

FUND PERFORMANCE REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2022

SURIA ACCOUNT

Dear Valued Investment Account Holder (IAH),

We are pleased to present the following performance report for the quarter ended 28 February 2022.

1. FUND INFORMATION

This is an unrestricted investment account based on the concept of Mudarabah. Without any restrictions or conditions from IAH, the investment decision is the ultimate decision of Bank Muamalat Malaysia Berhad (BMMB).

1.1 Investment Currency

Ringgit Malaysia

1.2 Fund Inception

June 2021

1.3 Investment Objectives

To invest in a low risk investment avenue with the privilege to take part in the campaign for an opportunity to win prizes. This is a low risk investment to achieve capital preservation and steady returns.

1.4 Investment Strategy

To invest in a secured and low risk retail asset, the existing Home Financing for the purpose to safeguard the investment and to generate stable return to IAHs.

1.5 Profit Distribution Frequency

Profit will be distributed monthly with the calculation is done on daily basis. The profit is based on the performance of Home Financing Portfolio.

1.6 Valuation

To be performed on monthly basis for the determination of returns to IAH based on the valuation of the portfolio asset of the Fund in accordance to the Malaysian Financial Reporting Standards (MFRS).

1.7 Investor's Criteria

- ◆ Individuals (Residents and Non-Residents)
- ◆ Investors who prefer low risk investment
- ◆ Investors who eager to win prizes
- ◆ Investors who are looking for Shariah compliant investment.
- ◆ Investors who prefer short- or medium-term investment.

Note: Investors are advised to really consider all risk factors before making any investment decision.

1.8 Statement of Changes

There are no changes in the investment objectives, strategies, restriction and limitations during the quarter period.

1.9 Other Information

For fees, charges and other details on the product, please refer to www.muamalat.com.my.

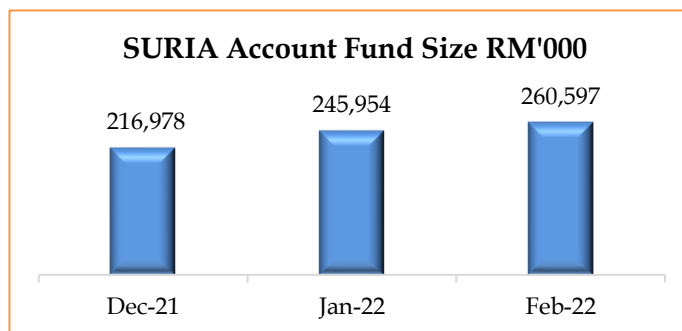
2. RISK STATEMENT

The Board of Directors of BMMB has the overall oversight on management of risks related to its business strategic and operations by approving risk management policies and procedures, methodologies including risk appetite and risk tolerance limit that align with BMMB's strategic business objectives and stakeholders' expectations. BMMB shall ensure the oversight of various types of risks are consistent and effective through the development and establishment of comprehensive risk management framework, policies, processes and infrastructure.

3. FUND PERFORMANCE

3.1 Fund Size and Growth

As at February 2022, SURIA account fund balance was recorded at RM 260.597 million.



3.2 Asset Allocation

The fund is invested in Home Financing-i.

3.3 Rate of Return

Based on the performance of the underlying asset, the rate of return to customers recorded an average of 0.07% p.a. for 3Q 2021-2022. BMMB foresees the asset performance to remain stable during the 3Q 2021-2022. This is in line with the BMMB's Net Impaired Financing ratio which recorded a healthy ratio of 0.48% as at November 2021 (December 2020: 0.59%).

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Period	Dec'21	Jan'22	Feb'22
Rate of Return	0.06% p.a.	0.06% p.a.	0.06% p.a.
Profit Sharing Ratio (PSR) (IAH:BMMB)	2:98	2:98	2:98

Notes:

1. The fund rate of return represents the net rate of return to the IAH and is computed based on the following formula:

$$\text{Rate of Return} = (\text{Total Income} - \text{Impairment Allowances}) * \text{PSR}$$

2. Past performance is not reflective of future performance.

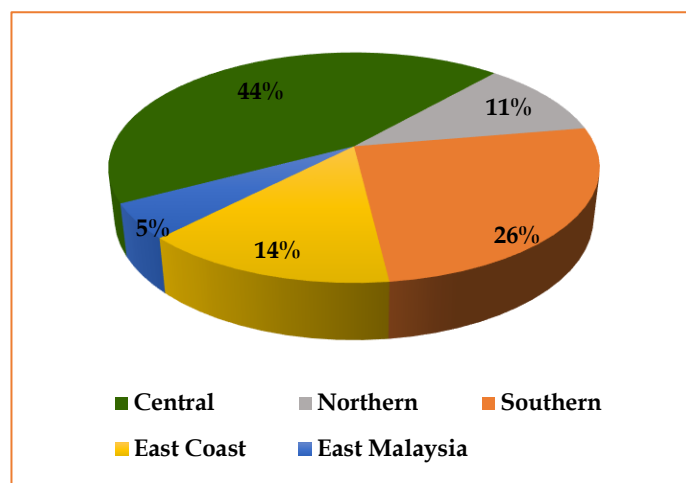
3.4 Historical Rate of Return

Period	Sep'21	Oct'21	Nov'21
Rate of Return	0.06% p.a.	0.06% p.a.	0.06% p.a.
Profit Sharing Ratio (PSR) (IAH:BMMB)	2:98	2:98	2:98

3.5 Income Statement

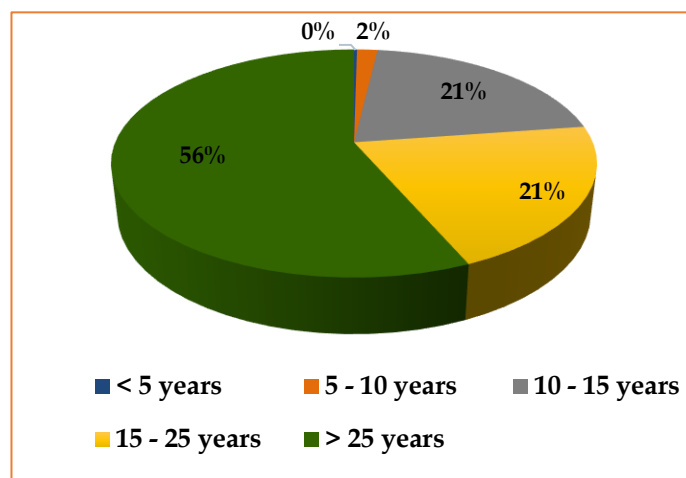
Profit & Loss Statement for the Quarter ended 28 February 2022			
	Dec'21 RM'000	Jan'22 RM'000	Feb'22 RM'000
Profit from financing	487	658	645
Direct expenses	0.00	0.00	0.00
Allowance for impairment on financing	(37)	(68)	(42)
Total profit	450	589	603
Return on Asset(p.a.)	3.22%	3.11%	3.24%
Return on Investment (p.a.)	0.06%	0.06%	0.06%

3.6 Home financing Portfolio by Geographical Location



A total of 44% from the total Home Financing Portfolio originates from the Central region. This reflects the concentration of the Home Financing portfolio to developed areas such as the Klang Valley.

3.7 Home Financing Portfolio by Remaining Maturity



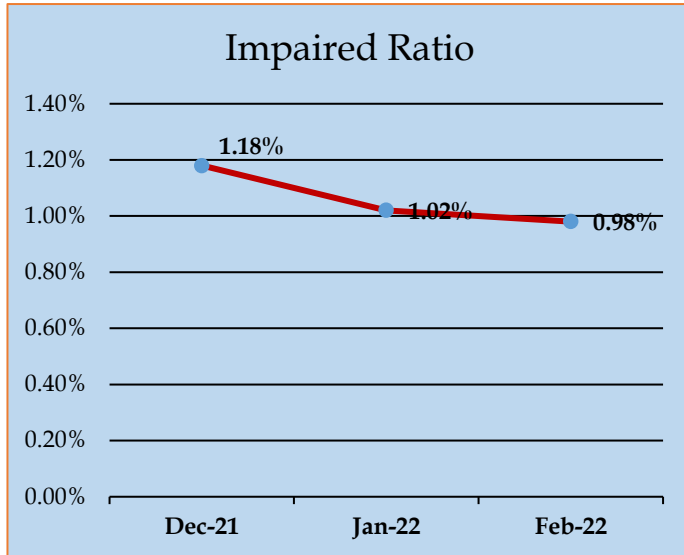
57% of total Home Financing Portfolio with remaining tenure more than 25 years.

Notes: Maximum tenure allowed for home financing is 35 years

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3.8 Asset Quality of Home Financing Portfolio



House Financing impaired ratio is at its lowest point as in February 2022 at 0.98% improved from 1.87% in Dec 2020. This reflects that the asset quality of HF portfolio is improving and well monitored.

4 ECONOMIC REVIEW

The Malaysian economy rebounded by 3.6% year-over-year in 4Q2021 (vs. -4.5% in 3Q2021). The recovery is attributed to gradual improvements of domestic activities while external trade remained strong. Greater economic openness and relaxation of containment measures on a local level boosted private consumption while the world economy continued to recover. All economic sectors registered improvements, while consumer-related activities continue to recover. This recovery is reflected in the higher spending in the retail and recreational subsectors.

On the demand side, the relaxation of mobility constraints and containment measures, have contributed to a positive private consumption growth of 3.7% (vs. -4.2% in 3Q2021). Public consumption, grew at a slower pace in 4Q2021 (vs. 8.1% in 3Q2021), due to moderate spending on supplies and services.

Domestic demand grew by 2.3% (3Q 2021: -4.1%) in the fourth quarter of 2021. The improvement in private sector spending as a result of the relaxation of constraints was the driving force behind this. Net exports increased by 2.6

percent (3Q 2021: -37.5 percent) as a result of improved export growth amid strong external demand. On a quarter-on-quarter seasonally adjusted basis, the economy registered an increase of 6.6% (vs. -3.6% in 3Q2021).

Headline inflation increased to 3.2% during the 4th quarter of 2021 (vs. 2.2% in 3Q2021), contributed mainly by the normalizing of electricity prices after the lapsing of the three-month electricity bill discount which started in July 2021. Core inflation climbed somewhat when the economy reopened, averaging 0.8 percent in the 4th quarter of 2021 (vs 0.7% in 3Q2021). Headline inflation averaged 2.5% in 2021 (vs. -1.2% in 2020), in line with previous estimates, owing primarily to the cost-push effect of rising global oil prices. Core inflation, which measures underlying inflation, moderated to 0.7% (vs. 1.1% in 2020).

Net financing recorded an annual growth of 4.7% by the end of Q42021 (vs. 3.9% in 3Q2021). Outstanding financing growth increased to 4.4% while outstanding corporate sukuk growth moderated to 5.5%. Outstanding business financing recorded annual growth of 4.8%, supported by higher growth in working capital financing. For households, financing demand increased to 4.2% (vs. 3.2% in 3Q2021), mainly due to the restriction on economic activities in July which can be observed through a substantially higher amount of financing applications of RM170.8bn recorded in Q42021 (vs. RM114.1bn in 3Q2021), driven mainly by the purchase of houses and vehicle financing.

Growth momentum is likely to pick up in 2022, aided by increased global demand, increased private sector spending in accordance with the restoration of economic activity, and ongoing governmental assistance.

In projecting the growth range for 2022, the IMF is projecting a global economic recovery at 4.4%, a slower pace compared to October 2021's assessment at 4.9%. As the volatility of Covid-19 cases becomes a current constant in the economy, containment measures will constrain growth. The Malaysian economy is predicted to continue to rebound in 2022. Given strengthening labour market conditions and continuous governmental assistance, growth will be supported by continued expansion in global demand and higher private sector expenditure. Furthermore, growth will be aided by the continuing of big investment projects in both the private and governmental sectors.

5 PROPERTY MARKET REVIEW

Malaysia's property transactions increased by 62.3% Q-o-Q in 4Q2021 (vs. 3.7% in 3Q2021), bringing the total number of transacted units in 2021 to 300,497. Residential units formed the highest volume of transactions for 2021 at 66.2% (198,812 units). In terms of value, residential units also represented the highest value at RM76.90 billion, i.e. 53.1% of the total RM144.87 billion transacted during 2021.

Total residential new launches for 2021 stood at 43,860 units, comprising 31,678 units under landed category (72.2%) and 12,182 units under high rise category (27.8%) out of which, 43.3% of landed units and 28.9% of high-rise units have been sold, respectively. The highest component of the new launches was in the price range of RM300,000 to RM500,000 at 33.6%, followed by price range below RM300,000 (35.0%). States with highest new launches in 2021 were Selangor (9,827 units, 54.0% sold), followed by Johor (5,513 units, 49.2% sold), and Perak (5,239 units, 25.8% sold). Pulau Pinang, on the other hand, recorded highest sales performance ratio of newly launched residential properties in 2021, with 65.1% of 2,338 newly launches residential properties sold to buyers.

Meanwhile, total residential property overhang was recorded at 71,174 units as at 4Q2021, valued at RM51.90 billion, with high rise units forming the highest overhang within residential property type at 55.6% (20,505 units). This was followed by others at 23.1% and terraced house at 21.3%. Residential units priced below RM300,000 formed the highest residential overhang at 31.5%, followed by those in price range of RM500,000 to RM1,000,000 at 30.2%. States with highest residential overhang volume were Selangor (6,095 units @ 16.53%), followed by Johor (6,089 units @ 16.52%) and Pulau Pinang (5,493 units @ 14.90%).

The House Price Index (HPI) increased by 0.6% y-o-y in 4Q2021 from 0.2% in 3Q2020, with detached units registering the biggest y-o-y drop of -3.3%, followed by high rise units (-0.2%) and semi-detached units (-0.1%). Meanwhile, terraced units recorded the only y-o-y improvement at 2.0%.

Although the Malaysia My Second Home Programme (MM2H) resumed on October 1st, the regulations have been amended and are now tighter. As a result, future sales will be heavily dependent on local customers.

Property sales is projected to pick up in 2022, as the nation is transitioning into the endemic phase of Covid-19. Campaign (HOC). With the global and local economy projected to fare better in 2022, we can expect an improvement to the property market as landed residential properties, high-rise apartments in the affordable price range, smaller units and niche high-end projects in good locations will continue to be the main focus.