



**AL RAJHI BANKING AND INVESTMENT CORPORATION (MALAYSIA) BHD.**  
(Incorporated in Malaysia)  
Company No. 719057-X

**INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL QUARTER ENDED  
31 MARCH 2019**

Registered Office

Ground Floor, East Block  
Wisma Golden Eagle Realty  
142-B Jalan Ampang  
50450 Kuala Lumpur

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31ST MARCH 2019**

	Note	Group		Bank	
		Unaudited	Audited	Unaudited	Audited
		31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
<b>ASSETS</b>					
Cash and short-term funds		78,473	247,267	78,473	247,267
Deposits and placements with banks and other financial institutions	9	389,632	392,965	389,632	392,965
Derivatives assets		312	-	312	-
Financial investment at amortised cost	10	1,149,289	1,530,248	1,149,289	1,530,248
Financing and advances	11	4,812,105	5,001,599	4,812,105	5,001,599
Other assets		26,811	15,595	26,807	15,589
Statutory deposit with Bank Negara Malaysia		251,000	187,000	251,000	187,000
Deferred tax assets		53,194	53,194	53,194	53,194
Investment in a subsidiary		-*	-*	-*	-*
Investment properties		105,000	105,000	105,000	105,000
Property and equipment		26,835	15,318	26,835	15,318
Intangible assets		30,962	30,322	30,962	30,322
Right-of-use assets		10,840	-	10,840	-
<b>Total Assets</b>		<b>6,934,453</b>	<b>7,578,508</b>	<b>6,934,449</b>	<b>7,578,502</b>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>					
<b>Liabilities</b>					
Deposits from customers	12	5,532,944	5,712,692	5,532,944	5,712,692
Deposits and placements of banks and other financial institutions	13	215,283	670,986	215,283	670,986
Bills and acceptances payable		843	4,838	843	4,838
Other liabilities		76,406	78,605	76,619	78,761
Subordinated Sukuk		381,226	385,893	381,226	385,893
<b>Total Liabilities</b>		<b>6,206,702</b>	<b>6,853,014</b>	<b>6,206,915</b>	<b>6,853,170</b>
<b>Shareholder's equity</b>					
Share capital		1,000,000	1,000,000	1,000,000	1,000,000
Reserves		(272,249)	(274,506)	(272,466)	(274,668)
<b>Total Shareholder's Equity</b>		<b>727,751</b>	<b>725,494</b>	<b>727,534</b>	<b>725,332</b>
<b>Total Liabilities and Shareholder's Equity</b>		<b>6,934,453</b>	<b>7,578,508</b>	<b>6,934,449</b>	<b>7,578,502</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	20	<b>1,967,235</b>	<b>1,920,551</b>	<b>1,967,235</b>	<b>1,920,551</b>
<b>CAPITAL ADEQUACY</b>					
CET 1 / Core capital ratio	22	12.931%	12.519%	12.926%	12.516%
Risk-weighted capital ratio		21.629%	20.849%	21.625%	20.846%

*The Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2018.*

\* The amount is significantly below the rounding threshold.

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE 1ST QUARTER ENDED 31ST MARCH 2019**

Group	Note	1st Quarter Ended		Period Ended	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018
		RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>		<b>98,610</b>	<b>108,073</b>	<b>98,610</b>	<b>108,073</b>
Income derived from investment of depositors' funds and others	14	93,944	102,003	93,944	102,003
Income derived from investment of shareholder's funds	15	4,666	6,070	4,666	6,070
(Allowance) / Writeback for credit losses	16	(456)	1,329	(456)	1,329
<b>Total distributable income</b>		<b>98,154</b>	<b>109,402</b>	<b>98,154</b>	<b>109,402</b>
Income attributable to depositors	17	(53,015)	(58,579)	(53,015)	(58,579)
<b>Total Net Income</b>		<b>45,139</b>	<b>50,823</b>	<b>45,139</b>	<b>50,823</b>
Personnel expenses		(29,716)	(27,539)	(29,716)	(27,539)
Other overheads and expenditures		(13,166)	(14,860)	(13,166)	(14,860)
<b>Profit before zakat and taxation</b>		<b>2,257</b>	<b>8,424</b>	<b>2,257</b>	<b>8,424</b>
Zakat		-	-	-	-
Taxation		-	-	-	-
<b>Net profit for the financial period, representing total comprehensive income for the financial period</b>		<b>2,257</b>	<b>8,424</b>	<b>2,257</b>	<b>8,424</b>

*The Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2018.*

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE 1ST QUARTER ENDED 31ST MARCH 2019**

Bank	Note	1st Quarter Ended		Period Ended	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018
		RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>		<b>98,503</b>	<b>107,968</b>	<b>98,503</b>	<b>107,968</b>
Income derived from investment of depositors' funds and others	14	93,944	102,003	93,944	102,003
Income derived from investment of shareholder's funds	15	4,559	5,965	4,559	5,965
(Allowance) / Writeback for credit losses	16	(456)	1,329	(456)	1,329
<b>Total distributable income</b>		<b>98,047</b>	<b>109,297</b>	<b>98,047</b>	<b>109,297</b>
Income attributable to depositors	17	(53,015)	(58,579)	(53,015)	(58,579)
<b>Total Net Income</b>		<b>45,032</b>	<b>50,718</b>	<b>45,032</b>	<b>50,718</b>
Personnel expenses		(29,698)	(27,500)	(29,698)	(27,500)
Other overheads and expenditures		(13,132)	(14,814)	(13,132)	(14,814)
<b>Profit before zakat and taxation</b>		<b>2,202</b>	<b>8,404</b>	<b>2,202</b>	<b>8,404</b>
Zakat		-	-	-	-
Taxation		-	-	-	-
<b>Net profit for the financial period, representing total comprehensive income for the financial period</b>		<b>2,202</b>	<b>8,404</b>	<b>2,202</b>	<b>8,404</b>

*The Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2018.*

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE 1ST QUARTER ENDED 31ST MARCH 2019**

	Share capital RM'000	Statutory reserve RM'000	Accumulated losses RM'000	Total RM'000
<b>Group</b>				
At 1 January 2018	1,000,000	13,206	(263,109)	750,097
Effect of adopting MFRS 9	-	-	(36,331)	(36,331)
Total comprehensive income for the financial period	-	-	11,728	11,728
<b>At 31 December 2018</b>	<b>1,000,000</b>	<b>13,206</b>	<b>(287,712)</b>	<b>725,494</b>

<b>Group</b>				
At 1 January 2019	1,000,000	13,206	(287,712)	725,494
Total comprehensive income for the financial period	-	-	2,257	2,257
<b>At 31st March 2019</b>	<b>1,000,000</b>	<b>13,206</b>	<b>(285,455)</b>	<b>727,751</b>

<b>Bank</b>				
At 1 January 2018	1,000,000	13,206	(263,178)	750,028
Effect of adopting MFRS 9	-	-	(36,331)	(36,331)
Total comprehensive income for the financial period	-	-	11,635	11,635
<b>At 31 December 2018</b>	<b>1,000,000</b>	<b>13,206</b>	<b>(287,874)</b>	<b>725,332</b>

<b>Bank</b>				
At 1 January 2019	1,000,000	13,206	(287,874)	725,332
Total comprehensive income for the financial period	-	-	2,202	2,202
<b>At 31st March 2019</b>	<b>1,000,000</b>	<b>13,206</b>	<b>(285,672)</b>	<b>727,534</b>

*The Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2018.*

INTERIM FINANCIAL STATEMENTS  
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS  
FOR THE 1ST QUARTER ENDED 31ST MARCH 2019

	Group		Bank	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	RM'000	RM'000	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before zakat and taxation	2,257	8,424	2,202	8,404
Adjustments for:				
Depreciation of property and equipment	1,953	1,355	1,953	1,355
Amortisation of intangible assets	2,573	2,964	2,573	2,964
Depreciation of Right-of-use of assets	2,030	-	2,030	-
Property and equipment written off	-	46	-	46
Allowance for impairment on financing	2,374	630	2,374	630
Bad debts on financing - Written off	286	194	286	194
Bad debts on financing - Recovered	(2,204)	(2,153)	(2,204)	(2,153)
exchange translations	3,369	(1,035)	3,369	(1,035)
Operating cashflow before workings capital changes	12,638	10,425	12,583	10,405
<b>(Increase) / Decrease in Operating Assets</b>				
Deposits and placements with banks and other financial institutions	-	(257)	-	(257)
Derivative assets	(312)	561	(312)	561
Financial assets at fair value through profit or loss	-	185	-	185
Financing and advances	191,412	46,291	191,412	46,291
Other assets	(11,182)	(5,152)	(11,218)	(5,152)
Statutory deposit with Bank Negara Malaysia	(64,000)	68,000	(64,000)	68,000
<b>(Decrease) / Increase in Operating Liabilities</b>				
Deposits from customers	(179,784)	271,055	(179,784)	271,055
Deposits and placements of banks and other financial institutions	(455,703)	(494,703)	(455,703)	(494,703)
Bills and acceptances payable	(3,995)	2,076	(3,995)	2,076
Other liabilities	(19,770)	(32,754)	(19,679)	(32,734)
Net cash used in from operating activities	(530,696)	(134,273)	(530,696)	(134,273)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of property and equipment	(13,470)	(3,009)	(13,470)	(3,009)
Purchase of intangible asset	(3,213)	(1,579)	(3,213)	(1,579)
Financial investment at amortised cost	378,585	26,812	378,585	26,812
Net cash generated from investing activities	361,902	22,224	361,902	22,224
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>				
Issuance of Subordinated Sukuk	-	-	-	-
Net cash generated from financing activities	-	-	-	-
<b>NET DECREASE IN CASH AND SHORT-TERM FUNDS</b>				
	<b>(168,794)</b>	<b>(112,049)</b>	<b>(168,794)</b>	<b>(112,049)</b>
Cash and short-term funds as at 1 January	247,267	606,178	247,267	606,178
<b>CASH AND SHORT-TERM FUNDS</b>				
	<b>78,473</b>	<b>494,129</b>	<b>78,473</b>	<b>494,129</b>

The Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2018.

**EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 ("MFRS 134")  
AND GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKING INSTITUTIONS  
ISSUED BY BANK NEGARA MALAYSIA**

**1. BASIS OF PREPARATION**

The unaudited condensed interim financial statements have been prepared in accordance with the applicable requirements of MFRS 134: Interim Financial Reporting in Malaysia issued by Malaysian Accounting Standards Board (MASB), Financial Reporting for Islamic Banking Institution policy issued by Bank Negara Malaysia (BNM) and Shariah requirements.

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2018. The explanatory notes attached to the consolidated condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and of the Bank since the year ended 31 December 2018.

**2. ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of the condensed interim financial statement are consistent with those adopted in the preparation of the Group's audited financial statements for the year ended 31 December 2018, except for the adoption of new standards effective as of 1 January 2019.

New standards, interpretations and amendments issued has been applied consistently in the preparation of these interim financial statements effective 1 January 2019:

**MFRSs, Amendments to MFRSs and Interpretations**

*MFRS 16: Leases*

*IC Interpretation 23: Uncertainty over Income Tax Treatments*

*Amendments to MFRS contained in the document entitled "Annual Improvements to MFRS Standards document 2015 - 2017 Cycle"*

*Amendments to MFRS 3 and MFRS 11: Previously Held Interest in a Joint Operation contained in the document entitled "Annual Improvements to MFRS Standards 2015 - 2017 Cycle"*

*Amendments to MFRS 112: Income Tax Consequences of Payments on Financial Instruments Classified as Equity*

*contained in the document entitled "Annual Improvements to MFRS Standards 2015 - 2017 Cycle"*

*Amendments to MFRS 123: Borrowing Costs Eligible for*

*Capitalisation contained in the document entitled "Annual Improvements to MFRS Standards 2015 - 2017 Cycle"*

*Amendments to MFRS 9: Prepayment Features with Negative Compensation*

*Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement*

*Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures*

The adoption of the new standards, interpretation and amendments does not have any impact on the financial results of the Group and the Bank, except for MFRS 16.

**EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 ("MFRS 134")  
 AND GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKING INSTITUTIONS  
 ISSUED BY BANK NEGARA MALAYSIA**

**2. ACCOUNTING POLICIES (Con't)**

**MFRS 16 Leases**

MFRS 16 replaces the guidance in MFRS 117 Leases, IC Interpretation 4, Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Leases - Incentives and IC Interpretation 127 Evaluating the Substance of Transaction Involving the Legal Form of a Leases.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. ROU asset is depreciated throughout the lease period in accordance with the depreciation requirements of MFRS 116 Property, Plant and Equipment whereas lease liability is accreted to reflect profit and is reduced to reflect lease payment made.

The Group adopted MFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

Upon adoption of MFRS16, the Group and the Bank applied a single recognition and measurement approach for all leases that it is the lessee, except for short-term leases and leases of low-value assets. The Group and the Bank recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Set out below, are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the period:

	Bank Premises RM'000	Non Bank Premises RM'000	Other Equipments RM'000	Total RM'000	Lease Liabilities RM'000
<b>As at 31st December 2018</b>	11,297	749	-	12,046	12,046
Addition	-	-	824	824	824
Depreciation Expenses	(1,866)	(122)	(41)	(2,030)	-
Profit Expenses	-	-	-	-	(108)
Payment	-	-	-	-	(1,874)
<b>As at 31st March 2019</b>	<b>9,431</b>	<b>627</b>	<b>782</b>	<b>10,840</b>	<b>10,888</b>

The effect of adoption MFRS 16 as at 1 January 2019 is as follows:

	As at 1 January 2019 RM'000
<b>Assets</b>	
Right of use assets	12,046
<b>Liabilities</b>	
Other liabilities -Lease liabilities	12,046
<b>Shareholder's equity</b>	
Accumulated losses	-



**EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 ("MFRS 134")  
 AND GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKING INSTITUTIONS  
 ISSUED BY BANK NEGARA MALAYSIA (CONTINUED)**

**2. ACCOUNTING POLICIES (Continued)**

**New and amendment to MFRSs issued but not effective**

The standards and interpretations that are issued and which are applicable the Group and the Bank, but not yet effective up to the date of issuance of the Group's and the Bank's financial statements are disclosed below. The Group and the Bank intend to adopt these standards, if applicable, when they become effective.

<b><i>MFRSs, Amendments to MFRSs and Interpretations</i></b>	<b>Effective for financial period beginning on or after</b>
<i>Amendments to MFRS 2: Share-Based Payment</i>	1 January 2020
<i>Amendments to MFRS 3: Business Combinations</i>	1 January 2020
<i>Amendments to MFRS 3: Definition of a Business</i>	1 January 2020
<i>Amendments to MFRS 6: Exploration for and Evaluation of Mineral Resources</i>	1 January 2020
<i>Amendments to MFRS 14: Regulatory Deferral Accounts</i>	1 January 2020
<i>Amendments to MFRS 101: Presentation of Financial Statements</i>	1 January 2020
<i>Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors</i>	1 January 2020
<i>Amendments to MFRS 101 &amp; MFRS 108: Definition of Material</i>	1 January 2020
<i>Amendments to MFRS 134: Interim Financial Reporting</i>	1 January 2020
<i>Amendment to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets</i>	1 January 2020
<i>Amendment to MFRS 138: Intangible Assets</i>	1 January 2020
<i>Amendments to IC Interpretation 12: Service Concession Arrangements</i>	1 January 2020
<i>Amendments to IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments</i>	1 January 2020
<i>Amendment to IC Interpretation 20: Stripping Costs in the Production Phase of Surface Mine</i>	1 January 2020
<i>Amendments to IC Interpretation 22: Foreign Currency Transactions and Advance Consideration</i>	1 January 2020
<i>Amendments to IC Interpretation 132: Intangible Assets - Web Site Costs</i>	1 January 2020
<i>MFRS 17: Insurance Contracts</i>	1 January 2021
<i>Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be announced

**EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 ("MFRS 134")  
AND GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKING INSTITUTIONS  
ISSUED BY BANK NEGARA MALAYSIA (CONTINUED)**

**3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2018 was not qualified.

**4. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS**

The operations of the Group and the Bank were not materially affected by any seasonal or cyclical factors in the 1st Quarter ended 31 March 2019.

**5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank in the 1st Quarter ended 31 March 2019.

**6. CHANGES IN ESTIMATE**

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the Quarter ended 31 March 2019.

**7. DEBT AND EQUITY SECURITIES**

There were no issuances, cancellation, repurchases, resale or repayments of debt and equity securities in the 1st Quarter ended 31 March 2019.

**8. DIVIDENDS PAID**

There were no dividends paid during the 1st Quarter ended 31 March 2019.

EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 ("MFRS 134") AND GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKING INSTITUTIONS ISSUED BY BANK NEGARA MALAYSIA

9. DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group and Bank	
	Unaudited 31 March 2019 RM'000	Audited 31 December 2018 RM'000
Foreign financial institutions	389,632	392,965

10. FINANCIAL INVESTMENT AT AMORTISED COST

	Group and Bank	
	Unaudited 31 March 2019 RM'000	Audited 31 December 2018 RM'000
<b>At amortised cost</b>		
Unquoted :		
Islamic government securities in Malaysia	899,127	1,266,464
Islamic private debt securities in Malaysia	18,043	34,609
Cagamas sukuk	238,650	236,042
	<u>1,155,820</u>	<u>1,537,115</u>
Expected credit loss ("ECL")	(6,531)	(6,867)
	<u>1,149,289</u>	<u>1,530,248</u>

Movements in allowances for impairment which reflect the expected credit loss ("ECL") model on impairment are as follows :

Group and Bank

	Stage 1	Stage 2	Stage 3	Total
	ECL RM'000	ECL RM'000	ECL RM'000	
At 1 January	14	6,853	-	6,867
Changes due to :				
Transferred to Stage 1	-	-	-	-
Transferred to Stage 2	-	-	-	-
Transferred to Stage 3	-	-	-	-
New financial assets originated	-	-	-	-
Allowance written back, net	-	(336)	-	(336)
Closing balance	<u>14</u>	<u>6,517</u>	<u>-</u>	<u>6,531</u>

EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 ("MFRS 134") AND GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKING INSTITUTIONS ISSUED BY BANK NEGARA MALAYSIA

11. FINANCING AND ADVANCES

(a) Financing and advances analysed by types and Shariah contracts are as follows:

Group and Bank	Bai'		Total net financing and advances RM'000
	Bithaman Ajil RM'000	Qard RM'000	
<b>At amortised cost</b>			
Term Financing:			
Corporate financing	3,285,730	-	3,285,730
Personal financing	530,235	-	530,235
Home financing	978,642	-	978,642
SME financing	28,009	-	28,009
Vehicle financing	59,183	-	59,183
Shop-house financing	28,316	-	28,316
Charge cards	-	1,341	1,341
Gross financing and advances	4,910,115	1,341	4,911,456
Less: Impairment allowance			
- Stage 1			(36,410)
- Stage 2			(29,287)
- Stage 3			(33,654)
Total net financing and advances			<u>4,812,105</u>

Financing and advances analysed by types and Shariah contracts are as follows:

Movement in gross financing and advances

	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Gross carrying amount at 1 January	4,765,747	268,156	66,846	5,100,749
Transfer to stage 1	32,688	(29,383)	(3,305)	-
Transfer to stage 2	(51,121)	52,558	(1,437)	-
Transfer to stage 3	(669)	(10,452)	11,121	-
Financing derecognised during the period (other than write-off)	(1,590,760)	(29,048)	(727)	(1,620,535)
Write off	-	-	(2,890)	(2,890)
New financing originated or purchased	1,485,204	37,412	-	1,522,616
Changes to contractual cash flow (excluding derecognition)	(77,853)	(10,253)	(378)	(88,484)
Gross carrying amount as at 31 March 2019	<u>4,563,236</u>	<u>278,990</u>	<u>69,230</u>	<u>4,911,456</u>

Group and Bank	Bai'		Total net financing and advances RM'000
	Bithaman Ajil RM'000	Qard RM'000	
<b>At amortised cost</b>			
Term Financing:			
Corporate financing	3,440,724	-	3,440,724
Personal financing	542,263	-	542,263
Home financing	995,486	-	995,486
SME financing	28,927	-	28,927
Vehicle financing	63,357	-	63,357
Shop-house financing	28,643	-	28,643
Charge cards	-	1,349	1,349
Gross financing and advances	5,099,400	1,349	5,100,749
Less: Impairment allowance			
- Stage 1			(33,982)
- Stage 2			(32,150)
- Stage 3			(33,018)
Total net financing and advances			<u>5,001,599</u>

EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 (“MFRS 134”) AND GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKING INSTITUTIONS ISSUED BY BANK NEGARA MALAYSIA

11. FINANCING AND ADVANCES (Continued)

(b) The gross financing and advances analysed by type of customers are as follows:

	Group and Bank	
	Unaudited 31 March 2019 RM'000	Audited 31 December 2018 RM'000
Domestic non-bank financial institutions	23,202	33,469
Domestic business enterprise	3,291,025	3,436,655
Individuals	1,580,154	1,613,825
Foreign entities	17,075	16,800
	<u>4,911,456</u>	<u>5,100,749</u>

(c) The gross financing and advances analysed by profit rate sensitivity are as follows:

	Group and Bank	
	Unaudited 31 March 2019 RM'000	Audited 31 December 2018 RM'000
Fixed rate:		
Corporate financing	272,475	318,236
Personal financing	530,235	542,263
SME financing	28,009	28,927
Home financing	6,465	6,850
Vehicle financing	59,183	63,357
Charge card	1,341	1,349
Shop-house financing	606	662
Variable rate:		
Home financing	972,177	988,636
Shop-house financing	27,710	27,981
Corporate financing	3,013,255	3,122,488
	<u>4,911,456</u>	<u>5,100,749</u>

(d) The gross financing and advances analysed by maturity structure are as follows:

	Group and Bank	
	Unaudited 31 March 2019 RM'000	Audited 31 December 2018 RM'000
Due within three months	1,521,800	1,681,691
More than three months to one year	482,997	526,194
More than one year to five years	549,343	519,664
More than five years	2,357,316	2,373,200
	<u>4,911,456</u>	<u>5,100,749</u>

**EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 (“MFRS 134”) AND GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKING INSTITUTIONS ISSUED BY BANK NEGARA MALAYSIA**

(e) The gross financing and advances analysed by geographical distribution are as follows :

	<b>Group and Bank</b>	
	<b>Unaudited</b>	<b>Audited</b>
	<b>31 March</b>	<b>31 December</b>
	<b>2019</b>	<b>2018</b>
	RM'000	RM'000
Malaysia	4,911,456	5,100,749

(f) The gross financing and advances analysed by economic purpose are as follows:

	<b>Group and Bank</b>	
	<b>Unaudited</b>	<b>Audited</b>
	<b>31 March</b>	<b>31 December</b>
	<b>2019</b>	<b>2018</b>
	RM'000	RM'000
Working capital	2,501,401	2,667,282
Purchase of property - residential property	1,016,395	1,035,275
Personal use	530,387	542,414
Purchase of land	199,352	195,590
Purchase of industrial buildings and factories	169,906	170,448
Purchase of commercial complex	92,359	97,529
Purchase of other non-residential property	89,035	90,806
Construction	80,056	73,490
Others	71,757	72,688
Purchase of vehicles	58,663	62,787
Purchase fixed assets (excluding land & building)	72,066	62,340
Purchase of shophouses	28,737	28,751
Charge card	1,342	1,349
	<u>4,911,456</u>	<u>5,100,749</u>

(g) The gross financing and advances analysed by sectors are as follows:

	<b>Group and Bank</b>	
	<b>Unaudited</b>	<b>Audited</b>
	<b>31 March</b>	<b>31 December</b>
	<b>2019</b>	<b>2018</b>
	RM'000	RM'000
Household	1,598,058	1,631,399
Wholesale & Retail trade	1,031,763	1,095,464
Manufacturing	769,009	833,801
Real estate, renting and business activities	654,881	668,944
Construction	548,747	574,019
Education, Health and Others	103,580	98,746
Agriculture, hunting and related service activities	66,294	68,875
Transportation	40,960	38,596
Finance intermediation	23,205	33,471
Mining and Quarrying	16,943	25,625
Hotel & restaurant	20,419	20,535
Other business	37,597	11,274
	<u>4,911,456</u>	<u>5,100,749</u>

EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 ("MFRS 134") AND GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKING INSTITUTIONS ISSUED BY BANK NEGARA MALAYSIA

11. FINANCING AND ADVANCES (Continued)

(h) Movements in impaired financing and advances

	Group and Bank	
	Unaudited	Audited
	31 March	31 December
	2019	2018
	RM'000	RM'000
At 1 January	66,846	23,856
Impaired during the financial period / year	48,239	102,176
Reclassified as non impaired	(569)	(1,142)
Recoveries	(42,361)	(43,618)
Write-off	(2,924)	(14,426)
At 31 December	69,231	66,846
Ratio of net impaired financing and advances to gross financing and advances less individual impairment allowances	0.73%	0.67%

Included in amount classified as impaired during the financial year is profit accrued on impaired financing of RM893,000 (Dec 2018: RM1,835,000).

(i) Movements in the allowances for impaired financing and advances

	Group and Bank	
	Unaudited	Audited
	31 March	31 December
	2019	2018
	RM'000	RM'000
<b>ECL/ Collective assessment allowance</b>		
At 1 January	66,132	72,549
Effects of adoption of MFRS 9	-	(72,549)
Stage 1 ECL on adoption of MFRS 9 as at 1 January 2018	-	30,773
Stage 2 ECL on adoption of MFRS 9 as at 1 January 2018	-	53,612
Stage 1 ECL provided during the financial period	(1,079)	3,209
Stage 2 ECL provided during the financial period	644	(21,462)
Closing balance	65,697	66,132
As % of total gross financing and advances less individual impairment allowances	1.35%	1.30%
<b>Individual assessment allowance</b>		
At 1 January	33,018	1,263
Effects of adoption of MFRS 9	-	(1,263)
Stage 3 ECL on adoption of MFRS 9 as at 1 January 2018	-	10,510
Stage 3 ECL provided during the financial period	3,275	35,013
Amount written off	(2,638)	(12,505)
Closing balance	33,654	33,018

**EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 (“MFRS 134”) AND GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKING INSTITUTIONS ISSUED BY BANK NEGARA MALAYSIA**

(i) Movements in the allowances for impaired financing and advances (Con't)

<b>Group and Bank</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January	33,981	32,151	33,018	99,151
Restated for adoption of new accounting standards				
Changes due to financial assets recognised in the opening balance :				
Transferred to 12-mth ECL	4,104	(2,042)	(2,062)	-
Transferred to Lifetime ECL not credit impaired	(3,682)	4,715	(1,033)	-
Transferred to Lifetime ECL credit impaired	(2)	(767)	769	-
Financing derecognised during the period (other than write-offs)	(2,487)	(1,184)	(397)	(4,068)
Write-offs	-	-	(2,640)	(2,640)
New financing originated or purchased	3,304	634	-	3,938
Changes due to change in credit risk	(486)	(1,357)	6,146	4,303
Allowance (written back)/ made, net	1,678	(2,863)	(147)	(1,333)
Closing balance	<u>36,410</u>	<u>29,287</u>	<u>33,654</u>	<u>99,351</u>

(j) Impaired financing analysed by geographical distribution are as follows:

	<b>Group and Bank</b>	
	<b>Unaudited</b>	<b>Audited</b>
	<b>31 March</b>	<b>31 December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Malaysia	<u>69,231</u>	<u>66,846</u>

(k) Impaired financing analysed by economic purpose are as follows:

	<b>Group and Bank</b>	
	<b>Unaudited</b>	<b>Audited</b>
	<b>31 March</b>	<b>31 December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Working capital	47,544	48,142
Purchase of properties - residential	15,029	11,882
Personal use	5,892	5,925
Purchase of transport vehicles	590	714
Charge card	176	183
	<u>69,231</u>	<u>66,846</u>



EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 ("MFRS 134") AND GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKING INSTITUTIONS ISSUED BY BANK NEGARA MALAYSIA

11. FINANCING AND ADVANCES (Continued)

(l) Impaired financing analysed by sector are as follows:

	Group and Bank	
	Unaudited 31 March 2019 RM'000	Audited 31 December 2018 RM'000
Construction	31,987	31,782
Household	21,688	18,704
Manufacturing	9,056	9,255
Other business	6,500	7,105
	<u>69,231</u>	<u>66,846</u>

12. DEPOSITS FROM CUSTOMERS

(a) By type of deposit

	Group and Bank	
	Unaudited 31 March 2019 RM'000	Audited 31 December 2018 RM'000
<b>Savings deposits</b>		
Qard	219,836	212,428
<b>Demand deposits</b>		
Qard	381,068	449,002
Mudarabah	117,970	118,091
<b>Term deposit</b>		
Commodity Murabahah	4,808,838	4,912,043
<b>General investment account</b>		
Mudarabah	1,029	7,158
Wakalah	3,839	13,580
<b>Other deposits</b>	364	390
	<u>5,532,944</u>	<u>5,712,692</u>

In line with the Bank's IFSA Transition Plan as communicated to BNM, the Bank will continue to include the balances relating to its general investment account and demand deposits based on mudharabah principles, as part of deposits from customers. This is because these products were approved prior to the IFSA and the investment account guideline and are being solely used as securities against financing facility provided to the customers. The balances will continue to reduce until full settlement of the related financing.

(b) By type of customer

	Group and Bank	
	Unaudited 31 March 2019 RM'000	Audited 31 December 2018 RM'000
Business enterprises	1,822,646	1,937,093
Government and statutory bodies	2,013,472	2,243,542
Non-bank financial institutions	1,052,411	925,083
Other entities	199,310	156,752
Individuals	369,177	366,113
Non resident	75,928	84,109
	<u>5,532,944</u>	<u>5,712,692</u>

(c) By maturity structure

	Group and Bank	
	Unaudited 31 March 2019 RM'000	Audited 31 December 2018 RM'000
Due within three months	2,028,536	3,232,069
More than three months to one year	3,252,677	2,409,425
More than one year to five years	251,731	71,198
	<u>5,532,944</u>	<u>5,712,692</u>

EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 (“MFRS 134”) AND GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKING INSTITUTIONS ISSUED BY BANK NEGARA MALAYSIA

13. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group and Bank	
	Unaudited 31 March 2019 RM'000	Audited 31 December 2018 RM'000
<b>Non-Mudharabah Funds</b>		
Licensed Islamic banks	16,329	670,986
Licensed financial institutions	198,954	-
	<u>215,283</u>	<u>670,986</u>

14. INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS

	Group and Bank 1st Quarter Ended		Group and Bank Period Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
Income derived from investment of:				
(i) General investment deposits	140	163	140	163
(ii) Other deposits	93,804	101,840	93,804	101,840
	<u>93,944</u>	<u>102,003</u>	<u>93,944</u>	<u>102,003</u>

(i) Income derived from investment of general investment deposits

	Group and Bank 1st Quarter Ended		Group and Bank Period Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
<b>Finance income and hibah</b>				
Financing and advances	135	158	135	158
Money at call and deposit with financial institutions	5	5	5	5
Total finance income and hibah	<u>140</u>	<u>163</u>	<u>140</u>	<u>163</u>

(ii) Income derived from investment of other deposits

	Group and Bank 1st Quarter Ended		Group and Bank Period Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
<b>Finance income and hibah</b>				
Financing and advances	75,576	84,975	75,576	84,975
Financial investment at amortised cost	15,589	14,414	15,589	14,414
Money at call and deposit with financial institutions	2,638	2,450	2,638	2,450
Accretion of discount	1	1	1	1
	<u>93,804</u>	<u>101,840</u>	<u>93,804</u>	<u>101,840</u>

EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 (“MFRS 134”) AND GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKING INSTITUTIONS ISSUED BY BANK NEGARA MALAYSIA

15. INCOME DERIVED FROM INVESTMENT OF SHAREHOLDERS' FUNDS

	Group 1st Quarter Ended		Group Period Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
<b>Finance income and hibah</b>				
Money at call and deposit with financial institutions	494	459	494	459
Total finance income and hibah	494	459	494	459
<b>Other operating income</b>				
- Net gain from foreign exchange translations				
- Realised	153	113	153	113
- Unrealised	467	1,035	467	1,035
- Rental income	449	441	449	441
- Realised gain on gold	207	310	207	310
- Others	458	81	458	81
<b>Other income</b>				
- Agency fees	106	107	106	107
- Service charges	839	869	839	869
- Commission received	1,493	2,655	1,493	2,655
	4,666	6,070	4,666	6,070

	Bank 1st Quarter Ended		Bank Period Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
<b>Finance income and hibah</b>				
Money at call and deposit with financial institutions	494	459	494	459
Total finance income and hibah	494	459	494	459
<b>Other operating income</b>				
- Net gain from foreign exchange translations				
- Realised	153	113	153	113
- Unrealised	467	1,035	467	1,035
- Rental income	449	442	449	442
- Realised gain on gold	207	310	207	310
- Others	458	82	458	82
<b>Other income</b>				
- Agency fees	-	-	-	-
- Service charges	839	869	839	869
- Commission received	1,492	2,655	1,492	2,655
	4,559	5,965	4,559	5,965

**EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 (“MFRS 134”) AND GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKING INSTITUTIONS ISSUED BY BANK NEGARA MALAYSIA**

**16. ALLOWANCE FOR CREDIT LOSSES**

	<b>Group and Bank</b>			
	<b>1st Quarter Ended</b>		<b>Period Ended</b>	
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	RM'000	RM'000	RM'000	RM'000
Financing and advances:				
(a) Stage 1				
- provided during the financial period	4,308	4,471	4,308	4,471
- written back during the financial period	(5,387)	(1,133)	(5,387)	(1,133)
Stage 2				
- provided during the financial period	4,805	724	4,805	724
- written back during the financial period	(4,000)	(7,477)	(4,000)	(7,477)
Stage 3				
- provided during the financial period	3,390	6,216	3,390	6,216
- written back during the financial period	(278)	(2,119)	(278)	(2,119)
	<u>2,840</u>	<u>682</u>	<u>2,840</u>	<u>682</u>
(b) Bad debts on financing:				
- recovered during the financial period	(2,204)	(2,153)	(2,204)	(2,153)
- written off during the financial period	286	194	286	194
Total	<u>(1,918)</u>	<u>(1,959)</u>	<u>(1,918)</u>	<u>(1,959)</u>
(c) Financial investment at amortised cost				
- Provided in the financial period	-	45	-	45
- Written back	(336)	-	(336)	-
Total	<u>(336)</u>	<u>45</u>	<u>(336)</u>	<u>45</u>
(d) Impairment allowance for off balance sheet				
- Provided in the financial period	15	-	15	-
- Written back	(144)	(97)	(144)	(97)
Total	<u>(130)</u>	<u>(97)</u>	<u>(130)</u>	<u>(97)</u>
Grand total	<u>456</u>	<u>(1,329)</u>	<u>456</u>	<u>(1,329)</u>

**17. INCOME ATTRIBUTABLE TO DEPOSITORS**

	<b>Group and Bank</b>		<b>Group and Bank</b>	
	<b>1st Quarter Ended</b>		<b>Period Ended</b>	
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	RM'000	RM'000	RM'000	RM'000
Deposits from customers				
- Non-Mudharabah	48,085	55,549	48,085	55,549
- Mudharabah	358	400	358	400
- Wakalah	59	228	59	228
	<u>48,502</u>	<u>56,177</u>	<u>48,502</u>	<u>56,177</u>
Deposits and placements of banks and other financial institutions				
- Non-Mudharabah	4,513	2,402	4,513	2,402
	<u>53,015</u>	<u>58,579</u>	<u>53,015</u>	<u>58,579</u>

**18. SUBSEQUENT EVENTS**

There were no material events subsequent to the end of the reporting date that require disclosure or adjustments to the unaudited interim financial statements.

**19. CHANGES IN THE COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group since the last audited financial statements as at 31 December 2018.

**EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 (“MFRS 134”) AND GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKING INSTITUTIONS ISSUED BY BANK NEGARA MALAYSIA**

**20. COMMITMENTS AND CONTINGENCIES**

In the normal course of business, the Group and the Bank made various commitments and incurred certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions.

The commitments and contingencies and the related risk-weighted exposures of the Group and the Bank as are as follows:

	<b>Unaudited</b>			<b>Audited</b>		
	<b>31 March 2019</b>			<b>31 December 2018</b>		
	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted amount RM'000	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted amount RM'000
<b>Group and Bank</b>						
Transaction-related contingent items	48,070	24,035	24,035	70,662	35,331	35,331
Trade-related contingencies	64,978	12,996	12,996	3,580	716	716
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	1,751,677	350,316	332,965	1,742,964	348,568	322,230
- Maturity exceeding one year	94,697	47,336	47,014	95,435	47,689	47,080
Unutilised credit card lines	7,813	1,563	1,172	7,910	1,582	1,187
	<b>1,967,235</b>	<b>436,246</b>	<b>418,182</b>	<b>1,920,551</b>	<b>433,886</b>	<b>406,544</b>

EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 (“MFRS 134”) AND GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKING INSTITUTIONS ISSUED BY BANK NEGARA MALAYSIA

21. FINANCIAL RISK MANAGEMENT

Market Risk - Profit Rate Risk

The Group is exposed to various risks associated with the effects of fluctuations in the prevailing levels of yield/profit rate on its financial position. The rate of return risk is the potential impact of market factors affecting rates on returns in comparison with the expected rates of return for investment account holders. Yield/profit rate is monitored and managed by the ALCO to protect the income of its operations. The assets and liabilities at carrying amount are categorised by the earlier of the next contractual repricing dates and maturity dates as follows:

Group	Non-trading book					Non-profit sensitive	Trading book	Total	Average effective profit rate
	Up to 1 month	> 1 - 3 months	> 3 - 12 months	1 - 5 years	> 5 years				
Unaudited 31 March 2019	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
<b>Assets</b>									
Cash and short term funds	13,504	-	-	-	-	64,969	-	78,473	2.04
Hedging financial instruments	-	-	-	-	-	312	-	312	
Deposit and placement with other FI / Institutions	-	108,922	272,304	-	-	8,406	-	389,632	2.97
Financial investment at amortised cost	-	-	11,480	854,989	270,000	12,820	-	1,149,289	4.12
Financing and advances									
- Performing <sup>(1)</sup>	1,625,674	869,624	480,056	530,903	1,304,396	(44,988)	-	4,765,665	4.50
- Non performing	-	-	-	-	-	46,440	-	46,440	
Other assets <sup>(2)</sup>	-	-	-	-	-	504,642	-	504,642	
<b>Total assets</b>	<b>1,639,178</b>	<b>978,546</b>	<b>763,840</b>	<b>1,385,892</b>	<b>1,574,396</b>	<b>592,601</b>	<b>-</b>	<b>6,934,453</b>	

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21. FINANCIAL RISK MANAGEMENT (Continued)

Market Risk - Profit Rate Risk (Continued)

Group (Continued)	Up to 1 month RM'000	> 1 -3 months RM'000	> 3 - 12 months RM'000	1 - 5 years RM'000	> 5 years RM'000	Non-profit sensitive RM'000	Trading book RM'000	Total RM'000	Average effective profit rate %
<b>Unaudited (Continued) 31 March 2019</b>									
<b>Liabilities</b>									
Deposits from customers	796,583	529,164	3,240,944	249,703	-	716,550	-	5,532,944	3.49
Deposits and placements of banks and other financial institutions	213,527	-	-	-	-	1,756	-	215,283	3.20
Bills and acceptance payable	-	-	-	-	-	843	-	843	
Other liabilities	-	-	-	-	-	76,406	-	76,406	
Subordinated Sukuk	-	108,922	272,304	-	-	-	-	381,226	
<b>Total liabilities</b>	<b>1,010,110</b>	<b>638,086</b>	<b>3,513,248</b>	<b>249,703</b>	<b>-</b>	<b>795,555</b>	<b>-</b>	<b>6,206,702</b>	
Shareholders' fund	-	-	-	-	-	727,751	-	727,751	
<b>Total liabilities and shareholders' fund</b>	<b>1,010,110</b>	<b>638,086</b>	<b>3,513,248</b>	<b>249,703</b>	<b>-</b>	<b>1,523,306</b>	<b>-</b>	<b>6,934,453</b>	
On-balance sheet profit sensitivity gap	629,067	340,460	(2,749,408)	1,136,190	1,574,396	(930,702)	-		
Off-balance sheet profit sensitivity gap	-	-	-	-	-	1,967,235	-		
<b>Total profit sensitivity gap</b>	<b>629,067</b>	<b>340,460</b>	<b>(2,749,408)</b>	<b>1,136,190</b>	<b>1,574,396</b>	<b>1,036,533</b>	<b>-</b>		

**Note:**

- (1) This is arrived at after deducting the Stage 1 and Stage 2 (ECL) from the outstanding gross performing financing.
- (2) Other assets include property and equipment, intangible assets, right-of-use assets, deferred tax assets and statutory deposits with Bank Negara Malaysia.

EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 (“MFRS 134”) AND GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKING INSTITUTIONS ISSUED BY BANK NEGARA MALAYSIA

21. FINANCIAL RISK MANAGEMENT (Continued)

Market Risk - Profit Rate Risk (continued)

Bank	Non-trading book					Non-profit sensitive	Trading book	Total	Average effective profit rate
	Up to 1 month	> 1 - 3 months	> 3 - 12 months	1 - 5 years	> 5 years				
<b>Unaudited 31 March 2019</b>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
<b>Assets</b>									
Cash and short term funds	13,504	-	-	-	-	64,969	-	78,473	2.04
Hedging financial instruments	-	-	-	-	-	312	-	312	-
Deposit and placement with other FI / Institutions	-	108,922	272,304	-	-	8,406	-	389,632	2.97
Financial investment at amortised cost	-	-	11,480	854,989	270,000	12,820	-	1,149,289	4.12
Financing and advances									
- Performing <sup>(1)</sup>	1,625,674	869,624	480,056	530,903	1,304,396	(44,988)	-	4,765,665	4.50
- Non performing	-	-	-	-	-	46,440	-	46,440	
Other assets <sup>(2)</sup>	-	-	-	-	-	504,638	-	504,638	
<b>Total assets</b>	<b>1,639,178</b>	<b>978,546</b>	<b>763,840</b>	<b>1,385,892</b>	<b>1,574,396</b>	<b>592,597</b>	<b>-</b>	<b>6,934,449</b>	



EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 (“MFRS 134”) AND GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKING INSTITUTIONS ISSUED BY BANK NEGARA MALAYSIA

21. FINANCIAL RISK MANAGEMENT (Continued)

Market Risk - Profit Rate Risk (continued)

Bank (Continued)	Up to 1 month RM'000	> 1 -3 months RM'000	> 3 - 12 months RM'000	1 - 5 years RM'000	> 5 years RM'000	Non-profit sensitive RM'000	Trading book RM'000	Total RM'000	Average effective profit rate %
<b>Unaudited (Continued) 31 March 2019</b>									
<b>Liabilities</b>									
Deposits from customers	796,584	529,164	3,240,944	249,703	-	716,549	-	5,532,944	3.49
Deposits and placements of banks and other financial institutions	213,527	-	-	-	-	1,756	-	215,283	3.20
Bills and acceptance payable	-	-	-	-	-	843	-	843	
Other liabilities	-	-	-	-	-	76,619	-	76,619	
Subordinated Sukuk	-	108,922	272,304	-	-	-	-	381,226	
<b>Total liabilities</b>	<b>1,010,111</b>	<b>638,086</b>	<b>3,513,248</b>	<b>249,703</b>	<b>-</b>	<b>795,767</b>	<b>-</b>	<b>6,206,915</b>	
Shareholders' fund	-	-	-	-	-	727,534	-	727,534	
<b>Total liabilities and shareholders' fund</b>	<b>1,010,111</b>	<b>638,086</b>	<b>3,513,248</b>	<b>249,703</b>	<b>-</b>	<b>1,523,301</b>	<b>-</b>	<b>6,934,449</b>	
On-balance sheet profit sensitivity gap	629,067	340,460	(2,749,409)	1,136,190	1,574,396	(930,704)	-		
Off-balance sheet profit sensitivity gap	-	-	-	-	-	1,967,235	-		
<b>Total profit sensitivity gap</b>	<b>629,067</b>	<b>340,460</b>	<b>(2,749,409)</b>	<b>1,136,190</b>	<b>1,574,396</b>	<b>1,036,531</b>	<b>-</b>		

**Note:**

- (1) This is arrived at after deducting the Stage 1 and Stage 2 (ECL) from the outstanding gross performing financing.
- (2) Other assets include property and equipment, intangible assets, right-of-use assets, deferred tax assets and statutory deposits with Bank Negara Malaysia.

EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 (“MFRS 134”) AND GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKING INSTITUTIONS ISSUED BY BANK NEGARA MALAYSIA

21. FINANCIAL RISK MANAGEMENT (Continued)

Market Risk - Profit Rate Risk (continued)

Group	Non-trading book					Non-profit sensitive	Trading book	Total	Average effective profit rate
	Up to 1 month	> 1 - 3 months	> 3 - 12 months	1 - 5 years	> 5 years				
<b>Audited</b>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
<b>31 December 2018</b>									
<b>Assets</b>									
Cash and short term funds	198,569	-	-	-	-	48,698	-	247,267	3.13
Deposit and placement with other FI / Institutions	-	55,128	330,765	-	-	7,072	-	392,965	2.84
Financial investments at amortised cost	-	416,000	-	894,702	200,000	19,546	-	1,530,248	4.03
Financing and advances									
- Performing <sup>(1)</sup>	1,603,538	1,068,354	522,745	499,564	1,307,724	(34,154)	-	4,967,771	4.46
- Non performing	-	-	-	-	-	33,828	-	33,828	
Other assets <sup>(2)</sup>	-	-	-	-	-	406,429	-	406,429	
<b>Total assets</b>	<b>1,802,107</b>	<b>1,539,482</b>	<b>853,510</b>	<b>1,394,266</b>	<b>1,507,724</b>	<b>481,419</b>	<b>-</b>	<b>7,578,508</b>	

EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 (“MFRS 134”) AND GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKING INSTITUTIONS ISSUED BY BANK NEGARA MALAYSIA

21. FINANCIAL RISK MANAGEMENT (Continued)

Market Risk - Profit Rate Risk (continued)

Group (Continued)	Up to 1 month	> 1 -3 months	> 3 - 12 months	1 - 5 years	> 5 years	Non-profit sensitive	Trading book	Total	Average effective profit rate
Audited (Continued) 31 December 2018 (Continued)	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
<b>Liabilities</b>									
Deposits from customers	1,025,901	1,465,753	2,399,254	71,198	-	750,586	-	5,712,692	3.45
Deposits and placements of banks and other financial institutions	14,731	653,242	-	-	-	3,013	-	670,986	3.44
Bills and acceptance payable	-	-	-	-	-	4,838	-	4,838	
Other liabilities	-	-	-	-	-	78,605	-	78,605	
Subordinated Sukuk	-	55,128	330,765	-	-	-	-	385,893	
<b>Total liabilities</b>	<b>1,040,632</b>	<b>2,174,123</b>	<b>2,730,019</b>	<b>71,198</b>	<b>-</b>	<b>837,042</b>	<b>-</b>	<b>6,853,014</b>	
Shareholders' fund	-	-	-	-	-	725,494	-	725,494	
<b>Total liabilities and shareholders' fund</b>	<b>1,040,632</b>	<b>2,174,123</b>	<b>2,730,019</b>	<b>71,198</b>	<b>-</b>	<b>1,562,536</b>	<b>-</b>	<b>7,578,508</b>	
On-balance sheet profit sensitivity gap	761,475	(634,641)	(1,876,509)	1,323,068	1,507,724	(1,081,117)	-		
Off-balance sheet profit sensitivity gap	-	-	-	-	-	1,920,551	-		
<b>Total profit sensitivity gap</b>	<b>761,475</b>	<b>(634,641)</b>	<b>(1,876,509)</b>	<b>1,323,068</b>	<b>1,507,724</b>	<b>839,434</b>	<b>-</b>		

**Note:**

- (1) This is arrived at after deducting the Stage 1 and Stage 2 (ECL) from the outstanding gross performing financing.
- (2) Other assets include property and equipment, intangible assets, deferred tax assets and statutory deposits with Bank Negara Malaysia.

EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 (“MFRS 134”) AND GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKING INSTITUTIONS ISSUED BY BANK NEGARA MALAYSIA

21. FINANCIAL RISK MANAGEMENT (Continued)

Market Risk - Profit Rate Risk (continued)

Bank	Non-trading book					Non-profit sensitive	Trading book	Total	Average effective profit rate
	Up to 1 month	> 1 - 3 months	> 3 - 12 months	1 - 5 years	> 5 years				
Audited 31 December 2018	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
<b>Assets</b>									
Cash and short term funds	198,569	-	-	-	-	48,698	-	247,267	3.13
Deposit and placement with other FI / Institutions	-	55,128	330,765	-	-	7,072	-	392,965	2.84
Financial investments at amortised cost	-	416,000	-	894,702	200,000	19,546	-	1,530,248	4.03
Financing and advances									
- Performing <sup>(1)</sup>	1,603,538	1,068,354	522,745	499,564	1,307,724	(34,154)	-	4,967,771	4.46
- Non performing	-	-	-	-	-	33,828	-	33,828	
Other assets <sup>(2)</sup>	-	-	-	-	-	406,423	-	406,423	
<b>Total assets</b>	<b>1,802,107</b>	<b>1,539,482</b>	<b>853,510</b>	<b>1,394,266</b>	<b>1,507,724</b>	<b>481,413</b>	<b>-</b>	<b>7,578,502</b>	

EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 (“MFRS 134”) AND GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKING INSTITUTIONS ISSUED BY BANK NEGARA MALAYSIA

21. FINANCIAL RISK MANAGEMENT (Continued)

Market Risk - Profit Rate Risk (continued)

Bank (Continued)	Up to 1 month	> 1 -3 months	> 3 - 12 months	1 - 5 years	> 5 years	Non-profit sensitive	Trading book	Total	Average effective profit rate
Audited (Continued) 31 December 2018 (Continued)	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
<b>Liabilities</b>									
Deposits from customers	1,025,901	1,465,753	2,399,254	71,198	-	750,586	-	5,712,692	3.45
Deposits and placements of banks and other financial institutions	14,731	653,242	-	-	-	3,013	-	670,986	3.44
Bills and acceptance payable	-	-	-	-	-	4,838	-	4,838	
Other liabilities	-	-	-	-	-	78,761	-	78,761	
Subordinated Sukuk	-	55,128	330,765	-	-	-	-	385,893	
<b>Total liabilities</b>	<b>1,040,632</b>	<b>2,174,123</b>	<b>2,730,019</b>	<b>71,198</b>	<b>-</b>	<b>837,198</b>	<b>-</b>	<b>6,853,170</b>	
Shareholders' fund	-	-	-	-	-	725,332	-	725,332	
<b>Total liabilities and shareholders' fund</b>	<b>1,040,632</b>	<b>2,174,123</b>	<b>2,730,019</b>	<b>71,198</b>	<b>-</b>	<b>1,562,530</b>	<b>-</b>	<b>7,578,502</b>	
On-balance sheet profit sensitivity gap	761,475	(634,641)	(1,876,509)	1,323,068	1,507,724	(1,081,117)	-		
Off-balance sheet profit sensitivity gap	-	-	-	-	-	1,920,551	-		
<b>Total profit sensitivity gap</b>	<b>761,475</b>	<b>(634,641)</b>	<b>(1,876,509)</b>	<b>1,323,068</b>	<b>1,507,724</b>	<b>839,434</b>	<b>-</b>		

**Note:**

- (1) This is arrived at after deducting the Stage 1 and Stage 2 (ECL) from the outstanding gross performing financing.  
(2) Other assets include property and equipment, intangible assets, deferred tax assets and statutory deposits with Bank Negara Malaysia.

EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 ("MFRS 134") AND GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKING INSTITUTIONS ISSUED BY BANK NEGARA MALAYSIA

22. CAPITAL ADEQUACY

- a) The capital adequacy ratios of the Group and the Bank below are disclosed pursuant to the requirements of Bank Negara Malaysia's Risk Weighted Capital Adequacy Framework (Basel II) - Disclosure Requirements (Pillar 3):

	Group		Bank	
	Unaudited 31 March 2019 RM'000	Audited 31 December 2018 RM'000	Unaudited 31 March 2019 RM'000	Audited 31 December 2018 RM'000
<b>CET 1/ Tier I capital</b>				
Paid-up share capital	1,000,000	1,000,000	1,000,000	1,000,000
Accumulated losses	(272,249)	(274,506)	(272,466)	(274,668)
	<u>727,751</u>	<u>725,494</u>	<u>727,534</u>	<u>725,332</u>
Less: Deferred tax	(53,194)	(53,194)	(53,194)	(53,194)
<b>Total Tier-I capital</b>	<b>674,557</b>	<b>672,300</b>	<b>674,340</b>	<b>672,138</b>
<b>Tier-II capital</b>				
Collective impairment for impairment loss on non-impaired financing	72,554	61,408	72,554	61,408
Subordinated Sukuk	381,226	385,893	381,226	385,893
<b>Total Tier-II capital</b>	<b>453,780</b>	<b>447,301</b>	<b>453,780</b>	<b>447,301</b>
<b>Capital base</b>	<b>1,128,337</b>	<b>1,119,601</b>	<b>1,128,120</b>	<b>1,119,439</b>
CET 1 / Core capital ratio	12.931%	12.519%	12.926%	12.516%
Risk-weighted capital ratio	21.629%	20.849%	21.625%	20.846%

- (b) The breakdown of risk-weighted assets ("RWA") by each major risk category is as follows:

	Group		Bank	
	Unaudited 31 March 2019 RM'000	Audited 31 December 2018 RM'000	Unaudited 31 March 2019 RM'000	Audited 31 December 2018 RM'000
Credit risk	4,755,886	4,912,676	4,755,886	4,912,676
Market risk	107,458	106,803	107,458	106,803
Operational risk	353,411	350,620	353,411	350,620
	<u>5,216,756</u>	<u>5,370,099</u>	<u>5,216,756</u>	<u>5,370,099</u>

EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 ("MFRS 134") AND GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKING INSTITUTIONS ISSUED BY BANK NEGARA MALAYSIA

22. CAPITAL ADEQUACY (Continued)

- (b) The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category for the current financial period are as follows:

Exposure Class	Group and Bank 31 March 2019			
	Gross exposures RM'000	Net exposures RM'000	Risk weighted assets RM'000	Capital requirements RM'000
<b>Credit Risk</b>				
<i>On-Balance Sheet Exposures</i>				
<i>Sovereigns/Central</i>				
Banks	1,162,867	1,162,867	-	-
<i>Banks, Development</i>				
Financial Institutions ("DFIs") & MDBs	432,369	432,369	203,363	16,269
Corporate	3,468,228	3,325,665	3,134,754	250,780
Regulatory Retail	596,426	594,294	445,720	35,658
<i>Residential Real Estate</i>				
(RRE) Financing	961,874	961,874	433,146	34,652
Other assets	110,215	110,218	88,306	7,064
Defaulted Exposures	35,740	35,723	32,416	2,593
Total for On-Balance Sheet Exposures	6,767,719	6,623,010	4,337,705	347,016
<i>Off-Balance Sheet Exposures</i>				
<i>Off-balance sheet exposures other than OTC derivatives or credit derivatives</i>				
	436,244	436,244	418,181	33,454
Total for Off-Balance Sheet Exposures	436,244	436,244	418,181	33,454
<b>Total On and Off-Balance Sheet Exposures</b>	<b>7,203,963</b>	<b>7,059,254</b>	<b>4,755,886</b>	<b>380,470</b>
<b>Large Exposures Risk Requirement</b>	-	-	-	-
<b>Market Risk</b>	Long position	Short position		
Foreign Currency Risk	107,458	-	107,458	8,597
<b>Operational Risk</b>			353,411	28,273
<b>Total RWA and Capital Requirements</b>			<b>5,216,756</b>	<b>417,340</b>

EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 ("MFRS 134") AND GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKING INSTITUTIONS ISSUED BY BANK NEGARA MALAYSIA

22. CAPITAL ADEQUACY (Continued)

- (b) The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category for the current financial year are as follows: (continued)

Exposure Class	Group and Bank 31 December 2018			
	Gross exposures RM'000	Net exposures RM'000	Risk weighted assets RM'000	Capital requirements RM'000
<b>Credit Risk</b>				
<i>On-Balance Sheet Exposures</i>				
<i>Sovereigns/Central</i>				
Banks	1,458,670	1,458,670	-	-
<i>Banks, Development</i>				
Financial Institutions ("DFIs") & MDBs	615,138	615,138	194,140	15,531
Corporate	3,628,522	3,490,767	3,301,944	264,156
Regulatory Retail	619,562	617,377	463,033	37,043
Residential Real Estate (RRE) Financing	983,419	983,419	448,007	35,841
Other assets	89,458	89,458	66,920	5,354
Defaulted Exposures	33,899	33,883	32,088	2,567
<b>Total for On-Balance Sheet Exposures</b>	<b>7,428,668</b>	<b>7,288,712</b>	<b>4,506,132</b>	<b>360,492</b>
<i>Off-Balance Sheet Exposures</i>				
<i>Off-balance sheet exposures other than OTC derivatives or credit derivatives</i>				
Total for Off-Balance Sheet Exposures	433,886	433,886	406,544	32,524
<b>Total On and Off-Balance Sheet Exposures</b>	<b>7,862,554</b>	<b>7,722,598</b>	<b>4,912,676</b>	<b>393,016</b>
<b>Large Exposures Risk Requirement</b>				
	-	-	-	-
<b>Market Risk</b>				
Foreign Currency Risk	106,803	-	106,803	8,544
<b>Operational Risk</b>				
			350,620	28,050
<b>Total RWA and Capital Requirements</b>			<b>5,370,099</b>	<b>429,610</b>



EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 ("MFRS 134") AND GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKING INSTITUTIONS ISSUED BY BANK NEGARA MALAYSIA

22. CAPITAL ADEQUACY (Continued)

(c) The breakdown of credit risk disclosed by risk-weights (including deducted exposures) are as follows:

Group and Bank

Unaudited 31 March 2019	Exposures after netting and credit risk mitigation ("CRM")							Total exposure after netting and CRM RM'000	Total weighted assets RM'000
	Sovereigns/ Central Bank RM'000	Banks, DFIs & MDBs RM'000	Corporate RM'000	Regulatory Retail RM'000	Residential Real Estate RM'000	Equity exposures RM'000	Other assets RM'000		
<b>Performing Exposures</b>									
0%	1,162,867	-	-	-	-	-	21,911	1,184,778	-
20%	-	42,737	258,637	-	-	-	-	301,374	60,275
35%	-	-	-	-	417,730	-	-	417,730	146,206
50%	-	389,632	-	-	510,322	-	-	899,954	449,976
75%	-	-	-	601,354	9,369	-	-	610,723	458,042
100%	-	-	3,495,751	-	24,914	-	88,306	3,608,971	3,608,971
Total	1,162,867	432,369	3,754,388	601,354	962,335	-	110,217	7,023,530	4,723,470
<b>Defaulted Exposures</b>									
35%	-	-	-	-	-	-	-	-	-
50%	-	-	12,338	498	6,632	-	-	19,468	9,734
100%	-	-	-	-	3,403	-	-	3,403	3,403
150%	-	-	12,853	-	-	-	-	12,853	19,280
Total	-	-	25,191	498	10,035	-	-	35,724	32,417
<b>Total Performing and Defaulted</b>	1,162,867	432,369	3,779,579	601,852	972,370	-	110,217	7,059,254	4,755,887

EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 ("MFRS 134") AND GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKING INSTITUTIONS ISSUED BY BANK NEGARA MALAYSIA

22. CAPITAL ADEQUACY (Continued)

(c) The breakdown of credit risk disclosed by risk-weights (including deducted exposures) are as follows:

Group and Bank

Audited

31 December 2018

Exposures after netting and credit risk mitigation ("CRM")

Risk weights	Sovereigns/ Central Bank RM'000	Banks, DFIs & MDBs RM'000	Corporate RM'000	Regulatory Retail RM'000	Residential Real Estate RM'000	Equity exposures RM'000	Other assets RM'000	Total exposure after netting and CRM RM'000	Total risk weighted assets RM'000
<b>Performing Exposures</b>									
0%	1,458,670	-	-	-	-	-	22,538	1,481,208	-
20%	-	378,097	256,026	-	-	-	-	634,123	126,825
35%	-	-	-	-	407,501	-	-	407,501	142,625
50%	-	257,040	-	-	537,106	-	-	794,146	397,073
75%	-	-	-	620,410	10,277	-	-	630,687	473,015
100%	-	-	3,644,693	-	29,437	-	66,920	3,741,050	3,741,050
Total	1,458,670	635,137	3,900,719	620,410	984,321	-	89,458	7,688,715	4,880,588
<b>Defaulted Exposures</b>									
35%	-	-	-	-	-	-	-	-	-
50%	-	-	12,338	443	4,186	-	-	16,967	8,484
100%	-	-	-	64	3,473	-	-	3,537	3,537
150%	-	-	13,379	-	-	-	-	13,379	20,067
Total	-	-	25,717	507	7,659	-	-	33,883	32,088
<b>Total Performing and Defaulted</b>	1,458,670	635,137	3,926,436	620,917	991,980	-	89,458	7,722,598	4,912,676

**AL RAJHI BANKING AND INVESTMENT CORPORATION (MALAYSIA) BHD.****(Incorporated in Malaysia)**

Company No. 719057-X

**EXPLANATORY NOTES PERSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 (“MFRS 134”) AND GUIDE ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKING INSTITUTIONS ISSUED BY BANK NEGARA MALAYSIA****22. CAPITAL ADEQUACY (Continued)**

(d) The breakdown of risk-weighted assets by risk-weights are as follows:

	<b>Group and Bank Unaudited 31 March 2019</b>	
	<b>Principal RM'000</b>	<b>Risk-weighted RM'000</b>
0%	1,184,778	-
20%	301,374	60,275
35%	417,730	146,206
50%	919,422	459,710
75%	610,723	458,042
100%	3,612,374	3,612,374
150%	12,853	19,280
Risk-weighted assets for credit risk	<u>7,059,254</u>	<u>4,755,887</u>
Large exposure risk-weighted assets for equity holdings		107,457
Risk-weighted assets for market risk		353,411
Risk-weighted assets for operational risk		<u>5,216,756</u>
Total risk-weighted assets		<u>5,216,756</u>

  

	<b>Group and Bank Audited 31 December 2018</b>	
	<b>Principal RM'000</b>	<b>Risk-weighted RM'000</b>
0%	1,481,208	-
20%	634,123	126,825
35%	407,501	142,625
50%	811,113	405,557
75%	630,687	473,015
100%	3,744,587	3,744,587
150%	13,379	20,067
Risk-weighted assets for credit risk	<u>7,722,598</u>	<u>4,912,676</u>
Large exposure risk-weighted assets for equity holdings		106,803
Risk-weighted assets for market risk		350,620
Risk-weighted assets for operational risk		<u>5,370,099</u>
Total risk-weighted assets		<u>5,370,099</u>

EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 ("MFRS 134") AND GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKING INSTITUTIONS ISSUED BY BANK NEGARA MALAYSIA

22. CAPITAL ADEQUACY (Continued)

(e) Disclosure on off balance sheet and counterparty credit risk are as follows:

Group and Bank	Disclosure on Off Balance and Counterparty Credit Risk					
	Unaudited 31 March 2019			Unaudited 31 December 2018		
	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted amount RM'000	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted amount RM'000
Direct credit substitutes						
Transaction-related contingent items	48,070	24,035	24,035	70,662	35,331	35,331
Short term self liquidating trade related contingencies	64,978	12,996	12,996	3,580	716	716
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	94,697	47,336	47,014	95,435	47,689	47,080
Other commitments, such as formal standby facilities and credit lines, with an original maturity up to one year	1,751,677	350,316	332,965	1,742,964	348,568	322,230
Unutilised credit card lines	7,813	1,563	1,172	7,910	1,582	1,187
	<u>1,967,235</u>	<u>436,246</u>	<u>418,182</u>	<u>1,920,551</u>	<u>433,886</u>	<u>406,544</u>

EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 ("MFRS 134") AND GUIDELINES  
ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKING INSTITUTIONS ISSUED BY BANK NEGARA MALAYSIA

23. SEGMENTAL INFORMATION

Group	Unaudited 31 March 2019				
	Retail banking	Treasury & money market	Corporate investment banking	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Total revenue	40,837	25,859	31,808	106	98,610
<b>Result</b>					
Segment result	24,998	8,774	12,739	106	46,617
Unallocated corporate expenses	-	-	-	-	(44,360)
Profit before zakat and taxation					2,257
Zakat and taxation					-
<b>Net profit for the financial period</b>					<b>2,257</b>
Other comprehensive income					-
<b>Total comprehensive income for the financial period</b>					<b>2,257</b>
<b>Other information</b>					
Segment assets	1,589,431	307,563	3,634,215	312	5,531,521
Unallocated corporate assets	-	-	-	-	1,402,932
Total assets					<b>6,934,453</b>
Segment liabilities	4,092,226	1,656,001	-	-	5,748,227
Unallocated corporate liabilities	-	-	-	-	458,475
Total liabilities					<b>6,206,702</b>
<b>Other segment items</b>					
Capital expenditure	-	23	13	-	36
Unallocated capital expenditure	-	-	-	-	12,745
					<b>12,781</b>
Depreciation and amortisation	876	52	29	-	958
Unallocated depreciation and amortisation	-	-	-	-	5,707
					<b>6,665</b>
Other non-cash (income)/expenses	6,763	-	(6,308)	-	456

EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 ("MFRS 134") AND GUIDELINES  
ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKING INSTITUTIONS ISSUED BY BANK NEGARA MALAYSIA

23. SEGMENTAL INFORMATION (Continued)

Bank	Unaudited 31 March 2019				Total RM'000
	Retail banking RM'000	Treasury & money market RM'000	Corporate investment banking RM'000	Others RM'000	
Total revenue	40,837	25,858	31,808	-	98,503
<b>Result</b>					
Segment result	24,998	8,772	12,739	-	46,509
Unallocated corporate expenses					(44,307)
Profit before zakat and taxation					2,202
Zakat and taxation					-
<b>Net profit for the financial period</b>					<b>2,202</b>
Other comprehensive income					-
<b>Total comprehensive income for the financial period</b>					<b>2,202</b>
<b>Other information</b>					
Segment assets	1,589,431	307,876	3,634,215		5,531,522
Unallocated corporate assets					1,402,927
Total assets					6,934,449
Segment liabilities	4,092,226	1,656,001	-	-	5,748,227
Unallocated corporate liabilities	-	-	-	-	458,688
Total liabilities					6,206,915
<b>Other segment items</b>					
Capital expenditure	-	23	13	-	36
Unallocated capital expenditure	-	-	-	-	12,745
					12,781
Depreciation and amortisation	876	52	29	-	958
Unallocated depreciation and amortisation	-	-	-	-	5,707
					6,665
Other non-cash (income)/expenses	(1,082)	-	5,270	-	4,188

EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 ("MFRS 134") AND GUIDELINES  
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23. SEGMENTAL INFORMATION (Continued)

Group	Audited 31 March 2018				
	Retail banking RM'000	Treasury & money market RM'000	Corporate investment banking RM'000	Others RM'000	Total RM'000
Total revenue	32,229	17,876	57,861	107	108,073
<b>Result</b>					
Segment result	14,218	(12,670)	49,168	107	50,823
Unallocated corporate expenses	-	-	-	-	(42,399)
Profit before zakat and taxation					8,424
Zakat and taxation					-
<b>Net profit for the financial year</b>					<b>8,424</b>
Other comprehensive income					-
<b>Total comprehensive income for the financial year</b>					<b>8,424</b>
<b>Other information</b>					
Segment assets	1,684,950	710,250	4,320,710	-	6,715,910
Unallocated corporate assets	-	-	-	-	1,694,684
Total assets					8,410,594
Segment liabilities	7,230,904	39,903	-	-	7,270,807
Unallocated corporate liabilities	-	-	-	-	417,506
Total liabilities					7,688,313
<b>Other segment items</b>					
Capital expenditure	2,575	-	12	-	2,587
Unallocated capital expenditure	-	-	-	-	2,001
					4,588
Depreciation and amortisation	1,081	61	84	-	1,226
Unallocated depreciation and amortisation	-	-	-	-	3,094
					4,320
Other non-cash (income)/expenses	1,302	-	27	-	1,329

EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 ("MFRS 134") AND GUIDELINES  
ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKING INSTITUTIONS ISSUED BY BANK NEGARA MALAYSIA

23. SEGMENTAL INFORMATION (Continued)

Bank	Audited 31 March 2018				
	Retail banking	Treasury & money market	Corporate investment banking	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Total revenue	32,229	17,876	57,863	-	107,968
<b>Result</b>					
Segment result	14,218	(12,670)	49,170	-	50,718
Unallocated corporate expenses	-	-	-	-	(42,314)
Profit before zakat and taxation					8,404
Zakat and taxation	-	-	-	-	-
<b>Net profit for the financial year</b>					<b>8,404</b>
Other comprehensive income					-
<b>Total comprehensive income for the financial year</b>					<b>8,404</b>
<b>Other information</b>					
Segment assets	1,684,950	710,250	4,320,710	-	6,715,910
Unallocated corporate assets	-	-	-	-	1,694,684
Total assets					<b>8,410,594</b>
Segment liabilities	7,230,904	39,903	-	-	7,270,807
Unallocated corporate liabilities	-	-	-	-	417,506
Total liabilities					<b>7,688,313</b>
<b>Other segment items</b>					
Capital expenditure	2,575	-	12	-	2,587
Unallocated capital expenditure	-	-	-	-	2,001
					<b>4,588</b>
Depreciation and amortisation	1,081	61	84	-	1,226
Unallocated depreciation and amortisation	-	-	-	-	3,094
					<b>4,320</b>
Other non-cash (income)/expenses	1,302	-	27	-	1,329



**EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 (“MFRS 134”) AND GUIDELINES  
ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKING INSTITUTIONS ISSUED BY BANK NEGARA MALAYSIA**

**24. REVIEW OF PERFORMANCE FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019 AGAINST THE CORRESPONDING FINANCIAL  
QUARTER OF THE PRECEDING YEAR**

For the financial period ended 31st March 2019, the Group and Bank recorded a pre tax profit of RM2.3 million as compared to a pre tax profit of RM8.4 million in the preceding year’s corresponding period.

**25. PROSPECTS FOR 2019**

The economy should continue growing at a robust pace this year owing to firm domestic demand. However, while fixed investment growth is expected to pick up, private consumption will likely moderate after its stellar performance in 2018. Lingering global trade tensions and financial-market volatility are the main downside risks to the outlook. However, concerns remain about the country’s performance in the period leading up to that point, and ultimately whether Malaysia will be able to achieve its projected 4.9% gross domestic product (GDP) expansion this year. The weakening trend seen in the industrial production data add further to evidence that the Malaysian economy could grow at a slower pace this year.

These concerns stem from various factors, domestic and global, which hint of an impending economic slowdown. For one, the country’s leading index (LI), while it has begun to improve, still remains in the negative. Concerns over the country’s economic outlook are further compounded by external factors, such as uncertainties surrounding the US-China trade war, which continues to persist, impacting the global trade momentum.

The bank will continue its effort in driving fee income revenue , pursuing quality financing and sourcing for low cost deposit throughput.