

1.0 KEY FUND INFORMATION

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

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To provide IAH with a combination of steady and recurring income, whilst allowing balances to be placed and withdrawn via the counter services, cheque facilities, and internet banking channels.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 assets, aligned with the United Nations' (UN) Sustainable Development Goals (SDGs) and recognised as favourable under Climate Change and Principle- Based Taxonomy (CCPT), as outlined in Bank Negara Malaysia's (BNM) framework.

The sectors include renewable energy, green financing, clean transportation, clean water and sanitation as well as efforts that support the goals of sustainable cities and communities' among others.

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.

The 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.

1.10 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

This is the first issuance of Ihsan Ascent Investment Account Fund Performance Report (FPR).

1.12 Investor Profile

Category of investors:

- 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 risk factors before making an investment decision. These include credit risk, concentration risk, market risk, liquidity risk, legal risk and Shariah non-compliance risk. For further explanation of each risk, please visit Bank Islam's website at www.bankislam.com.

One key risk unique to this fund is the investment concentration risk. This risk arises from excessive exposure to a particular type of asset, a single counterparty, a single geographical location or other factors, which may result in substantial losses that could threaten the financial condition of the fund or entity. Due to the investment in non-retail assets, the fund's exposure to a single counterparty is higher, leading to greater investment concentration risk and consequently greater adverse impact on investment returns in the event of asset impairment.

To mitigate this risk, investment concentration is closely monitored at the asset level on a monthly basis to ensure it does not exceed 25%, as guided by the Bank Negara Malaysia Investment Account Framework.

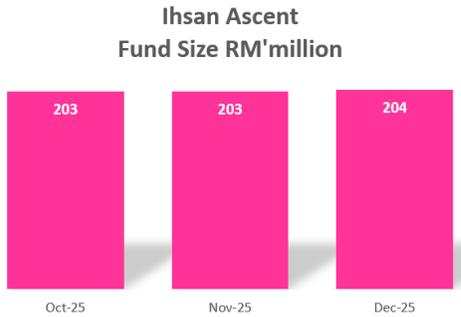
2.0 RISK STATEMENT

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.

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3.0 FUND PERFORMANCE

3.1 Fund Size & Growth



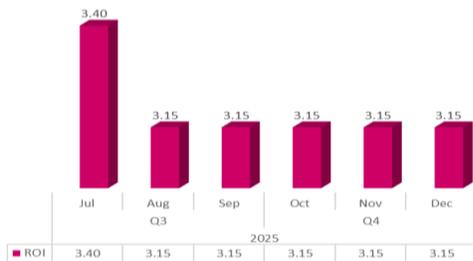
As at December 2025, the Ihsan Ascent fund balance was recorded at RM0.2 billion.

3.2 Rate of Return

Position 2025	Average Return on Investment (ROI) % (p.a.)	Profit Sharing Ratio (Customer:Bank)	Return on Investment (ROI) % (p.a.)
October	3.15%	Based on the agreed profit-sharing ratio upon placement of funds. Subject to Terms & Conditions.	
November	3.15%		
December	3.15%		

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



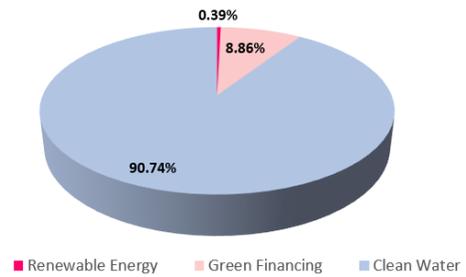
Note: The rates above are the average annual rate of return on a quarterly basis in percentage (%).

3.4 Income Statement

Income Statement for the Quarter Ended 31 December 2025			
	Oct	Nov	Dec
	RM'000	RM'000	RM'000
Total Gross Income	709	688	721
Net Distributable Income	709	688	721
Amount attributable to IAH (before social impact contribution)	542	526	545

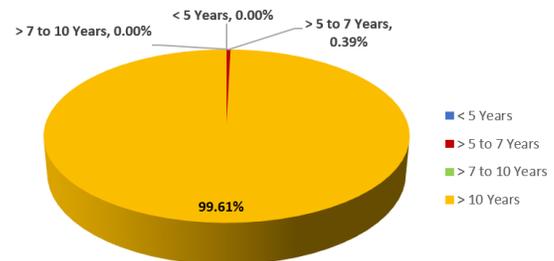
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3.5 Asset Allocation by Sectors



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 December 2025, the Gross Impaired Financing (GIF) ratio for Bank Islam's Group Institutional Banking (GIB) stood at 1.55%. 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 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.

4.2 Sustainability & Climate Outlook

Bank Islam's sustainability commitment is firmly rooted in the principles of Maqasid Shariah and guided by the Value-Based Intermediation (VBI) framework. These foundational values shape the Bank's mission to deliver long-term, responsible value that extends beyond financial returns, creating meaningful impact across social, environmental and economic dimensions.

By upholding the preservation of faith, life, intellect, lineage and property, the Bank embeds fairness, transparency and responsible risk-sharing across its financial offerings, while avoiding practices involving excessive uncertainty (*gharar*) or non-permissible sectors (*haram*). Through this values-driven approach, Bank Islam continues to position itself as a leader in ethical finance, fostering inclusive growth, empowering communities and advancing Malaysia's transition toward a resilient, low-carbon economy.

Finance with Purpose: VBI-Led Growth in Ethical & Sustainable Finance

Bank Islam's sustainable finance is closely aligned with national aspirations, regulatory requirements and innovative industry-leading practices. This reinforces the ISIA, which focuses on financing initiatives that support Malaysia's shift toward a green, circular and innovation-led economy.

ISIA, a value-based impact investment offering, provides Shariah-compliant investors with a unique avenue to support UN SDG-aligned assets while contributing to social impact through a built-in zakat and Sadaqa House feature. Each year, 2.5% of investors' profits are channelled to charitable causes via Pusat Pungutan Zakat and Sadaqa House, ensuring tangible social impact alongside competitive returns.

Since inception, ISIA has attracted strong investor participation, raising over RM1.8 billion through ISIA 1.0, 2.0, 3.0 and 4.0, contributing meaningfully toward Bank Islam's RM28 billion Sustainable Finance target by 2025. Building on this momentum,

ISIA 3.0 and 4.0, launched in 2025, enhance impact transparency, investor reporting and alignment with national frameworks such as BNM's Climate Change and Principle-based Taxonomy (CCPT). ISIA continues to adopt the Wakalah Bil Istithmar structure, reinforcing Shariah compliance while deepening ESG integration.

As of Q4 2025, Bank Islam has surpassed its Sustainable Finance target of RM28 billion, achieving a total outstanding portfolio of RM28.8 billion across financing and treasury assets aligned with sustainability criteria. These assets are channelled into investments and projects promoting renewable energy, energy efficiency, affordable housing and community development – reinforcing the Bank's commitment to mobilising capital for a just and inclusive transition.

National Energy Shift: Transition Signals & Opportunity

Malaysia's Thirteenth Malaysia Plan (13MP), launched in July 2025 under the Ekonomi MADANI framework, marks a bold step in reshaping national development priorities. Central to this plan is the National Energy Transition Roadmap (NETR), which sets the direction for Malaysia's low-carbon transition.

Key NETR initiatives – including a commitment to no new approvals for unabated coal power – signal an accelerated pivot toward clean energy systems.

Bank Islam echoes this national direction by pledging a complete exit from coal financing by 2030, reinforcing its role in supporting Malaysia's low-carbon transition. This pledge forms part of the Bank's broader effort to mitigate exposure to high-risk sustainability sectors, in alignment with its Group Climate Risk Management Framework and Net Zero 2050 commitment.

This proactive approach safeguards financial stability by reducing climate-related risks while strengthening the Bank's reputation as a responsible, Shariah-compliant institution dedicated to long-term value creation and sustainable economic growth.

To complement its climate and net zero ambitions, Bank Islam has implemented a comprehensive operational emissions management strategy to achieve carbon neutrality by 2030. Through initiatives such as energy efficiency retrofitting and solar photovoltaic (PV) installations, the Bank has achieved a 55% reduction in operational carbon emissions compared to the 2023 baseline of 12,099 tCO₂e – tangible progress in decarbonising operations while promoting responsible environmental practices.

Regulatory Alignment & Climate Governance

The Bank continues to integrate climate considerations into its governance and risk frameworks in response to evolving regulations, including Climate Change and Principle-based Taxonomy (CCPT), Climate Risk Management and Scenario Analysis (CRMSA 2.0) and National Sustainability Reporting Framework (NSRF).

These regulatory shifts encourage financial institutions to strengthen oversight of climate risks and opportunities, quantify financed emissions and establish effective transition strategies.

In response, Bank Islam has embarked on its Climate Transition

Plan (CTP) project, aimed at prioritising high-emission exposures, setting decarbonisation targets and expanding green and transition finance.

Looking ahead, the Bank will continue to scale up ethical and responsible financing, strengthen climate risk governance and support Malaysia's transition to low-carbon, sustainable economy. Through ISIA, investors are empowered to drive inclusive prosperity, enhance environmental resilience, and foster ethical, long-term value creation.