



Fund Performance Report for the Quarter Ended 30 September 2023

PrimeInvest Investment Account-i

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 (3Q 2023)

Month	July	August	September
Fund Size (RM'000)	330,825	212,479	-

3.2. Rate of Return on Underlying Assets (3Q 2023)

Month	Rate of Return (ROR) % p.a.	Return on Investment (ROI) % p.a.
July	5.935	Based on the Expected Profit Rate agreed upon placement of the fund
August	6.787	
September	-	

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

3.3. Historical Return on Assets (ROA)

Year	2022	2021	2020	2019	2018	2017	2016
ROA* % p.a.	5.36	7.60	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	July	August	September
Total Profit (RM)	3,236,382	1,500,572	-
ROR* % p.a.	5.935	6.787	-

Refer to 3.2 for explanation on the ROR

4.0 UNDERLYING ASSET OUTLOOK

The ROR decreased in Jul-23 by 0.84% to 5.94% due to deterioration in the quality of assets funded by Investment Accounts. Subsequently, the ROR increased to 6.79% in Aug-23 due to improvement in asset quality resulting in a writeback of the expected credit losses ("ECL") of the Personal Financing portfolio funded by Investment Accounts.

MBSB Bank's PF-i portfolio stood at RM19.71 billion in Sep-23 with optimistic outlook throughout the year.

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5.0 MARKET OUTLOOK

Malaysia's GDP in the 3Q 2023 grew by 3.3% as against 2.9% in the 2Q 2023. The services sector continued to steer the overall performance in this quarter, while the construction sector remained modest. Furthermore, the agriculture sector showed a slight recovery after a decline in the previous quarter. Nevertheless, mining & quarrying and manufacturing sectors contracted in this quarter. The total sum of three quarters in 2023 concludes that Malaysia's economy grew at 3.9% (3Q 2022: 9.2%), with moderate economic growth in the 3Q.

The services sector increased by 5.1% (2Q 2023: 4.7%) in the 3Q 2023. The favourable performance was attributed to the wholesale & retail trade, transportation & storage, and business services sub-sectors. The construction sector grew by 5.8% (2Q 2023: 6.2%) in the 3Q 2023. Meanwhile, the agriculture sector grew marginally by 0.8% (2Q 2023: -1.1%) in this quarter, attributed to better production in the oil palm sub-sectors. The mining & quarrying sector decreased marginally by 0.1% (2Q 2023: -2.3%), contributed by the decrease in the production of natural gas sub-sector. The manufacturing sector also declined marginally by 0.1% (2Q 2023: 0.1%) in this quarter, influenced by electrical, electronic & optical products and petroleum, chemical, rubber & plastic products following weaker external demand.

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