

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	April	May	June
Fund Size (RM'000)	977,363	991,943	1,005,353

3.2. Rate of Return (ROR) - 2Q 2021

Period	Rate of Return* (ROR) % p.a.	Return on Investment (ROI) % p.a.
April	8.181	Based on the Expected Profit Rate agreed upon placement of the fund
May	6.671	
June	8.070	

*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	April	May	June
Total Profit (RM)	5,383,693	5,550,988	6,583,003
ROR % p.a.	8.18	6.67	8.07

4.0 UNDERLYING ASSET OUTLOOK

The ROR showed strong performance of 8.18% and 8.07% in April and June 2021 respectively due to the Expected Credit Loss ("ECL") provisions write-back.

The ROR dipped to 6.67% in May 2021 because of the ECL provision charge for the month. Nonetheless, the ROR still remained within the range of 6-7% which is expected in such scenario.

As at June 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") grew by 16.1% in 2Q 2021 in comparison to -0.5% in 1Q 2021. The growth performance beat market expectations (Reuters poll consensus: 14.3%; Bloomberg poll consensus: 12.7%) as many had expected the implementation of MCO 3.0 in May and the Phase 1 lockdown in June would have a more severe dampening effect on prospects.

While a substantial portion of the improvement was due to low base effects from 2020, the expansion in 2Q 2021 was also supported by improvements in domestic demand and strong export performance. The improvement in domestic demand somewhat reflects the greater adaptability to restrictions this time around. Private consumption grew by 11.6% while private investment expanded by 17.4%, providing support to growth in the second quarter.

Exports grew by 37.4% in 2Q 2021. Global trade volumes have already surpassed its pre-pandemic trend as of 1H 2021, indicative of its strong momentum. On the other hand, from the supply side, manufacturing and services sectors recorded a strong performance in 2Q 2021 with the growth rate of 26.6% and 13.4% respectively.

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