

FUND PERFORMANCE REPORT FOR THE QUARTER ENDED 31 AUGUST 2024
SURIA ACCOUNT

Dear Valued Investment Account Holder (IAH),

We are pleased to present the following performance report for the quarter ended 31 August 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.

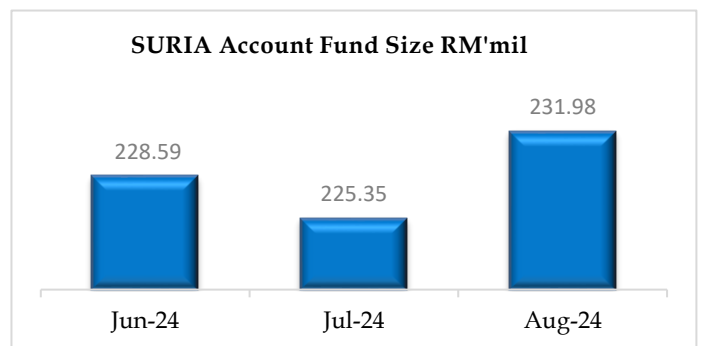
2. RISK STATEMENT

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 August 2024, SURIA account fund balance was recorded at RM231.98 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 1Q of 2024/2025 (June 2024 to August 2024). BMMB foresees the asset performance to remain stable during the 2Q of 2024/2025 (Sept 2024

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to Nov 2024). Albeit its net impaired overall financing ratio recorded a marginal increase ratio of 0.89% as at August 2024 (December 2023: 0.65%).

Period	June 2024	July 2024	August 2024
Rate of Return for IAH	0.09% 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:

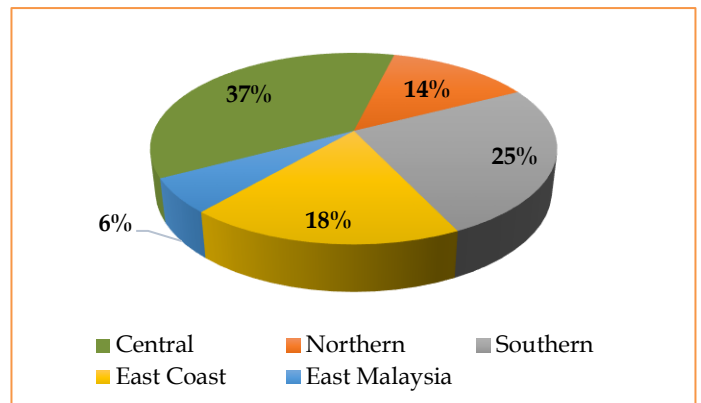
$$\text{Rate of Return} = (\text{Total Income} - \text{Impairment Allowances}) * \text{PSR}$$

2. Past performance is not reflective of future performance. Effective from the 16th of the month to the 15th of the following month

3.5 Income Statement

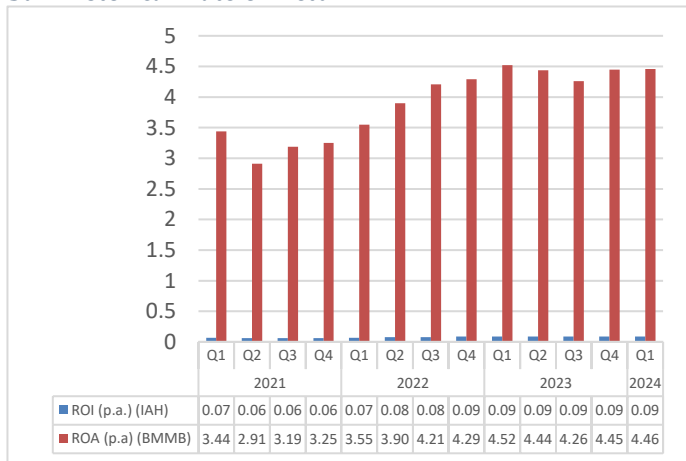
Profit & Loss Statement for the Quarter ended 31 August 2024			
	June 2024 RM'000	July 2024 RM'000	August 2024 RM'000
Profit from financing	846	841	845
Direct expenses	0.00	0.00	0.00
Allowance for impairment on financing	(25)	(15)	(23)
Total profit	821	826	822
Return on Asset (p.a.)	4.44%	4.49%	4.44%
Return on Investment (p.a.)	0.09%	0.09%	0.09%

3.6 Home financing Portfolio by Geographical Location



A total of 37% 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.

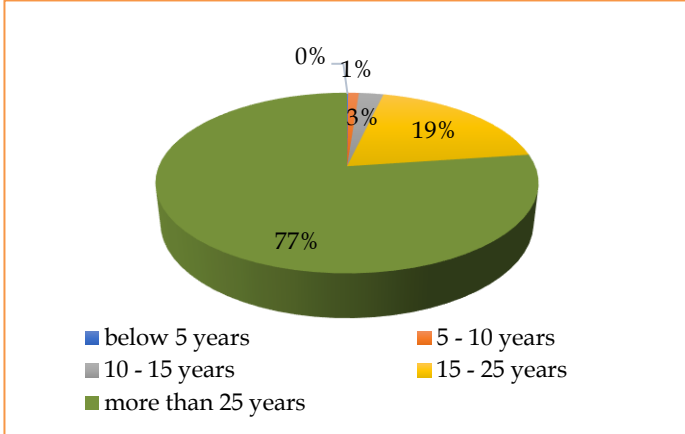
3.4 Historical Rate of Return



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

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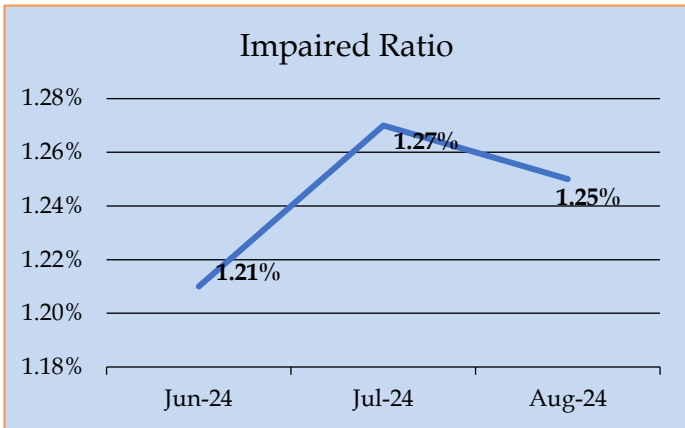
3.7 Home Financing Portfolio by Remaining Maturity



77% of total house financing portfolio with 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 maintained at 1.25% for August 2024 (1.15%, December 2023). This reflects that the asset quality of HF portfolio is well monitored. It is still at par with industry's house financing impaired ratio of 1.25% as at July 2024.

4 ECONOMIC REVIEW

Malaysia's economy continued to outperform expectations in the second quarter of this year, achieving a robust 5.9% growth rate (1Q2024: 4.2%) against market expectation of 5.8%. Both domestic and external demands were strong contributors, with domestic demand accelerating to 6.9% (1Q: 6.1%) driven by impressive gains in private consumption at 6.0% (1Q: 4.7%) and private investment soaring to 12% (1Q: 9.2%). Notably, net exports made a significant turnaround, expanding by 3.4% compared to a steep -24.5% contraction in the previous quarter.

On the demand side, investment surged by an impressive 11.5% in the second quarter, driven by a strong 12.0% increase in private investment. Companies have been ramping up their spending on capacity expansion, with growth in Machinery and Equipment climbing by 11.8% in 2Q2024, significantly above the quarterly average of 4.0% since 2016. Additionally, net exports saw a positive turnaround, growing by 3.4% after four consecutive quarters of contraction.

On the supply side, the construction sector experienced the highest growth among all major sectors, expanding by 17.3% in 2Q2024 (1Q2024: 11.9%). This growth was primarily fueled by the ongoing implementation of key infrastructure projects such as the ECRL, MRT3, Penang LR, Flood Mitigation projects, and both Residential and Non-Residential constructions, which have served as the main catalysts for the sector.

There has been a slew of positive reviews from the global investment banks on the Malaysian economy which resulted in the upgrades of the country's rating. Some have upgraded Malaysia's rating from Underweight to Neutral and others have upgraded from Neutral to Overweight. Consequently, foreign investors were seen as a net buyer in the equities and bonds during the month of July totaling RM1.4 billion and RM7.8 billion respectively. Apart from that the total approved investments for the first quarter rose 13.0% to RM83.7 billion led by higher approval for foreign and domestic investment amounting to RM47.0 billion and RM36.7 billion respectively.

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Such dynamics have led to the appreciation of Malaysian Ringgit (MYR) against the US Dollar (USD). The USDMYR has gained 6.3% from early of the year to the end of August 2024, making it one of the best performing currencies globally.

Given the country's strong position, Malaysia is well-equipped to navigate external uncertainties. The successful implementation of fiscal reforms has not only enhanced policy flexibility but also bolstered investor confidence, as evidenced by the appreciation of the ringgit and rising stock market indices. Consequently, the full-year GDP growth could likely reach the upper end of the official forecast range of 4% to 5% in 2024. There's even a possibility it might exceed 5.0%, driven by a stable labor market and continued policy support, sustaining the current strong growth momentum

5 PROPERTY MARKET REVIEW

The interest in the Malaysian properties industry is holding up quite well during the second quarter of this year. Total financing applied for the residential property rose by an average of 7.1% year-on-year (y-o-y) during the 2Q2024 from 1.0% growth in the preceding quarter. On a similar note, financial institutions were seen positive for the property sector with total approvals for the residential property financing jumped by an average growth of 8.2% y-o-y in the April to June quarter after growing at a flat rate in the previous quarter. In respect to risks of non-payments for the residential property, property owners continue exhibit a healthy repayment trend. The Gross Impaired Financing Ratio (GIFR) persistently on a declining trend to 1.25% during the month of July compared to 1.35% at the start of the year. All segments have showed a positive repayment trend. Residential properties costing less than RM250k, RM250k to RM500k, RM500k to RM1 million and RM1 million and above recorded a GIFR of 1.45%, 1.03%, 1.04% and 1.81% in July 2024 respectively compared to January's figure of 1.62%, 1.08%, 1.12% and 1.90%.

Positive repayment trend has been associated with the robust economic growth in the first half of the year as Malaysia's GDP was growing at a rate of 5.1% which is already surpassed the government's full year range

forecast of 4% to 5.0%. The state of labour market has been healthy as the country is already in the full employment status. The unemployment rate has remained stable at 3.3% in the 2Q2024 from 3.5% recorded during the 1Q2023. Data from the Employees Provident Fund (EPF) also indicates that the total contributions from its members have increased to RM27.42 billion in the 2Q2024 from RM24.65 billion recorded in the same period last year. Higher contributions would mean more Malaysians have receiving salaries and income which permits them make a regular and steady contributions to EPF. Improved labour market condition suggests that more Malaysians are being employed, allowing them to maintain a healthy repayment trend.

As such, the prospects for the Malaysian property markets looks positive despite the rise in cost of living and uncertainties in the global economy. The financial institutions are expected to exercise prudent in their credit underwriting standards while policy supports through guaranteed schemes would mitigate the credit risks. At the same time, the anticipation of stability of Overnight Policy Rate (OPR) would also help to keep monthly repayment steady.