



Fund Performance Report for the Quarter Ended 31 March 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 (1Q 2023)

Month	January	February	March
Fund Size (RM'000)	2,093,925	2,005,517	956,219

3.2. Rate of Return on Underlying Assets (1Q 2023)

Period	Rate of Return (ROR) % p.a.	Return on Investment (ROI) % p.a.
January	6.455	Based on the Expected Profit Rate agreed upon placement of the fund
February	6.777	
March	7.381	

*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	January	February	March
Total Profit (RM)	11,284,617	10,359,205	9,206,962
ROR* % p.a.	6.455	6.777	7.381

Refer to 3.2 for explanation on the ROR

4.0 UNDERLYING ASSET OUTLOOK

The ROR increased slightly in Feb-23 by 0.3% and subsequently spiked to 7.38% in Mar-23 mainly due to significant writeback in the expected credit losses ("ECL") of the Personal Financing portfolio funded by Investment Accounts.

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

5.0 MARKET OUTLOOK

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Malaysia's economy advanced 5.6% yoy in Q1 of 2023, compared with market forecasts of 4.8% but slowing from an upwardly revised 7.1% growth in Q3 2022, driven mainly by domestic demand. It was the sixth straight quarter of expansion but the softest pace since Q1 of 2022, amid easing in private consumption (5.9% vs 7.3% in Q4 2022), and fixed investment (4.9% vs 8.8%). In addition, government spending dropped (-2.2% vs 3.0%), due to lower spending on supplies and services.

Meanwhile, net trade contributed negatively to the GDP, with exports shrinking by 3.3% and imports falling by 6.5%. On the production side, activity eased for all sectors: services (7.3% vs 9.1% in Q4 2022), manufacturing (3.2% vs 3.9%), agriculture (0.9% vs 1.1%), mining (2.4% vs 6.3%), and construction (7.4% vs 10.1%). On a seasonally adjusted quarterly basis, the economy grew 0.9%, rebounding from a downwardly revised 1.7% contraction in Q4 2022. The GDP is projected to expand by 4.0% to 5.0% in 2023, driven by firm domestic demand. source: Department of Statistics, Malaysia

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