

FUND PERFORMANCE REPORT FOR THE QUARTER ENDED 29 FEBRUARY 2024
SURIA ACCOUNT

Dear Valued Investment Account Holder (IAH),

We are pleased to present the following performance report for the quarter ended 29 February 2024.

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 of taking 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 is for the purpose of safeguarding the investment and generating a stable return for IAHS.

1.5 Profit Distribution Frequency

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

1.6 Valuation

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

1.7 Investor's Criteria

- ◆ Individuals (Residents and Non-Residents)
- ◆ Investors who prefer low-risk investment
- ◆ 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 to the investment objectives, strategies, restriction, or 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.

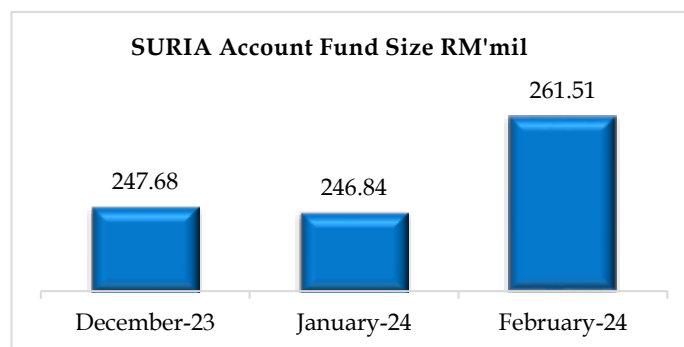
2. RISK STATEMENT

The Board of Directors of BMMB has the overall oversight on the management of risks related to its business strategy and operations by approving risk management policies and procedures, methodologies including risk appetite and risk tolerance limits 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 a comprehensive risk management framework, policies, processes and infrastructure.

3. FUND PERFORMANCE

3.1 Fund Size and Growth

As at February 2024, SURIA account fund balance was recorded at RM261.51 mil.



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 0.09%p.a. for 3Q of 2023/2024 (Dec 2023 to Feb 2024). BMMB foresees the asset performance to remain stable during the 4Q of 2023/2024 (Mar 2024 to May

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2024). Albeit its net impaired overall financing ratio recorded a marginal increase ratio of 0.67% as at February 2024 (December 2023: 0.65%).

Period	Dec 2023	Jan 2024	Feb 2024
Rate of Return for IAH	0.08% p.a.	0.09% p.a.	0.09% p.a.
Profit Sharing Ratio (PSR) (IAH: BMMB)	2:98	2:98	2:98

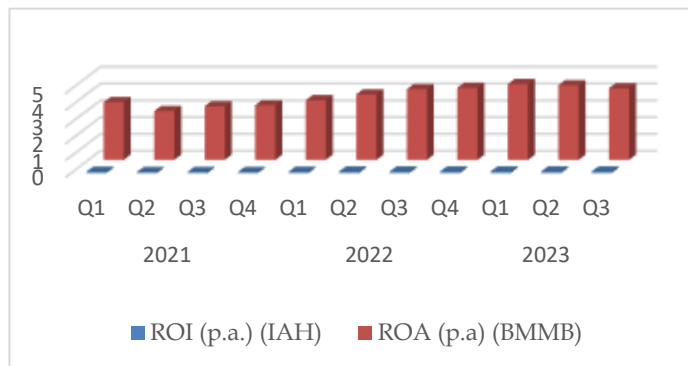
Notes:

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. Effective from the 16th of the month to the 15th of the following month

3.4 Historical Rate of Return



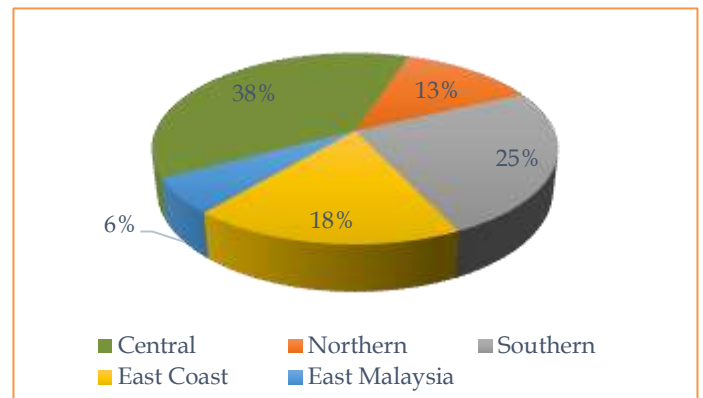
Year	2021				2022				2023		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
ROI	0.07	0.06	0.06	0.06	0.07	0.08	0.08	0.09	0.09	0.09	0.09
ROA	3.44	2.91	3.19	3.25	3.55	3.90	4.21	4.29	4.52	4.44	4.26

Note: The rates above are average annual rate of return on quarterly basis in percentage (%).

3.5 Income Statement

Profit & Loss Statement for the Quarter ended 29 February 2024			
	Dec 2023 RM'000	Jan 2024 RM'000	Feb 2024 RM'000
Profit from financing	983	929	870
Direct expenses	0.00	0.00	0.00
Allowance for impairment on financing	(113)	(51)	(50)
Total profit	870	878	820
Return on Asset (p.a.)	4.08%	4.35%	4.34%
Return on Investment (p.a.)	0.08%	0.09%	0.09%

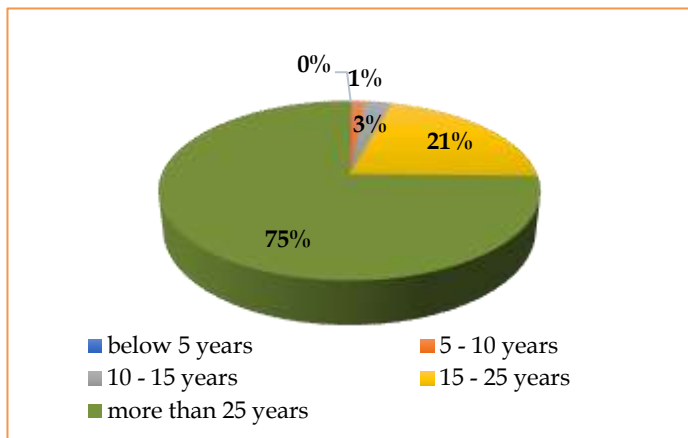
3.6 Home financing Portfolio by Geographical Location



A total of 38% from the total house financing portfolio originates from the central region. This reflects the concentration of the house financing portfolio to developed areas such as the Klang Valley.

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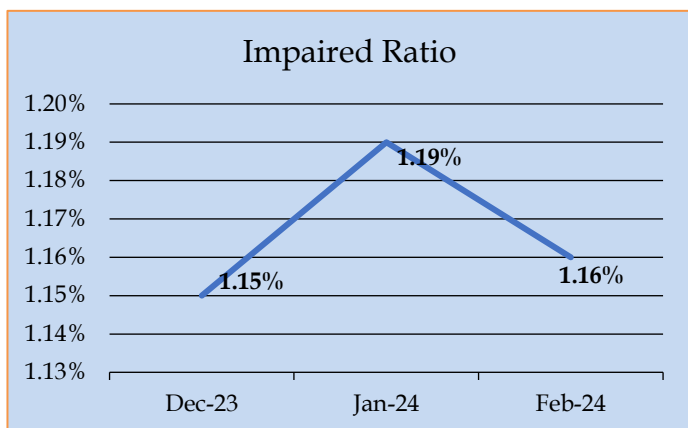
3.7 Home Financing Portfolio by Remaining Maturity



75% of the total Home Financing Portfolio has remaining tenure more than 25 years.

Note: Maximum tenure allowed for home financing is 35 years

3.8 Asset Quality of Home Financing Portfolio



House Financing impaired ratio is at 1.16% for February 2024 deteriorated from 1.15% in December 2023. This reflects that the asset quality of HF portfolio is slightly deteriorated but well monitored. Nevertheless, it is still below industry's house financing impaired ratio of 1.33% as at January 2024.

4 ECONOMIC REVIEW

In the final quarter of 2023, Malaysia's economic growth moderated to 3.0% year-on-year, down from 3.3% in the previous quarter. A key factor in this lackluster performance was weakened external trade, with net exports contracting by 35.6%. Reduced demand from major trading partners such as China, Singapore, the EU, and the US contributed to lower exports. Additionally, domestic drivers like consumer spending and private investment have moderated. Consumer spending expanded by 4.2% in the 4Q of 2023, down from 4.6% in the prior quarter, as households became cautious due to rising living costs. Similarly, private investment growth eased to 4.0% during 4Q of 2023 as businesses remained vigilant amid rising operational expenses. Overall, Malaysia's economy registered a 3.7% growth for the full year of 2023, a significant decline from the previous year's 8.7% due to the weak global demand.

Despite the subdued growth, Malaysia's labor market remained resilient throughout 2023. The unemployment rate decreased to 3.3% in December 2023 from 3.6% at the beginning of the year, resulting in a reduction in the number of unemployed individuals from 596.1k to 567.8k. Moreover, there was a notable uptick in labor productivity, with labor per hour worked increasing by 0.7% year-on-year in the fourth quarter of 2023, following two consecutive quarters of negative growth. Approved investments also showed a positive trajectory, with total approved investment rising by 23% in 2023 to RM329.5 billion. This growth was driven by both local and foreign investments, which increased by 35.1% and 15.3%, respectively, reaching RM141.1 billion and RM188.4 billion. The manufacturing and services sectors were the primary drivers of approved investment during the year.

Since May 2023, the Bank Negara Malaysia (BNM) has maintained the Overnight Policy Rate (OPR) at 3.00% as the decline in inflation to 1.5% in January 2024 from its peak at 4.7% in August 2022 suggests the impact from past monetary tightening has contained the inflationary pressures. In its recent monetary policy statement, the Malaysian central bank expressed confidence in the country's economic prospects, forecasting GDP growth of 4% to 5% in 2024. The International Monetary Fund (IMF) has also projected a significant increase in global trade

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volume, expected to grow by 3.3% in 2024 compared to 0.4% in 2023. This bodes well for Malaysia's external demand, particularly in the technology sector, where the country plays a crucial role in the global supply chain. However, risks persist, including geopolitical tensions in the Middle East and Eastern regions, uncertainties surrounding the timing of the first interest rate cut in the US, and the impact of China's property market downturn on its economy.

With these initiatives in place, the property market is anticipated to maintain stability throughout 2024, supported by improved GDP growth and accommodative monetary policies from the central bank.

5 PROPERTY MARKET REVIEW

During the fourth quarter of 2023, Malaysia's property market displayed positive momentum. Total property transactions surged by 12.6% year-on-year to reach 105,935 units. The majority of these transactions were in the residential segment, accounting for 67,061 units, marking a 10.5% increase and comprising 63.3% of the total transactions. In terms of value, total property transactions amounted to RM54.3 billion in the fourth quarter of 2023, up by 13.7% compared to the same period in 2022. Within this total, residential property transactions reached RM27.8 billion, indicating an 18.3% growth.

Meanwhile, there are signs that house prices may have reached a plateau, as the House Price Index (HPI) recorded a modest growth of 0.5% year-on-year, compared to the 3.3% increase in the previous quarter. Furthermore, the gross impaired financing ratio for the residential property sector in the banking system continued its downward trend, declining to 1.33% in January 2024 from 1.37% a year earlier. This indicates stability in the property market, with property transactions likely driven by self-occupation or long-term investment purposes.

The Malaysian government has remained committed to encouraging home ownership among its citizens, which is expected to boost demand from prospective homebuyers. Various measures have been put in place to support this goal, including the stamp duty exemption on transfer instruments and loan agreements for the purchase of first residential properties priced up to RM500,000 until December 31, 2025. Additionally, there has been an increase in guarantees of up to RM5 billion through Syarikat Jaminan Kredit Perumahan (SJKP) to assist gig workers in obtaining home financing of up to RM500,000.