

FUND PERFORMANCE REPORT FOR THE QUARTER ENDED 30 NOVEMBER 2021

SURIA ACCOUNT

Dear Valued Investment Account Holder (IAH),

We are pleased to present the following performance report for the quarter ended 30 November 2021.

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.

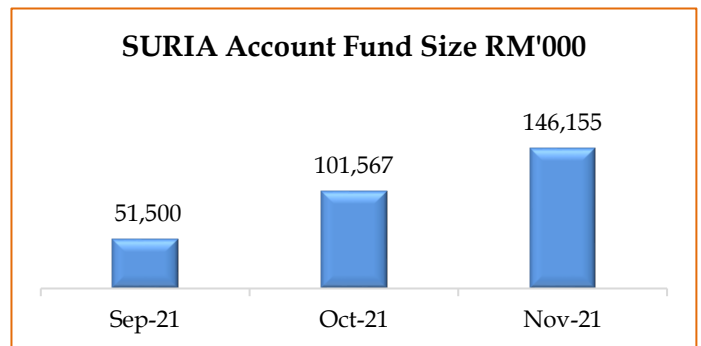
2. RISK STATEMENT

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 November 2021, SURIA account fund balance was recorded at RM 146.155 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 0.06%p.a. for 2Q 2021. BMMB foresees the asset performance to remain stable during the 3Q 2021. 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	Sept	Oct	Nov
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.

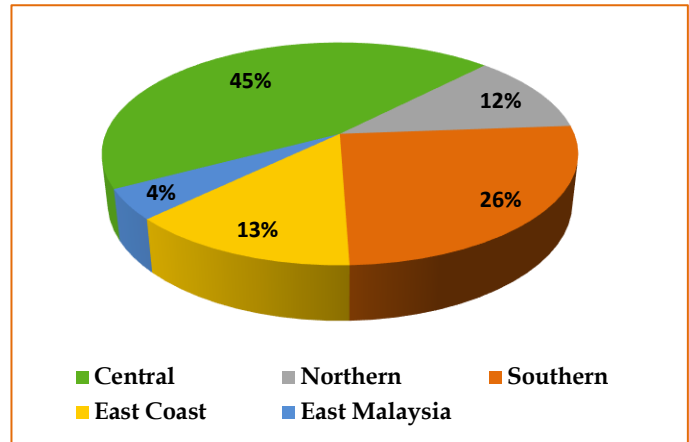
3.4 Historical Rate of Return

Period	June	July	August
Rate of Return	0.06% p.a.	0.08% p.a.	0.07% p.a.
Profit Sharing Ratio (PSR) (IAH:BMMB)	2:98	2:98	2:98

3.5 Income Statement

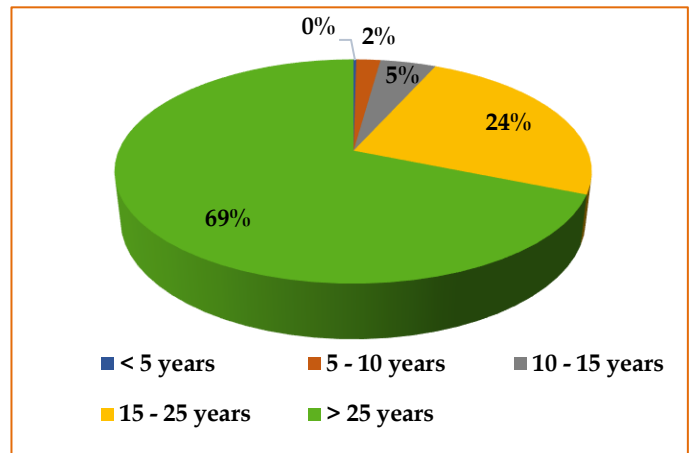
Profit & Loss Statement for the Quarter ended 30 November 2021			
	Sept RM'000	Oct RM'000	Nov RM'000
Profit from financing	88	211	343
Direct expenses	0.00	0.00	0.00
Allowance for impairment on financing	(11)	(36)	(70)
Total profit	78	175	273
Return on Asset(p.a.)	3.06%	2.89%	2.77%
Return on Investment (p.a.)	0.06%	0.06%	0.06%

3.6 Home financing Portfolio by Geographical Location



A total of 45% 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



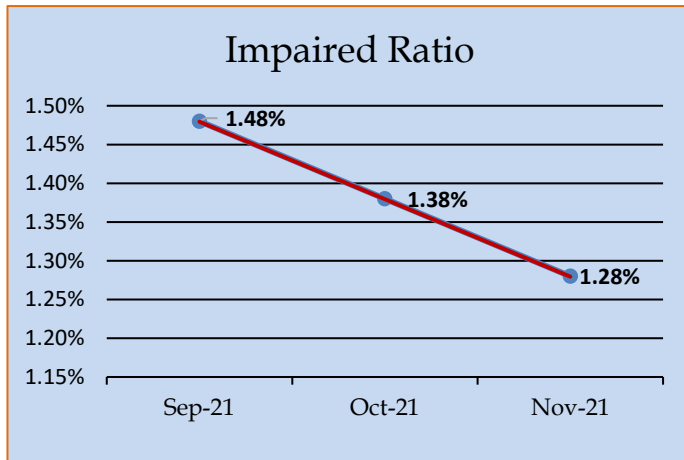
69% of total Home Financing Portfolio with remaining tenure more than 25 years.

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 November 2021 at 1.28% improved from 1.87% in Dec 2020. This reflects that the asset quality of HF portfolio is improving and well monitored as we continue our commitments to extend payment assistance measures to support our customers.

4 ECONOMIC REVIEW

The Malaysian economy contracted by 4.5% year-over-year in 3Q2021 (vs. +16.1% in 2Q2021). The contraction is attributed to the imposition of nation-wide containment measures to curb the resurgence in COVID-19 cases. Economic activity was particularly impacted in July when the nation was undergoing Phase 1 of the National Recovery Plan (NRP), but recovered as more and more states transitioned into Phase 2 of the NRP with less stringent containment measures. All economic sectors registered negative growth, particularly impacting July.

On the demand side, mobility constraints, particularly for inter-district and inter-state travel, have weighed on consumption and investment activities, but ongoing increases in government consumption spending have helped to support overall growth. On a seasonally adjusted quarter-to-quarter basis, the economy shrank by 3.6 percent (vs. -1.9% in 2Q2021). Headline inflation dropped to 2.2% in September (vs. 4.1% in 2Q2021), mainly due to the dissipating base effect from fuel prices, along with the implementation of a three-month electricity bill discount starting July 2021. In the near term, headline inflation is projected to moderate as the base effect from fuel prices dissipates. For 2021 as a whole, headline

inflation is expected to average between 2.0% and 3.0%. Core inflation is expected to average below 1.0% in 2021.

Net financing to the private sector recorded annual growth of 3.9% during the quarter (vs. 4.4% in 2Q2021). Outstanding financing growth moderated to 2.9% while outstanding corporate Sukuk growth moderated to 6.5%. Outstanding business financing recorded annual growth of 2.4%, supported by higher growth in working capital financing. Both household financing applications as well as disbursements declined in the Q32021. For households, financing demand reduced to 3.2% (vs. 5.3% in 2Q2021), mainly due to the restriction on economic activities in July. Nonetheless, following the gradual relaxation of movement restrictions, September recorded improvements in financing applications and disbursements.

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 revised growth range for the year, BNM assessed the global economy to be on a recovery path, mainly driven by the services and manufacturing sector. Global growth prospect is aided by the progress in vaccination coverage as well as relaxation on containment measures. Against this backdrop, the Malaysian economy is projected to expand between 3.0% and 4.0% in 2021.

5 PROPERTY MARKET REVIEW

Malaysia's property transactions increased 3.8% in 3Q2021 (vs. drop of 26.8% in 2Q2021). Residential units formed the highest volume of transactions at 69.5%. In terms of value, residential units also represented the highest value at RM17.82 billion, i.e. 49.5% of the total RM35.98 billion transactions for 3Q2021.

Total residential new launches for the quarter stood at 4,956 units, comprising 3,028 units under landed category (61.1%) and 1,928 units under high rise category (38.9%). Out of which, 1,169 units (23.6%) have been sold, contributed by landed units by 1,072 units and high-rise units by 97 units. The highest component of the new launches was in the price range of below RM300,000 (51.7%), followed by RM300,000 to RM500,000 at 33.6%. States with highest new launches were Kuala Lumpur (1378 units), followed by Malacca (740 units), Selangor (628 units) and Pahang (627 units).

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Meanwhile, total residential property overhang was recorded at 30,290 units in 3Q2021, valued at RM19.75 billion, with high rise units forming the highest overhang at 62.2% (18,829 units). This was followed by terraced house at 22.5% and others at 15.4%. Residential units within the price range of RM500,000 to RM1.0 million formed the highest overhang at 33.7%, followed by those in price range of RM300,000 to RM500,000 at 28.4%. States with highest overhang volume were Johor (6,441 units @ 21.3%), followed by Penang (4,638 units @ 15.3%) and Kuala Lumpur (3,863 units @ 12.8%).

The House Price Index (HPI) dropped to -0.7% y-o-y in 3Q2021 from 0.2% in 3Q2020, with semi-detached units registering the biggest quarter-on-quarter drop of -3.6%, followed by high rise units (-2.9%) and detached units (-2.5%). Meanwhile, terraced units recorded the smallest q-o-q drop of -1.0%.

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.

Due to constraints on holding events and the number of visitors to sales galleries during NRP Phase 1, developers opted for soft-launches rather than official launches. During the loosening of containment measures, they also focused on finishing current under-construction projects.

Property sales is projected to pick up in 4Q2021, with developers banking on aggressive launches while also leveraging on last minute deals during the remaining months of the Home Ownership Campaign (HOC).