board Risk Committee, with support from the Management Risk Control Committee, ensures effective oversight of the implementation of risk strategies, policies and infrastructure.

3.0 FUND PERFORMANCE

3.1 Fund Size & Growth

Ihsan Ascent Fund Size
RM'million



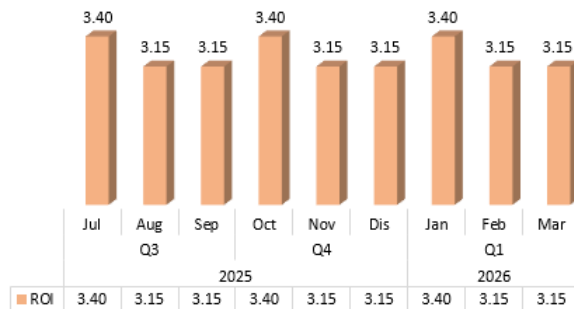
As at March 2026, the Ihsan Ascent fund balance was recorded at RM0.2 billion.

3.2 Rate of Return

Position 2026	Average Return on Investment (ROI)	Profit Sharing Ratio (Customer:Bank)	Return on Investment (ROI)
Jan	3.15% p.a.	Based on the agreed profit-sharing ratio upon placement of funds. Subject to Terms & Conditions.	3.15% p.a.
Feb	3.15% p.a.		
Mar	3.15% p.a.		

Note: For further illustration, please refer to the Product Disclosure Sheet (PDS) and Terms & Conditions (where applicable).

3.3 Historical Rate of Return



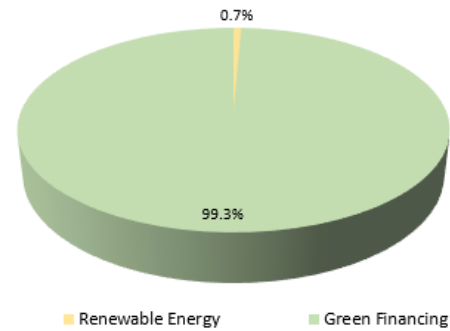
Note: The rates above are the average annual rate of return on a quarterly basis in percentage (%).

3.4 Income Statement

Income Statement for the Quarter Ended 31 March 2026			
	Jan	Feb	Mar
	RM'000	RM'000	RM'000
Total Gross Income	715	651	719
Net Distributable Income	715	651	719
Amount attributable to IAH (before social impact contribution)	547	497	549

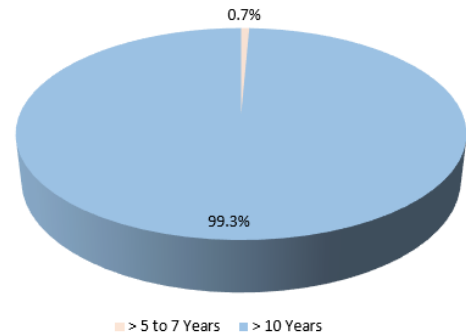
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3.5 Asset Allocation by Sectors



This allocation adheres to the approved investment objective and strategy.

3.6 Financing Portfolio by Remaining Maturity of Facilities



The majority of the financing portfolio has maturity of more than 10 years. This will help ensure stability in the profit stream, thereby supporting the investment return expectations of the IAHs.

3.7 Asset Quality Overview



As at Mar 2026, the Gross Impaired Financing (GIF) ratio for Bank Islam's Group Institutional Banking (GIB) stood at 1.44%. Ihsan Ascent Underlying Assets portfolio remains strong, with robust asset quality and no signs of deterioration.

4.0 MARKET OUTLOOK

4.1 Economic Outlook

Malaysia's economy entered 2026 on a firm footing, supported by stronger-than-expected growth in the second half of 2025. GDP growth is forecast at 4.7%, although the outlook is tempered by geopolitical uncertainties, particularly in the Middle East, which may impact energy and transportation costs.

Despite these risks, Malaysia remains resilient, supported by a stable labor market, ongoing investment activity and continued tourism momentum under Visit Malaysia Year 2026. Domestic demand and the Electrical & Electronics (E&E) sector continue to drive growth. While external pressures may affect costs, consumption and exports, Malaysia's solid economic fundamentals and position as a net energy exporter provide support for medium-term growth.

4.2 Sustainability Landscape, National Commitments & Regulatory Expectations

As global sustainability and climate priorities evolve, Malaysia remains committed to the United Nations Sustainable Development Goals (UNSDGs) and its target of achieving net-zero carbon emissions by 2050.

National Initiatives

Key frameworks driving this transition include:

- **National Energy Transition Roadmap (NETR)** – accelerating the shift towards a low-carbon, high-value green economy
- **National Carbon Market Policy (NCMP)** – establishing a carbon credit trading framework to incentivize decarbonization

Regulatory Developments

Regulators continue to strengthen climate risk management and sustainability practices through:

- **Climate Change Principle-based Taxonomy (CCPT)**
- **Climate Risk Management Scenario Analysis (CRMSA)**
- **Climate Risk Stress Testing (CRST)**

Reporting standards are also evolving. Following Bursa Malaysia disclosures and adoption of the Task Force on Climate-related Financial Disclosures (TCFD), the National Sustainability Reporting Framework (NSRF) now requires alignment with International Sustainability Standards Board (ISSB) IFRS S1 and S2 standards.

These developments support greater transparency, comparability and accountability in sustainability reporting.

Together, these regulatory and policy shifts signal a decisive move toward a more resilient and transparent green economy.

Bank Islam's Sustainability Progress & Achievements

Bank Islam began its dedicated sustainability journey in 2015, establishing a robust governance framework with clear accountability across the Three Lines of Defense (3LOD), as formalized in the Group Sustainability Policy and the Group

Climate Risk Management Framework (GCRMF).

Since then, the Bank has achieved significant milestones across key focus areas under its Sustainability Strategy and Roadmap, which concluded in 2025. Notably, the Bank exceeded its RM28 billion sustainable financing target by 12%, reaching a total of RM31.3 billion. This achievement has been driven by innovative solutions such as the Islamic Sustainable Investment Account (ISIA) series, which provide investors with access to sustainability-aligned financing assets linked to the UN SDGs. To date, the ISIA series has mobilized over RM3.0 billion in sustainable investments.

Beyond financing activities, the Bank continues to advance inclusive social finance, supporting more than 2,000 beneficiaries and disbursing RM8.77 million towards education, healthcare and community support initiatives.

To drive its Net Zero commitment, the Bank has launched the Climate Transition Plan (CTP) to manage financed carbon emissions and support customers in high carbon-intensive sectors in undertaking decarbonization efforts. Internally, the Bank has successfully recorded a 10% reduction in Scope 1 and Scope 2 emissions through the adoption of renewable energy and energy efficiency initiatives, bringing it closer to its Carbon Neutral Operations target by 2030.

Bank Islam remains committed to generating positive impact through its sustainability and climate agenda. Building on its current achievements, the Bank has introduced the Sustainability Strategy 2030 as a comprehensive roadmap that shifts the focus from mere ESG integration to the creation of more meaningful and targeted impact. This strategy serves as a key action plan to ensure that sustainability is no longer a standalone initiative, but a core driver of the Bank's business model.

Through the strengthening of its ESG capabilities and the expansion of value-based financing, Bank Islam aims to deliver long-term prosperity to all stakeholders, while reinforcing its position as a preferred global Islamic financial institution by 2030.