

### 1.0 KEY FUND INFORMATION

#### 1.1. Product Type

The PrimeInvest Investment Account-i ("IA-i") is an Unrestricted Investment Account which refers to a type of investment account where the Investment Account Holder (IAH) provides the Bank with the mandate to make the ultimate decision without specifying any particular restrictions or conditions.

#### 1.2. Investment Objective

The fund's objective is to generate attractive and steady return while taking into account the capital preservation factor.

#### 1.3. Investment Strategy

The fund will be invested in selected Bank's portfolio of asset(s) with competitive pricing and with a conservative risk profile.

#### 1.4. Investment Asset Allocation

The fund will be invested in Shariah-compliant Personal Financing ("PF-i") portfolio of the Bank. The Bank shall manage the investment return in a manner that is consistent with IAH investment objective and the related governing rules and regulations.

#### 1.5. Valuation of Allocated Asset

The Bank will perform valuation of the underlying asset(s) of the fund in accordance with the Malaysian Financial Reporting Standards ("MFRS") which will be carried out on a monthly basis.

#### 1.6. Nature of Investment

The Investment Account-i is offered to Non-individual IAH with minimum tenure of 1 day to a maximum of 60 months (5 years).

#### 1.7. Profit Payment Policy

Profit is distributed upon maturity or on periodical basis.

#### 1.8. Investor Profile

Type of investors:

- Business entities such as Corporations, Commercials, SMEs.
- Government bodies.
- All legitimate entities registered with Registrar of Business / Registrar of Companies / Registrar of Societies / Companies Commission of Malaysia.
- Local financial institutions.
- Foreign financial institutions that are permitted.

#### 1.9. Statement of Any Changes

There have been no changes in the investment objectives, strategies, restrictions and limitations during the quarter period.

### 2.0 RISK STATEMENT

The Board of Directors of MBSB Bank 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 and Compliance Committee, which is assisted by the 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 and Growth

Month	February	March
Fund Size (RM'000)	26,485*	533,894

\*IA-i was launched on 22 Feb 2021.

#### 3.2. Rate of Return (1Q 2021)

Period	Rate of Return* (ROR) % p.a.	Return on Investment (ROI) % p.a.
February	8.63	Based on the Expected Profit Rate agreed upon placement of the fund
March	8.90	

\*ROR of IA-i assets which consist of selected PF-i accounts.

#### 3.3. Historical Return on Assets (ROA)

Year	2020	2019	2018	2017	2016
ROA* % p.a.	6.31	5.71	7.23	4.73	5.73

\*ROA of total PF-i portfolio of the Bank. Please refer to IA-i Product Disclosure Sheet for more explanation.

#### 3.4. Income Statement

Month	February	March
Total Profit (RM)	24,325*	2,260,165
ROR* % p.a.	8.63	8.90

\*IA-i was launched on 22 Feb 2021.

### 4.0 UNDERLYING ASSET OUTLOOK

The ROR showed strong performance of 8.63% and 8.90% in 1Q 2021 due to the Expected Credit Loss ("ECL") provisions write-back in February and March 2021. Without the write-back, the ROA is expected to hover around 6-7%.

As at March 2021, MBSB Bank's Personal Financing-i portfolio stood at RM19.6 billion with optimistic outlook throughout the year.

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#### 5.0 MARKET OUTLOOK

Malaysia's Gross Domestic Product ("GDP") contracted by 0.5% in 1Q 2021, notably less pronounced than the preceding quarters. Most economic activities were allowed to continue despite social restrictions and strong external demand boosted industrial output during the quarter. The Government's various income-supporting policies are also seen to have somewhat mitigated the fall in consumption.

Looking ahead, the y-o-y economic growth is expected to rebound in 2Q 2021, particularly from the preceding year's low-base effects. Nonetheless, the spike in COVID-19 infections and the imposition of social restrictions (MCO 3.0) nationwide represent major downside risks to Malaysia's GDP growth as they may suppress consumer confidence and household spending.

The present level of interest rates should be sufficient to sustain the current recovery momentum. Strong export demand, the ongoing national vaccination program and various supportive fiscal as well as monetary policies should keep up the pace of economic recovery for now.

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