

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 IAHs with stable and recurring returns while allowing fund placements and withdrawals through counter services, cheque facilities, internet banking and other available banking channels.

1.6 Investment Strategies

To ensure that investments remain aligned with the fund's objectives through prudent asset allocation strategies that safeguard the investment portfolio.

1.7 Nature of Investment Account

An on-demand investment account that allows IAHs to make withdrawals at any 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

Asset valuations are conducted on a monthly basis to determine the returns attributable to IAHs.

Investment returns are influenced by the following factors:

- 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 were no changes to the fund's investment objectives, strategies, restrictions or investment limits during the reporting quarter.

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 and consistent investment returns

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 affect the financial position of the fund or the related 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 a monthly basis to ensure that exposures do not exceed the 25% threshold stipulated under BNM's Investment Account 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



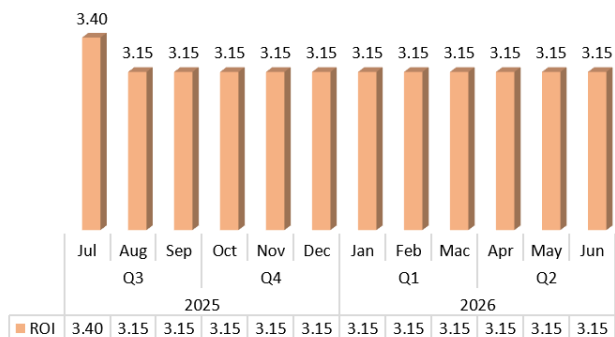
As at June 2026, the Ihsan Ascent fund size stood at RM208 million (RM0.2 billion).

3.2 Rate of Return

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

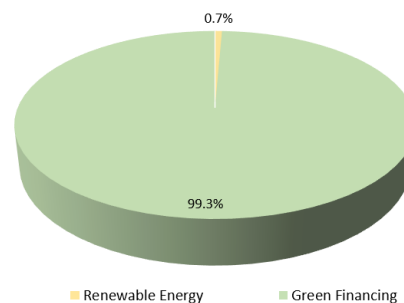


Note: The rates above are the average annual rate of return on a quarterly basis in percentage (%).

3.4 Income Statement

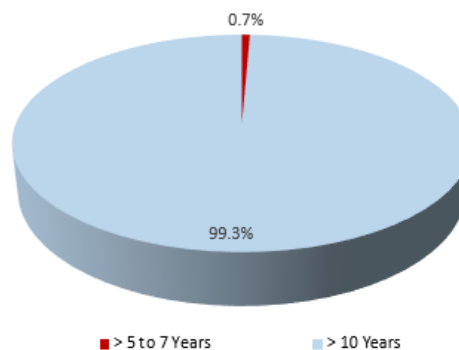
Income Statement for the Quarter Ended 30 June 2026			
	Apr	May	June
	RM'000	RM'000	RM'000
Total Gross Income	697	722	702
Net Distributable Income	697	722	702
Amount attributable to IAH (before social impact contribution)	533	552	537

3.5 Asset Allocation by Sectors



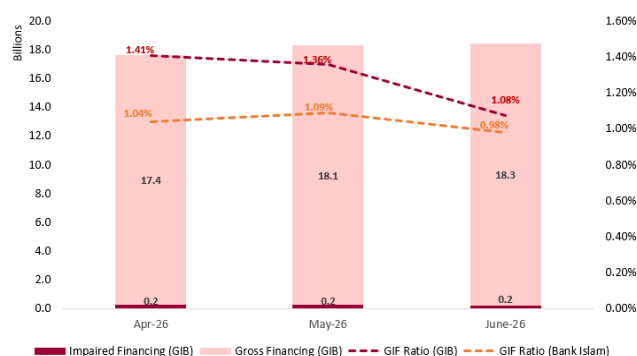
The asset allocation remains aligned with the fund's approved investment objectives and strategy.

3.6 Financing Portfolio by Remaining Maturity of Facilities



The majority of the financing portfolio has a remaining maturity of more than 10 years. This supports a stable income stream and helps sustain the expected returns for IAHs over the long term.

3.7 Asset Quality Overview



As at June 2026, the Gross Impaired Financing (GIF) ratio for Bank Islam's Group Institutional Banking (GIB) stood at 1.08%. The Ihsan Ascent Underlying Assets Portfolio remained resilient, supported by strong asset quality and no signs of deterioration.

4.0 MARKET OUTLOOK

4.1 Economic Outlook

Malaysia's economy is expected to remain relatively resilient, with GDP growth projected at 4.7% in 2026, supported by sound domestic fundamentals. Growth is expected to continue to be driven by domestic demand, household spending, investment activity, Electrical & Electronic (E&E) exports and travel-related services.

The economy is also benefiting from the ongoing AI-driven technology upcycle, which is supporting electronics production and exports, while higher energy prices have improved Malaysia's terms of trade as a net energy exporter. Meanwhile, inflation remains manageable, with CPI moderating at 2.0% YoY in May 2026, marking a third consecutive month of gradual increases. Although elevated energy prices pose some upside inflation risks, stable domestic conditions should provide a buffer against external uncertainties, including potential volatility arising from US monetary policy developments.

4.2 Sustainability Landscape, National Commitments & Regulatory Expectations

Malaysia's sustainability landscape continues to evolve from policy development towards implementation and accountability. A key development is the launch of the National Carbon Market Policy (NCMP) in April 2026, which establishes the national framework for carbon markets and carbon credit trading, supporting domestic decarbonization efforts and Malaysia's participation in international carbon markets under Article 6 of the Paris Agreement.

At the same time, sustainability reporting requirements are entering a new phase of implementation through the National Sustainability Reporting Framework (NSRF), which progressively requires public listed companies (PLCs) to align their sustainability disclosures with the International Sustainability Standards Board (ISSB) standards, namely IFRS S1 and IFRS S2, enhancing the consistency, comparability and reliability of sustainability-related disclosures.

Malaysia is also advancing its climate governance framework through the implementation of National Climate Change Policy (NCCP) 2.0 and the anticipated Climate Change Act, signaling heightened expectations for climate governance, carbon emissions management and accountability across industries.

For financial institutions, these developments are expected to accelerate the integration of climate considerations into financing, investment and risk management practices. The transition to a low-carbon economy is expected drive demand for sustainable finance solutions, including transition financing and renewable energy financing. At the same time, carbon-intensive sectors may face greater transition risks as regulatory and market expectations continue to evolve.

Bank Islam's Sustainability Progress & Achievements

Building on FY2025 achievements, the Bank has launched its Sustainability Strategy 2030, marking a strategic shift from ESG integration towards purposeful impact creation. Under this strategy, the Bank will continue to strengthen its climate risk management, financed emissions across high emitting sectors, sustainable and transition finance and climate-related disclosures as part of its Climate Transition Plan.

Across its operations, as of May 2026, the Bank has achieved a 72% reduction in Scope 1 and Scope 2 emissions from FY2025 through continuous energy efficiency and renewable energy initiatives, advancing its 2030 Carbon Neutral Operations target.

Beyond environmental stewardship, the Bank continues to advance its social finance agenda through initiatives such as Sadaqa House. As of May 2026, Sadaqa House mobilized RM7.67million and benefited more than 537 individuals through programs such as iTEKAD BangKIT Microfinance, iTEKAD Maju Microfinance, Education Financing and the Funding Escalator programs. This reflects the Bank's continued commitment to delivering inclusive and impactful Islamic social finance solutions.

Bank Islam continues to create long-term value for stakeholders, strengthen portfolio resilience, and support Malaysia's transition towards a resilient, low-carbon and inclusive economy.