AL RAJHI BANKING AND INVESTMENT CORPORATION (MALAYSIA) BHD.
(Incorporated in Malaysia)
Co. Reg. No. 200501036909 (719057-X)

Basel II - Pillar 3 Disclosure
As at 31 December 2022

1. Overview

The information of Al Rajhi Banking & Investment Corporation (Malaysia) Bhd ("the Group") below is disclosed pursuant to the requirements of the Bank Negara Malaysia ("BNM") Capital Adequacy Framework for Islamic Banks ("CAFIB") – Disclosure Requirements ("Pillar 3"), which sets out the minimum disclosure standards, the approach in determining the appropriateness of information disclosed and the internal controls over the disclosure process which cover the verification and review of the accuracy of information disclosed.

Pillar 3 aims to enhance transparency by setting the minimum requirements for market disclosure of information on the risk management practices and capital adequacy of Islamic banks. In compliance with the Pillar 3 Guideline, the Pillar 3 Disclosure for the Group is being regularly prepared for two periods: 30 June and 31 December. The Pillar 3 Disclosure is also made available in the Bank's website, www.alrajhibank.com.my.

The minimum regulatory capital requirements to support the Group's and the Bank's risk-weighted assets are presented as follows:

	31 December 2022		31 December 2021	
Group and Bank	**Risk- Weighted Assets RM'000**	**Minimum Capital Requirement RM'000**	**Risk- Weighted Assets RM'000**	**Minimum Capital Requirement RM'000**
Credit Risk	9,584,583	766,768	6,199,178	495,934
Market Risk	146,520	11,722	144,669	11,574
Operational Risk	424,706	33,976	382,289	30,583
Total	10,155,809	812,465	6,726,136	538,090

2. Capital Management

The Group's capital management is guided by the Group's Capital Adequacy Management and Governance Framework and the Capital Adequacy Management and Planning Policy which articulates the guiding principles for the capital management process to ensure that the Group has adequate capital that commensurate with the Group's risk profile. This objective is directed by the need to maintain a prudent relationship between available capital and risks in the underlying businesses to meet the expectations of key constituencies, including regulators and investors. Under the Internal Capital Adequacy Assessment Process ("ICAAP"), the Group's risk management and capital management processes were enhanced to facilitate a comprehensive assessment of the various types of risk that the Group may be exposed to.

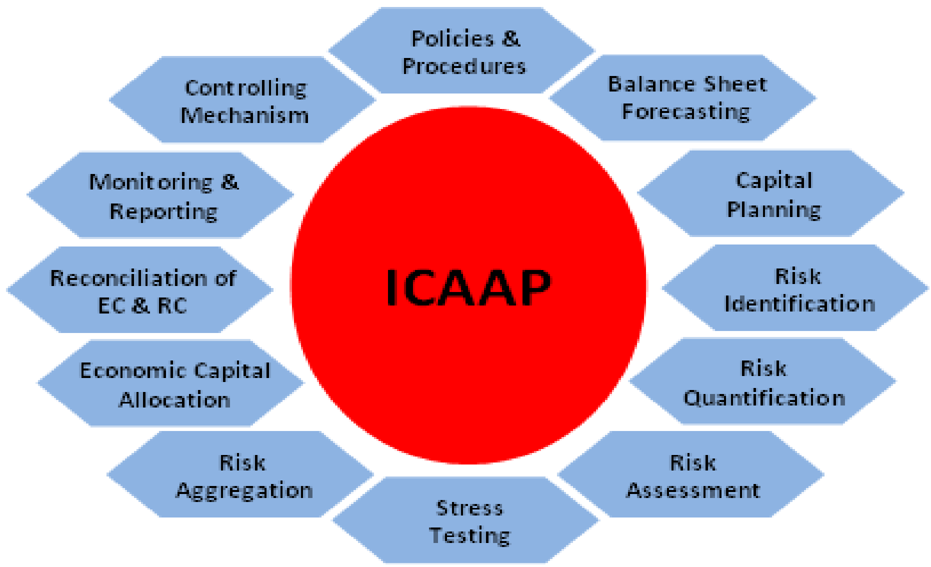
The Board of Directors ("BOD")/Board Risk Management and Compliance Committee ("BRMCC") are responsible for ensuring that the Group maintains an appropriate level and quality of capital in line with the Group's risk profile and business plan. The Board is supported by the Executive Risk Management Committee ("ERMC") and ICAAP Working Group i.e. Risk Management, Finance, and Business Units. Risk Management Division under Market Risk & Risk Analytics is responsible for monitoring and reporting of the ICAAP, including comparing actual capital levels with the capital targets and the relevant analysis and recommendation. The Finance Division and respective business units with the inputs of RMD are responsible for preparing the current capital position as well as the business plan and financial projections required.

2.1 Internal Capital Adequacy Assessment Process

ICAAP implementation is significant for the Group and the Bank to ensure that it maintains adequate capital on an ongoing basis to support its business operations considering the requirement for regulatory capital under Pillar 1 and economic capital under Pillar 2. The assessment shall reflect the profile of all risks that the Group and the Bank are exposed to.

2. Capital Management (Cont'd.)

The major components of ICAAP of the Group and the Bank can be illustrated through the following diagram:



The risk management processes under ICAAP are as follows:

Define Risk	Risk Origination	Responsibility	Risk Mitigation	Data Sources	Risk Measurement	Integrated Risk & Capital Planning & Reporting
RISK ASSESSMENT				RISK MEASUREMENT		PLANNING & REPORTING
Identify and document clear internal definitions for each risk types	Identify and document the types of business activities that lead to each type of risk	Assign responsible person for each risk area	Assess current risk mitigation procedures in place and provide recommendations where necessary	Identify ideal data points for assessing each risk area and where applicable to also consider external data availability	Develop and document a rationale for the Bank's own capital assessment	Conduct comprehensive assessment of all risk areas to form an overall long term risk & capital plan and reporting approach

2. Capital Management (Cont'd)

2.2 Transitional arrangement for Regulatory Capital Treatment of Expected Credit Loss

BNM's Transitional Arrangements for Regulatory Capital Treatment of expected credit losses ("ECL") took effect on 9 December 2020. This allows the Group and the Bank to add back a portion of the Stage 1 and Stage 2 provisions for ECL to Common Equity Tier 1 Capital from 1 January 2021 to 31 December 2023.

2.3 Capital Adequacy Ratios and Capital Structure

The following tables present the capital adequacy ratios and the capital structure of the Group and the Bank.

	With "TA"		Without "TA"	
Group	**31 December 2022**	**31 December 2021**	**31 December 2022**	**31 December 2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Tier I capital				
Paid-up share capital	1,341,868	1,000,000	1,341,868	1,000,000
Reserves	(296,526)	(313,363)	(296,526)	(313,363)
	1,045,342	686,637	1,045,342	686,637
Less: Deferred tax	(49,497)	(49,497)	(49,497)	(49,497)
Other CET1 regulatory adjustment	15,210	-	-	-
Total CET I Capital	**1,011,055**	**637,140**	**995,845**	**637,140**
Additional Subordinated Sukuk	351,171	-	351,171	-
Total Tier I capital	**1,362,226**	**637,140**	**1,347,016**	**637,140**
Tier II capital				
General provision	100,005	72,421	100,005	72,421
Subordinated Sukuk	585,283	554,816	585,283	554,816
Total Tier II capital	**685,288**	**627,237**	**685,288**	**627,237**
Capital base	**2,047,514**	**1,264,377**	**2,032,304**	**1,264,377**
CET I / Core capital ratio	9.955%	9.473%	9.806%	9.473%
Tier I Capital	13.413%	9.473%	13.264%	9.473%
Risk-weighted capital ratio	20.161%	18.798%	20.011%	18.798%

2.3 Capital Adequacy Ratios and Capital Structure (Cont'd)

Bank	With "TA"		Without "TA"	
	31 December 2022 RM'000	31 December 2021 RM'000	31 December 2022 RM'000	31 December 2021 RM'000
Tier I capital				
Paid-up share capital	1,341,868	1,000,000	1,341,868	1,000,000
Reserves	(297,421)	(313,301)	(297,421)	(313,301)
	1,044,447	686,699	1,044,447	686,699
Less: Deferred tax	(49,497)	(49,497)	(49,497)	(49,497)
Other CET1 regulatory adjustment	15,210	-	-	-
Total CET I Capital	**1,010,160**	**637,202**	**994,950**	**637,202**
Additional Subordinated Sukuk	351,171	-	351,171	-
Total Tier I capital	**1,361,331**	**637,202**	**1,346,121**	**637,202**
Tier II capital				
General provision	100,005	72,421	100,005	72,421
Subordinated Sukuk	585,282	554,816	585,282	554,816
Total Tier II capital	**685,287**	**627,237**	**685,287**	**627,237**
Capital base	**2,046,618**	**1,264,439**	**2,031,408**	**1,264,439**
CET I / Core capital ratio	9.947%	9.474%	9.797%	9.474%
Tier I Capital	13.404%	9.474%	13.255%	9.474%
Risk-weighted capital ratio	20.152%	18.799%	20.002%	18.799%

3. Group Risk Management Framework

The Group's risk management practice seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its key areas of credit, market, liquidity and operational risks.

The Group's overall Enterprise Risk Management Framework, including the risk governance and the risk management process are set out in the Risk Management section in the Directors Report as disclosed in the Audited Financial Statements for the year ended 31 December 2022.

4. Credit Risk

Credit risk is the potential loss of revenue as a result of defaults by customers or counterparties through the Group's and the Bank's financing, trading and investing activities.

The primary exposure to credit risk arises through its financing and advances as well as financial transactions with counterparties including interbank money market activities and debt securities.

The amount of credit exposure is represented by the carrying amounts of the assets in the statement of financial position.

The management of credit risk is governed by credit policies and guidelines documenting the financing standards, discretionary power for financing approval, credit risk rating, collateral and valuation, review, and rescheduling of problematic and delinquent financing. The management of counterparties is guided by counterparty limits, counterparty ratings, tenure and types of permissible transactions and these are subject to regular review.

The following tables present the minimum regulatory capital requirements on credit risk of the Group and the Bank**.**

Group and Bank	**31 December 2022**		**31 December 2021**	
Exposure Class	**Risk Weighted Assets RM'000**	**Capital Requirement RM'000**	**Risk Weighted Assets RM'000**	**Capital Requirement RM'000**
Credit Risk				
On-Balance Sheet Exposures				
Sovereigns/Central Banks	-	-	-	-
Banks, Development Financial Institutions ("DFIs") & Multilateral Development Bank ("MDBs")	391,133	31,291	264,720	21,178
Corporate	7,225,510	578,041	4,586,325	366,906
Regulatory Retail	153,806	12,304	159,863	12,789
Residential Real Estate ("RRE") Financing	378,232	30,259	377,615	30,209
Higher Risk Asset	735	59	2,126	170
Other assets	224,985	17,999	135,830	10,866
Defaulted Exposures	12,087	967	14,441	1,155
Total for On-Balance Sheet Exposures	8,386,488	670,920	5,540,920	443,273

4. Credit Risk (Cont'd.)

Risk Governance

The ERMC supports the BRMCC in credit risk management oversight. ERMC and BRMCC reviews the Group's credit risk framework and policies, aligns credit risk management with business strategies and planning, reviews credit profile of the credit portfolios and recommends necessary actions to ensure that the credit risk remains within established risk tolerance level.

The Group's credit risk management includes the establishment of comprehensive credit risk policies, guidelines and procedures which document the Group's financing standards, discretionary power for financing approval, credit risk rating, acceptable collateral and valuation, and the review, rehabilitation and rescheduling of problematic and delinquent financing. All credit approving authorities are guided by credit policies, guidelines and procedures which are periodically reviewed to ensure their continued relevance.

Within the Risk Management Division, the Credit Risk Management Department has functional responsibility for credit risk management which includes formulating and reviewing bank-wide risk policies, guidelines and procedures. The Credit Risk Management Department also manages the credit portfolios and ensures the risk policies are implemented and complied with.

Risk Management Approach

The management of credit risk starts with experienced key personnel being appointed to the Credit Investment Committee (CIC). The CIC approves major credit decisions. All financing applications of significant amounts are approved by the CIC or the Board of Directors. The credit approving authorities are assigned discretionary powers based on their seniority and track record.

(a) Retail Financing and Advances

The credit granted to retail consumers is individually underwritten, which amongst others, includes the assessment of the historical repayment track record and the current repayment capacity of the customer. The credit approving authorities have the responsibility to ensure that credit risk is properly assessed, and all crucial credit information of the customer is included in the financing application.

(b) Corporate Financing and Advances

The credit granted to corporate customers is individually underwritten and risk rated. Credit officers identify and assess the credit risks of large corporate customers, institutional or customer groups, taking into consideration their financial and business profiles, industry, economic factors, collateral etc.

4. Credit Risk (Cont'd.)

4.1 Distribution of Credit Exposures

Tables (a)-(c) present the credit exposures of financial assets before the effect of credit risk mitigation of the Group and the Bank, analysed by the following:

(a) Industrial analysis based on its industrial distribution
(b) Geographical analysis based on the geographical location where the credit risk resides
(c) Maturity analysis based on the residual contractual maturity

For on-balance sheet exposures, the maximum exposure to credit risk equals their carrying amounts. For financial guarantees, the maximum exposure to credit risk is the maximum amount that the Group and the Bank would have to pay if the obligations for which the instruments issued are called upon. For credit commitments, the maximum exposure to credit risk is the full amount of the undrawn credit granted to customers.

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4. Credit Risk (Cont'd)

4.1 Distribution of Credit Exposures (Cont'd)

(a) Industry Analysis

Group and Bank	Cash and Short term funds RM'000	Deposits and placements with other institutions RM'000	Derivatives assets RM'000	Financial investments at amortised cost RM'000	Financial investments at FVOCI RM'000	Net financing and advances RM'000	Statutory deposit with BNM RM'000	Other assets RM'000	Total RM'000
31 December 2022									
Household	-	-	-	-	-	1,462,534	-	-	1,462,534
Wholesale & retail trade and hotel and restaurant	-	-	-	-	-	1,456,484	-	-	1,456,484
Finance, insurance, real estate and business activities	88,704	602,841	479.00	1,409,865	1,962,633	2,235,677	201,655	-	6,501,854
Manufacturing	-	-	-	-	-	1,495,091	-	-	1,495,091
Construction	-	-	-	-	-	820,655	-	-	820,655
Education, health and others	-	-	-	-		105,446	-	-	105,446
Agriculture, hunting and related service activities	-	-	-	-	-	243,557	-	-	243,557
Transportation	-	-	-	-	-	119,085	-	-	119,085
Mining and quarrying	-	-	-	-	-	85,000	-	-	85,000
Other business	-	-	-	-	-	591,115	-	14,581	605,696
Total	88,704	602,841	479	1,409,865	1,962,633	8,614,644	201,655	14,581	12,895,402

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4. Credit Risk (Cont'd)

4.1 Distribution of Credit Exposures (Cont'd)

(a) Industry Analysis

Group and Bank	Cash and Short term funds RM'000	Deposits and placements with other financial institutions RM'000	Derivatives assets RM'000	Financial Investment at amortised cost RM'000	Financial Investment at FVOCI RM'000	Net financing and advances RM'000	Statutory deposit with BNM RM'000	Other assets RM'000	Total RM'000
31 December 2021									
Household	-	-	-	-	-	1,322,677	-	-	1,322,677
Wholesale & retail trade and hotel and restaurant			86	9,064		1,161,616			1,170,766
Finance, insurance, real estate and business activities	70,277	445,674	-	666,753	1,658,821	1,213,218	11,514	-	4,066,257
Manufacturing	-	-	-	-	-	1,092,369	-	-	1,092,369
Construction	-	-	-	-	-	570,594	-	-	570,594
Education, health and others	-	-	-	-	-	67,032	-	-	67,032
Agriculture, hunting and related service activities	-	-	-	-	-	164,400	-	-	164,400
Transportation	-	-	-	-	-	38,055	-	-	38,055
Mining and quarrying	-	-	-	-	-	45,685	-	-	45,685
Other business	-	-	-	-	-	294,462	-	23,786	318,248
Total	70,277	445,674	86	675,817	1,658,821	5,970,108	11,514	23,786	8,856,083

4. Credit Risk (Cont'd)

4.1 Distribution of Credit Exposures (Cont'd)

(b) Geographical Analysis

Group and Bank	Malaysia RM'000	Saudi Arabia RM'000	Other countries RM'000	Total RM'000
31 December 2022				
Cash and short term funds	43,080	1,588	44,036	88,704
Deposits and placement with banks and other financial instituitions	-	427,256	175,585	602,841
Derivatives assets	479	-	-	479
Financial investments at amortised cost	1,015,569	394,296	-	1,409,865
Financial investments at fair value through other comprehensive income ("FVOCI")	1,962,633	-	-	1,962,633
Net financing and advances	8,327,468	-	287,176	8,614,644
Statutory deposits with BNM	201,655	-	-	201,655
Other assets	14,581	-	-	14,581
Total	11,565,465	823,140	506,797	12,895,402

Group and Bank	Malaysia RM'000	Saudi Arabia RM'000	Other countries RM'000	Total RM'000
31 December 2021				
Cash and short term funds	28,565	3,904	37,808	70,277
Deposits and placement with banks and other financial instituitions	-	222,357	223,317	445,674
Derivatives assets	86	-	-	86
Financial investments at amortised cost	675,817	-	-	675,817
Financial investments at fair value through other comprehensive income ("FVOCI")	1,658,821	-	-	1,658,821
Net financing and advances	5,803,288	-	166,820	5,970,108
Statutory deposits with BNM	11,514	-	-	11,514
Other assets	23,786	-	-	23,786
Total	8,201,877	226,261	427,945	8,856,083

4 Credit Risk (Cont'd)

4.1 Distribution of Credit Exposures (Cont'd)

(c) Maturity Analysis

Group and Bank	Up to 1 year RM'000	> 1 to 3 years RM'000	> 3 to 5 year RM'000	> 5 years RM'000	Total RM'000
31 December 2022					
Cash and short term funds	88,704	-	-	-	88,704
Deposit and placement with bank and other financial institutions	602,841	-	-	-	602,841
Derivative assets	479	-	-	-	479
Financial investments at amortised cost	394,296	-	-	1,015,569	1,409,865
Financial investments at fair value through other comprehensive income ("FVOCI")	1,962,634	-	-	-	1,962,634
Net financing and advances	4,171,055	782,515	847,415	2,813,659	8,614,644
Statutory deposits with BNM	201,655				201,655
Other assets	14,581	-	-	-	14,581
Total	7,436,246	782,515	847,415	3,829,229	12,895,404

4 Credit Risk (Cont'd)

4.1 Distribution of Credit Exposures (Cont'd)

(c) Maturity Analysis (Cont'd)

Group and Bank	Up to 1 year RM'000	> 1 to 3 years RM'000	> 3 to 5 year RM'000	> 5 years RM'000	Total RM'000
31 December 2021					
Cash and short term funds	70,277	-	-	-	70,277
Deposit and placement with bank and					-
other financial institutions	445,674	-	-	-	445,674
Derivative assets	86	-	-	-	86
Financial investments at amortised cost	2,029			673,788	675,817
Financial investments at fair value through					-
other comprehensive income ("FVOCI")	1,658,821	-	-	-	1,658,821
Net financing and advances	1,989,080	892,314	1,369,231	1,719,482	5,970,108
Statutory deposits with BNM	11,514	-	-	-	11,514
Other assets	23,786	-	-	-	23,786
Total	4,201,267	892,314	1,369,231	2,393,270	8,856,083

4. Credit Risk (Cont'd)

4.2 Off-Balance Sheet Exposures

In the normal course of business, the Group and the Bank made various commitments and incurred certain contingent liabilities with legal resources to the 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 are as follows:

Disclosure on Off Balance Sheet Exposures

Group and Bank	31 December 2022			31 December 2021		
	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
Transaction-related contingent items	336,612	168,306	168,306	195,731	97,866	97,866
Trade-related contingencies	48,600	9,720	9,720	87,938	17,588	17,588
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	4,025,844	805,151	788,409	2,427,122	485,380	471,748
- Maturity exceeding one year	464,158	232,074	229,291	142,943	71,458	71,056
Foreign exchange-related contracts	711,444	11,843	2,369	-	-	-
	5,586,658	1,227,094	1,198,095	2,853,734	672,292	658,258

4.3 Credit Risk Mitigation

The Group's approach in granting credit facilities is based on the credit standing of the customer, source of payment and financing servicing ability rather than placing primary reliance on credit risk mitigants ("CRM"). Depending on a customer's standing and the type of product, facilities may be provided unsecured. Nevertheless, mitigation of credit risk is a key aspect of effective risk management and takes many forms.

The main types of collateral obtained by the Group to mitigate credit risk are as follows:

- for home financing - charges over the properties
- for shop-house financing - charges over the properties being financed
- for vehicle financing - charges over the vehicles being financed
- for corporate and SME financing - charges over business assets such as premises and deposits.

4. Credit Risk (Cont'd)

4.3 Credit Risk Mitigation (Cont'd)

The reliance that can be placed on CRM is carefully assessed in light of issues such as legal enforceability, market value and counterparty credit risk ("CCR") of the guarantor. Policies and procedures are in place to govern the protection of the Group's position from the onset of a customer relationship, for instance in requiring standard terms and conditions or specifically agreed upon documentation to ensure the legal enforceability of the CRM.

The following tables present the credit risk mitigation analysis of the Group i.e. credit exposures covered by eligible financial collateral and financial guarantees as defined under the Standardised Approach.

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Group and Bank	**31 December 2022**		**31 December 2021**	
Exposure Class	**Exposures before CRM RM'000**	**Exposures covered by eligible collateral RM'000**	**Exposures before CRM RM'000**	**Exposures covered by eligible collateral RM'000**
Credit Risk				
On-Balance Sheet Exposures				
Sovereigns/Central Banks	3,022,327	-	2,191,064	-
Banks Development Financial Institutions ("DFIs") and Multilateral Development Bank ("MDBs")	948,110		654,705	
Corporate	7,854,707	1,231,557	4,921,614	1,038,970
Regulatory Retail	211,490	13,782	220,374	11,237
Residential Real Estate ("RRE") Financing	799,534	-	795,695	-
Higher Risk assets	490	-	1,418	-
Other assets	235,760	-	151,512	-
Defaulted Exposures	16,362	-	19,372	-
Total for On-Balance Sheet Exposures	13,088,780	1,245,339	8,955,754	1,050,207
Off-Balance Sheet Exposures				
Off-balance sheet exposures other than OTC derivatives or credit derivatives	1,227,094	-	672,292	-
Total for Off-Balance Sheet Exposures	1,227,094	-	672,292	-
Total On and Off-Balance Sheet Exposures	14,315,874	1,245,339	9,628,046	1,050,207

4. Credit Risk (Cont'd)

4.3 Assignment of Risk Weight for Portfolios Under the Standardised Approach.

The Group assesses credit quality of financing and advances using external rating techniques tailored to the various products and counterparties. These techniques have been developed internally and combine statistical analysis with credit officers' judgment.

Internal ratings	Description
- Investment grade	Strong(est) credit quality which associated with general standards of investment grade as per defined by international rating agency such as Standard and Poor's ("S&P") and Moody's, Fitch.
- Non-investment grade	Weaker credit quality which associated with general standards of non-investment grade as per defined by international rating agency such as Standard and Poor's ("S&P") and Moody's, Fitch.

The credit quality of financial assets other than financing and advances are determined based on the ratings of counterparties as defined by Moody's or equivalent ratings of other international rating agencies as defined below:

- AAA to AA3
- A1 to A3
- Baa1 to Baa3
- P1 to P3
- Non rated

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4. Credit Risk (Cont'd)

4.4 Assignment of Risk Weight for Portfolios Under the Standardised Approach (Cont'd)

The following tables present the credit exposures of the Group before the effect of credit risk mitigation by credit quality rating categories.

Group and Bank	Disclosure on Rated Exposures according to Rating by ECAIs											
31 December 2022	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	Unrated	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Exposure Class												
On and Off Balance-Sheet Exposures												
Credit Exposure - Standardised Approach												
Sovereigns/Central Banks	-	-	-	-	-	-	3,022,327	-	-	-	-	3,022,327
Banks, DFIs & MDBs	-	-	-	1,085	1,792	54	40,485	840	1,219	18	914,460	959,953
Corporate	-	-	-	-	-	-	-	-	-	-	9,040,256	9,040,256
Regulatory Retail	-	-	-	-	-	-	-	-	-	-	250,202	250,202
Residential Real Estate (RRE) Financing	-	-	-	-	-	-	-	-	-	-	806,692	806,692
Total Higher Risk Assets	-	-	-	-	-	-	-	-	-	-	684	684
Other assets	-	-	-	-	-	-	-	-	-	-	235,760	235,760
Total	-	-	-	1,085	1,792	54	3,062,812	840	1,219	18	11,248,054	14,315,874

4. Credit Risk (Cont'd)

4.4 Assignment of Risk Weight for Portfolios Under the Standardised Approach (Cont'd)

The following tables present the credit exposures of the Group before the effect of credit risk mitigation by credit quality rating categories.

Group and Bank	Disclosure on Rated Exposures according to Rating by ECAIs										
31 December 2021	AAA	AA+	AA	A+	A	A-	BBB+	BBB	BBB-	Unrated	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Exposure Class											
On and Off Balance-Sheet Exposures											
Credit Exposure - Standardised Approach											
Sovereigns/Central Banks	-	-	-	-	-	2,191,064	-	-	-	-	2,191,064
Banks, DFIs & MDBs	-	-	-	169,419	3,551	153	451,588	31,411	500	974	657,596
Corporate	-	-	-	-	-	-	-	-	-	5,592,167	5,592,167
Regulatory Retail	-	-	-	-	-	-	-	-	-	234,219	234,219
Residential Real Estate (RRE) Financing	-	-	-	-	-	-	-	-	-	799,877	799,877
Total Higher Risk Assets	-	-	-	-	-	-	-	-	-	1,611	1,611
Other assets	-	-	-	-	-	-	-	-	-	151,513	151,513
Total	-	-	-	169,419	3,551	2,191,217	451,588	31,411	500	6,780,360	9,628,046

4. Credit Risk (Cont'd)

4.4 Assignment of Risk Weight for Portfolios Under the Standardised Approach (Cont'd)

The following tables present the credit exposures of the Group and the Bank after the effect of credit risk mitigation by risk weights.

Group & Bank
31 December 2022

	Exposures after netting and credit risk mitigation ("CRM")								
Risk weights	**Sovereigns/ Central Bank RM'000**	**Banks, DFIs' and MDBs RM'000**	**Corporate RM'000**	**Regulatory Retail RM'000**	**Residential Real Estate RM'000**	**Higher Risk Assets RM'000**	**Other assets RM'000**	**Total exposure after netting and CRM RM'000**	**Total weighted assets RM'000**
Performing Exposures									
0%	3,022,327	-	-	-	-	-	10,774	3,033,102	-
20%	-	288,248	552,788	-	-	-	-	841,036	168,207
35%	-	-	-	-	580,809	-	-	580,809	203,283
50%	-	671,705	-	-	90,239	-	-	761,944	380,972
75%	-	-	-	241,573	4,613	-	-	246,186	184,640
100%	-	-	8,281,669	-	127,714	-	224,985	8,634,368	8,634,368
150%	-	-	-	-	-	684	-	684	1,026
Total	3,022,327	959,953	8,834,457	241,573	803,375	684	235,759	14,098,129	9,572,496
Defaulted Exposures									
35%	-	-	-	-	-	-	-	-	-
50%	-	-	7,262	93	3,317	-	-	10,672	5,336
100%	-	-	3,571	-	-	-	-	3,571	3,571
150%	-	-	-	2,120	-	-	-	2,120	3,180
Total	-	-	10,833	2,213	3,317	-	-	16,363	12,087
Total Performing and Defaulted	**3,022,327**	**959,953**	**8,845,290**	**243,786**	**806,692**	**684**	**235,759**	**14,114,492**	**9,584,583**

AL RAJHI BANKING AND INVESTMENT CORPORATION (MALAYSIA) BHD.
(Incorporated in Malaysia)
Co. Reg. No. 200501036909 (719057-X)

Basel II - Pillar 3 Disclosure
As at 31 December 2022

4. Credit Risk (Cont'd)

4.4 Assignment of Risk Weight for Portfolios Under the Standardised Approach (Cont'd)

The following tables present the credit exposures of the Group and the Bank after the effect of credit risk mitigation by risk weights.

Group and Bank
31 December 2021

	Exposures after netting and credit risk mitigation ("CRM")								
Risk weights	**Sovereigns/ Central Bank RM'000**	**Banks, DFIs' and MDBs RM'000**	**Corporate RM'000**	**Regulatory Retail RM'000**	**Residential Real Estate RM'000**	**Higher Risk Assets RM'000**	**Other assets RM'000**	**Total exposure after netting and CRM RM'000**	**Total weighted assets RM'000**
Performing Exposures									
0%	2,191,064	-	-	-	-	-	15,682	2,206,746	-
20%	-	211,668	206,040	-	-	-	-	417,708	83,542
35%	-	-	-	-	575,077	-	-	575,077	201,277
50%	-	445,928	-	-	86,814	-	-	532,742	266,371
75%	-	-	-	226,883	5,036	-	-	231,919	173,939
100%	-	-	5,192,000	-	129,361	-	135,830	5,457,191	5,457,191
150%	-	-	-	-	-	1,611	-	1,611	2,417
Total	2,191,064	657,596	5,398,040	226,883	796,288	1,611	151,512	9,422,994	6,184,737
Defaulted Exposures									
35%	-	-	-	-	-	-	-	-	-
50%	-	-	8,875	112	3,589	-	-	12,576	6,288
100%	-	-	4,081	-	-	-	-	4,081	4,081
150%	-	-	2,715	-	-	-	-	2,715	4,072
Total	-	-	15,671	112	3,589	-	-	19,372	14,441
Total Performing and Defaulted	**2,191,064**	**657,596**	**5,413,711**	**226,995**	**799,877**	**1,611**	**151,512**	**9,442,366**	**6,199,178**

4. Credit Risk (Cont'd)

4.5 Credit Quality of Gross Financing and Advances

The following tables present the gross financing and advances of the Group analysed by credit quality.

Gross Financing and Advances by Credit Quality

	Group and Bank	
	31 December 2022 RM'000	31 December 2021 RM'000
Neither past due nor impaired	8,427,830	5,706,298
Past due but not impaired	282,561	333,759
Impaired	60,849	55,474
Gross financing and advances	8,771,240	6,095,531
Ratio of net impaired financing and advances to gross financing and advances less individual impairment allowances	0.19%	0.32%

a) Neither Past Due Nor Impaired

The credit quality of gross financing and advances which are neither past due nor impaired is set out in Note 40(c)(vi) to the financial statements.

b) Past Due But Not Impaired

Past due but not impaired financing and advances are financing where the customer has failed to make a principal or profit payment when contractually due.

4. Credit Risk (Cont'd)

4.5 Credit Quality of Gross Financing and Advances (Cont'd)

b) Past Due But Not Impaired (Cont'd)

(i) Past Due But Not Impaired Financing and Advances by Economic Purposes

	Group and Bank	
	31 December 2022	**31 December 2021**
	RM'000	**RM'000**
Working capital	199,139	231,930
Personal use	52,759	16,607
Purchase of property – residential property	28,730	82,020
Purchase of shop-house	1,096	1,076
Purchase of transport vehicles	837	2,126
	282,561	333,759

(ii) Past Due But Not Impaired Financing and Advances by Geographical Analysis

	Group and Bank	
	31 December 2022	**31 December 2021**
	RM'000	**RM'000**
Malaysia	282,561	333,759
	282,561	333,759

(iii) Past Due But Not Impaired Financing and Advances by Maturity Structure

	Group and Bank	
	31 December 2022	**31 December 2021**
	RM'000	**RM'000**
1 day to < 1 month	57,599	297,356
1 month to < 2 month	17,958	26,005
2 month to < 3 month	207,005	10,398
	282,561	333,759

4. Credit Risk (Cont'd)

4.5 Credit Quality of Gross Financing and Advances (Cont'd)

c) Impaired Financing and Advances

Under MFRS 9, impairment is measured on each reporting date to three stages of Expected Credit Loss (ECL):

- Stage 1: 12-month ECL
  For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the ECL associated with the probability of default events occurring within next 12 months will be recognised.

- Stage 2: Lifetime ECL - non-credit impaired
  For exposures where there has been a significant increase in credit risk since initial recognition but that are non-credit impaired, the lifetime ECL will be recognised.

- Stage 3: Lifetime ECL - credit impaired
  Financial assets are assessed as credit impaired when one or more events that have detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that are credit impaired, a lifetime ECL will be recognised.

The movements in the allowance for impairment losses of financing and advances are as follows

	Group and Bank	
	31 December 2022 RM'000	31 December 2021 RM'000
At 1 January	107,777	108,987
Impairment loss recognised	49,727	11,843
Impairment written-off	(14,933)	(13,053)
Closing balance	142,571	107,777

4. Credit Risk (Cont'd)

4.5 Credit Quality of Gross Financing and Advances (Cont'd)

Table (i)-(iii) present analysis of the impaired financing and advances of the Group and the Bank and the related impairment allowances by the following:

(i) Economic purpose
(ii) Geographical
(iii) Movement in ECL for financing and advances.

(i) Impaired Financing and Advances by Economic Purpose.

Group and Bank 31 December 2022	Impaired Financing and Advances RM'000	Impairment 1 Jan RM'000	Net Charge RM'000	Amount Written Off/Other Movement RM'000	Total Impairment Allowances for Financing and Advances RM'000
Working capital	37,570	70,624	(131)	(333)	70,160
Personal use	14,771	29,449	47,812	(13,148)	64,113
Purchase of properties-residential	8,349	6,852	2,258	(1,194)	7,916
Charged Card	106	112	(23)	-	88
Purchase of transport vehicle	52	741	(188)	(259)	294
	60,849	107,777	49,727	(14,933)	142,571

Group and Bank 31 December 2021	Impaired Financing and Advances RM'000	Impairment 1 Jan RM'000	Net Charge RM'000	Amount Written Off/Other Movement RM'000	Total Impairment Allowances for Financing and Advances RM'000
Working capital	40,512	60,985	9,638	-	70,624
Personal use	6,126	40,148	1,366	(12,065)	29,449
Purchase of properties-residential	8,344	5,426	2,403	(978)	6,852
Charged Card	130	138	(22)	(4)	112
Purchase of transport vehicle	362	2,289	(1,542)	(6)	741
	55,474	108,987	11,843	(13,053)	107,777

4. Credit Risk (Cont'd)

4.5 Credit Quality of Gross Financing and Advances (Cont'd)

(ii) Impaired Financing and Advances and the Related Impairment Allowances by Geographical Analysis.

Group and Bank 31 December 2022	Impaired Financing and Advances RM'000	Impairment 1 Jan RM'000	Net Charge RM'000	Amounts Written Off/Other Movement RM'000	Total Impairment Allowances for Financing and Advances RM'000
Malaysia	60,849	107,777	49,727	(14,933)	142,571
	60,849	107,777	49,727	(14,933)	142,571

Group and Bank 31 December 2021	Impaired Financing and Advances RM'000	Impairment 1 Jan RM'000	Net Charge RM'000	Amounts Written Off/Other Movement RM'000	Total Impairment Allowances for Financing and Advances RM'000
Malaysia	55,474	108,987	11,843	(13,053)	107,777
	55,474	108,987	11,843	(13,053)	107,777

4. Credit Risk (Cont'd)

4.4 Credit Quality of Gross Financing and Advances (Cont'd)

(iii) Movements in ECL/impairment allowances for financing and advances:

	Group and Bank	
	Unaudited 31 December 2022 RM'000	**Audited 31 December 2021 RM'000**
ECL Stage 1 & Stage 2		
At 1 January		
Stage 1 ECL	46,580	41,450
Stage 2 ECL	25,304	37,460
Net Stage 1 ECL provided	(2,032)	5,130
Net Stage 2 ECL (written back)/provided	28,461	(12,156)
Closing Balance	98,313	71,884
As % of total gross financing and advances less individual impairment allowances	1.13%	1.19%
ECL Stage 3		
At 1 January	35,893	30,077
Net Stage 3 ECL provided	23,298	18,869
Amount written off	(14,933)	(13,053)
Closing Balance	44,258	35,894

5. Market Risk

Risk Governance

The Assets and Liabilities Committee ("ALCO") supports the BRMCC in market risk management oversight. The ALCO reviews the Group's market risk framework and policies, aligns market risk management with business strategies and planning, and recommends actions to ensure that the market risk remains within established risk tolerance level. Market risk is defined as the risk of loss resulting from changes in market prices and rates, arising principally from customer-driven transactions. The objective of the Group's market risk policies and processes is to obtain the best balance of risk and return while meeting customers' requirements.

Minimum Regulatory Capital Requirements for Market Risk

The following tables present the minimum regulatory capital requirements for market risk of the Group and of the Bank:

Group and Bank	Long position RM'000	Short position RM'000	Risk weighted assets RM'000	Capital requirement RM'000
31 December 2022				
Foreign Currency Risk	6,043	-	6,043	483
Inventory Risk			140,477	11,238
			146,520	11,722
31 December 2021				
Foreign Currency Risk	1,688	-	1,688	135
Inventory Risk			142,981	11,438
			144,669	11,574

5. Market Risk (Cont'd.)

5.1 Profit Rate/Rate of Return Risk in the Banking Book

The following tables present the profit rate risk analysis. The sensitivity factors used are assumptions based on parallel shifts in the key variables and the impact on the re-priced mismatches of assets and liabilities position of the Group and Bank.

(a) Profit rate sensitivity analysis

	Group and Bank			
	31 December 2022		31 December 2021	
	Impact on profit after tax RM'000	Impact on equity RM'000	Impact on profit after tax RM'000	Impact on equity RM'000
+1%	4,414	(61,455)	5,350	(38,707)
- 1%	(4,414)	61,455	(5,350)	38,707

(b) Foreign Currency Sensitivity Analysis

The foreign currency sensitivity represents the effect of the appreciation or depreciation of the foreign currency rates on the consolidated currency position, while other variables remain constant.

	Group and Bank			
	31 December 2022		31 December 2021	
	Impact on loss after tax RM'000	Impact on loss after equity RM'000	Impact on profit after tax RM'000	Impact on loss after equity RM'000
5%	90	90	4	4
-5%	(90)	(90)	(4)	(4)

6. Operational Risk

Operational risk is defined as the risk of loss, whether direct or indirect, to which the Group is exposed due to inadequacy or failure of internal processes or procedures, systems or controls, people or external events, including legal risk and Shariah Non-Compliance risk. Operational risk, in some form, exists in each of the Group's business and support activities and can result in direct and indirect financial loss, regulatory sanctions, customer dissatisfaction and damage to the Group's reputation.

The Group established proper governance and oversight structures, reporting lines and accountabilities for managing operational risk within the management and working levels. For effective operational risk management implementation, the Group has put in place operational risk management policies, procedures, approaches and essential methodologies that enables identification, measurement, monitoring and reporting of inherent and emerging operational risks.

An independent operational risk management function in Risk Management is responsible for overseeing and reviewing the identification and management of major operational risks by business and support functions as well as integrating operational risks group and the bank wide. Risk coordinators are appointed for the embedded risk functions at the business and support functions to facilitate the operational risk management implementation. The day-to-day management of operational risk exposures is through the development and maintenance of comprehensive internal controls and procedures based on segregation of duties, independent checks, segmented system access control and multi-tier authorisation processes within the respective business and operational functions in the Group.

Minimum Regulatory Capital Requirements for Operational Risk

The following table presents the minimum regulatory capital requirements for Operational Risk for the Group and Bank, computed using Basic Indicator Approach:

	Group and Bank			
	31 December 2022		31 December 2021	
	Risk weighted assets RM'000	Capital Requirement RM'000	Risk weighted assets RM'000	Capital Requirement RM'000
Operational Risk	424,706	33,976	382,289	30,583

6. Operational Risk (Cont'd)

Risk Management Approach

(a) Strategy and Processes

The implementation of Operational Risk Management within the Group includes the risk management on the Technology Risk, Fraud Risk, Legal and Regulatory Risk, Product Risk, Outsourcing Risk, Shariah Non-Compliance Risk, Business Resilience and Continuity and other pertinent operational risks relevant to the business and operational functions.

ARBM is committed towards implementing sound practices and effective risk culture for the management and supervision of Operational Risk that drives behaviors to create risk conscious environment in all its business and support activities, new products offering, processes, technology, system, people, regulation and across the organization wherein risks are proactively identified, assessed, measured, monitored, managed and reported in accordance with the ARBM Operational Risk Management policy.

Technology Risk falls under the purview of Chief Information Security Officer (CISO) and follows the same methodology. Among the salient IT Risk principles for the Group are:

- Establish the right tone from the top while defining and enforcing personal accountability and responsibility for managing technology risks.
- IT requirements must always connect to business objectives.
- Align the management of IT risk with overall enterprise risk.
- Implementation of appropriate practices and controls to mitigate risks, including emerging risks such as cyber risks as approved by the Group.

The Group has put in place a disciplined product evaluation process. The Group's product evaluation process is governed by the Product Governance Framework. Each new product or service introduced as well as variations to existing products or services are subject to a rigorous risk review and sign-off process where risks are identified and assessed by divisions' independent of the risk-taking unit that proposes the product or service and reviewed by the Risk Stewards.

The Group continues to direct group-wide efforts to maintain its legal and regulatory compliance culture in all jurisdictions that the Group operates in. The Group seeks to meet the standards and expectations of regulatory authorities through a number of initiatives and activities to support compliance with regulations governing anti-money laundering and counter financing of terrorism.

6. Operational Risk (Cont'd)

Risk Management Approach (Cont'd)

(a) Strategy and Processes (Cont'd)

Fraud risk management is also governed under Operational Risk Management where the main objectives of fraud risk management includes:

- Independently review, identify, assess, measures and manage fraud risk as second line of defense on the Group and the Bank wide basis.
- Enforced responsibility and accountability for the management of fraud risk across the Group and the Bank.
- Ensure governance and management throughout the Group and the Bank via risk culture that promotes a responsible culture of transparency, vigilance, openness, awareness and of being proactive across the Group and the Bank.
- To investigate into allegations of fraud involving branches, head office and subsidiary of ARBM

To further enhance operational risk management in response to threat of external fraud, losses arising from frauds or control lapses are analysed in depth to identify the causes of such losses and to implement remedial actions to prevent recurrence. Analyses of impaired financing attributed to operational lapses are also conducted diligently and the findings are disseminated to all business units as learning points.

The Group manages its outsourcing arrangements through the Outsourcing Policy and Guidelines on Outsourcing Activities which stipulate the requirements and the operating procedures to be observed in managing activities that are outsourced to third party service providers. This is to ensure that the risks associated with outsourcing activities are managed effectively.

Disaster recovery and business continuity plans are put in place as an integral part of the Group's strategy to mitigate risk and manage the impact of loss events. Where appropriate, the Group mitigates risk of high impact loss events by relevant takaful coverage.

The Group protects and ensures information security through continuous assessment of the security features on all computer platforms and network infrastructure, and implementation of appropriate security controls to protect against the misuse or compromise of information assets. In addition, the Group continues to undertake initiatives to maintain 100% systems availability and robust system performance in the Group's computer systems, peripherals and network infrastructure to ensure uninterrupted transmission.

6. Operational Risk (Cont'd)

Risk Management Approach (Cont'd)

(b) Tools and Methods for Risk Mitigation

The Group had established, among others, the following tools for sound practices and effective implementation of operational risk management within the bank:

- Risk and Control Self-Assessment ("RCSA") – to enhance management assessment of the state of the risk and control environment.
- Branch Risk and Control Self-Assessment ("BRCSA") – to evaluate and assess the operational risks and control effectiveness at branches.
- Scenario Analysis assessment – Allows the bank to better understand its risk profile and allocate risk management resources and strategies most effectively.
- Risk Assessments templates for material products and services, process and activities within the bank.
- Key Risk Indicators ("KRI") – to collect statistical data on an ongoing basis to facilitate early detection of Key operational risk and control deficiencies.
- Operational risk incident reporting and data collection – to facilitate an enhanced analysis and timely reporting of operational risk data which are useful in assessing the Group's operational risk exposure and in strengthening the internal control environment.

The Group employs the following key methods to mitigate its operational risk:

- System of internal controls based on segregation of duties, independent checks, segmented system access control and multi-tier authorisation processes as per ARBM Delegation Authority Matrix;
- Documented operational risk management policies and procedural manuals to mitigate errors by users;
- Processes to ensure compliance with internal policies, guidelines, controls and procedures and appropriate punitive actions are taken against errant staff;
- Periodic review and enhancement of operational risk limits and controls strategies;
- Disaster recovery and business continuity plans put in place to mitigate risk and manage the impact of loss events.
- Takaful coverage to mitigate risk of high impact loss events, where appropriate.
- Review of outsourcing activities to ensure that the product and services adhere to the terms and conditions in the service agreement and that their integrity and service quality are not compromised.
- Review operational readiness for product or services to ensure that the product and services has met all the regulatory requirements prior to product launching and offering to public.

6. Operational Risk (Cont'd)

Risk Management Approach (Cont'd)

(c) Reporting

Reporting forms an essential part of operational risk management. The Group's risk management processes are designed to ensure that operational issues are identified, escalated and managed on a timely manner.

Operational risk areas for the key business and control units are reported through periodic operational risk management reports, which provide analyses and action plans for each significant business operation. The operational risk areas considered include premises controls and safety, losses due to fraud or control lapses, system availability, disaster recovery and business continuity plan simulations, outsourcing arrangements and legal actions taken against the Group. The operational risk management reports are tabled to the Operational Risk Committee ("ORC") and the ERMC for deliberations.

7. Shariah Non-Compliance Risk and Governance

The Group practice a zero risk appetite policy for non-adherence to the Shariah requirements, Shariah Standards, resolutions and rulings set out by BNM Shariah Advisory Council, Securities Commission Shariah Advisory Council, ARBM Shariah Board and any other relevant Shariah authority as determined by ARBM Shariah Board. The Shariah Non-Compliance ("SNC") risk is managed according to the Group's and the Bank's Enterprise Risk Management Framework and Shariah Risk Management Policy under the auspices of Shariah Governance Policy Document ("SGPD") of the Group.

The risk methodology provides structural process in mitigating the risk of SNC while promoting risk awareness culture at all levels. Shariah Risk Management Policy, amongst others, prescribes the core requirement of Shariah compliance concerning the Group's operation and activities. Whereas SGPD sets out the Group's Shariah governance structure, process and arrangements including the functions of internal Shariah control function.

The Group's Shariah Board is responsible and accountable for all its decision, views and opinions related to Shariah matters. The Shariah Board is expected to endorse Group's policies and procedures relating to Shariah matters to ensure the contents do not contain any elements which are not in line with Shariah. The Shariah Board is preceded by qualified members who deliberate and endorse all Shariah matters with full independence as prescribed in the SGPD.

7. Shariah Non-Compliance Risk and Governance (Cont'd)

The Board of Directors ("BOD") have an oversight on Shariah Compliance aspects of the Group's overall operations and is ultimately responsible for the establishment of an appropriate Shariah Governance Policy Document ("SGPD") for the Group.

The Management shall be responsible for observing and implementing Shariah standards and decisions made by the Shariah Advisory Council of Bank Negara Malaysia and the Group's Shariah Board respectively. The Management is also responsible to ensure the effective implementation and maintenance of Shariah risk management policies, processes and control are clearly set out and supported by effective reporting and escalation procedures.

7.1 Shariah Control Function Comprising Shariah Compliance Review, Shariah Audit and Shariah Risk Management.

Shariah Control function comprises of Shariah Compliance Review, Shariah Risk Management and Shariah Audit in discharging duties as per governed by SGPD of the Group in managing Shariah Non-Compliance as the second and third line of defense respectively. Nevertheless, business units and support units are the first line of defense in managing Shariah Non-Compliance Risks.

a) Shariah Compliance Review function as second line of defense refers to regular assessment on Shariah compliance in the activities and operations of the Group with the objective of ensuring that the activities and operations carried out in the Group do not contravene with the Shariah requirements set by the Group's and Shariah Board and Shariah Advisory Council of Bank Negara Malaysia.

b) Shariah Risk Management as the second line of defense function that systematically identifies, measures, monitors and reports Shariah non-compliance risks in operations, business, affairs, and activities of the bank as governed by internal policy and guidelines.

c) Shariah Audit as third line of defense refers to periodical assessment conducted from time to time, to provide an independent assessment and objective assurance in relation to the Group's action, operation, business and activities ensuring a sound and effective internal control system for Shariah compliance including to verify the business or support units are in compliance with the decisions endorsed by the Shariah Board. Any incidences of Shariah non-compliance are reported to both the Shariah Board and the Board Audit Committee.

7.1 Shariah Control Function Comprising Shariah Compliance Review, Shariah Audit and Shariah Risk Management. (Cont'd)

For any possible Shariah non-compliance findings regardless resulting from Shariah Compliance Review and Shariah Audit exercise or self-identified by business unit or support unit, incidences are discussed, reviewed, decided and reported to management, Board of Directors, Shariah Board and BNM accordingly as per guided by BNM as well as Group's internal policies and guidelines where applicable.

When the Group becomes aware of carrying on any of its business, affair or activity in a manner which is not in compliance with Shariah or the advice of the Group's Shariah Board or the advice or ruling of the BNM Shariah Advisory Council, the bank shall immediately cease from carrying on such business, affairs or activity and from taking on any other similar business, affairs or activity. Remedial actions to be taken on immediate basis in rectifying the SNC event and submit rectification plan to BNM as approved by Board of Directors and Shariah Board within thirty days of becoming aware of such non-compliance.

Rectification Process of Shariah Non-Compliant Income during Period under Review

There is no Shariah Non-Compliance ("SNC") event reported for the financial year under review and there is no financial impact that was due to SNC. If there is any income purification required, the rectification process and proper distribution of the tainted income will be according to the Group's Guideline on Income Purification which in line with requirements set by Shariah Board Ruling No.70 on Management of Purification Account.

CHIEF EXECUTIVE OFFICER ATTESTATION

Capital Adequacy Framework for Islamic Banks (CAFIB) – Disclosure Requirement

In accordance with Bank Negara Malaysia's Capital Adequacy Framework for Islamic Banks (CAFIB) – Disclosure Requirements (Pillar 3), I hereby attest that to the best of my knowledge, the disclosures contained in Al Rajhi Banking & Investment Corporation (Malaysia) Bhd's Pillar 3 Disclosures report for the financial year ended 31 December 2022 are consistent with the manner in which the Group and the Bank assesses and manages its risk, and are not misleading in any particular way.

For and on behalf of,
Al Rajhi Banking & Investment Corporation (Malaysia) Berhad

ARSALAAN AHMED
Chief Executive Officer