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

Basel II - Pillar 3 Disclosure
As at 31 December 2020

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's ("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, https://www.alrajhibank.com.my

The following tables present the minimum regulatory capital requirements to support the Group's and the Bank's risk-weighted assets.

	Group and Bank			
	31 Dec 2020		31 Dec 2019	
	Risk-Weighted Assets	Capital Requirement	Risk-Weighted Assets	Capital Requirement
	RM'000	RM'000	RM'000	RM'000
Credit Risk	5,011,660	400,934	5,161,016	412,881
Market Risk	156,534	12,523	173,339	13,867
Operational Risk	360,862	28,869	368,432	29,475
Total	5,529,056	442,326	5,702,786	456,223

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 Bank has adequate capital that is commensurate with the Bank'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 Committee ("BRMC") are responsible for ensuring that the Group and the Bank maintains an appropriate level and quality of capital in line with the Group's and the Bank'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 ("RMD") is responsible for monitoring and reporting of the ICAAP, including comparing actual capital levels with the capital targets and the relevant analysis and recommendation. Meanwhile, Finance Division and respective business units with the inputs of RMD are responsible for preparing the current capital position and also the business plan and financial projections for the next three years.

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 is exposed to.

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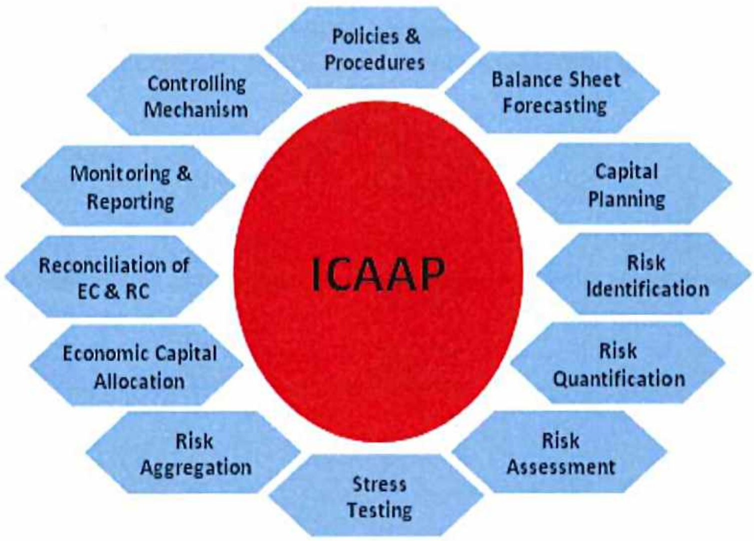
2. Capital Management (Cont'd.)

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

مصرف الراجحي
Al Rajhi Bank

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2. Capital Management (Cont'd.)

2.2 Capital Adequacy Ratios and Capital Structure

The following tables present the capital adequacy ratios and the capital structure of the Group and the Bank. As at 31 December 2020, the Group's and the Bank's Tier 1 and total capital adequacy ratios were higher than BNM's minimum requirements.

	Group		Bank	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	RM'000	RM'000	RM'000	RM'000
Tier-1 capital				
Paid-up share capital	1,000,000	1,000,000	1,000,000	1,000,000
Accumulated losses	(309,340)	(246,635)	(309,511)	(246,848)
	690,660	753,365	690,489	753,152
Less: Deferred tax	(49,497)	(49,496)	(49,497)	(49,497)
Total Tier-1 capital	**641,163**	**703,869**	**640,992**	**703,655**
Tier-2 capital				
Collective impairment for impairment loss on non-impaired financing	62,646	54,899	62,646	54,899
Subordinated Sukuk	321,294	381,881	321,294	381,881
Total Tier-2 capital	**383,940**	**436,780**	**383,940**	**436,780**
Capital base	**1,025,103**	**1,140,649**	**1,024,932**	**1,140,435**
Core capital ratio	11.596%	12.343%	11.593%	12.339%
Risk-weighted capital ratio	18.540%	20.002%	18.537%	19.998%

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 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 2020.

مصرف الراجحي
Al Rajhi Bank

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4. Credit Risk

Credit risk is the potential loss of revenue as a result of defaults by borrowers 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 restructuring of problematic and delinquent financing. The management of counterparties are guided by counterparty limit, 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 Dec 2020		31 Dec 2019	
	Risk Weighted Assets	Capital Requirement	Risk Weighted Assets	Capital Requirement
Exposure Class	RM'000	RM'000	RM'000	RM'000
Credit Risk				
On-Balance Sheet Exposures				
Sovereigns/Central Banks	-	-	-	-
Banks, Development Financial Institutions ("DFIs") & MDBs	199,109	15,929	237,143	18,971
Corporate	3,757,835	300,627	3,875,083	310,007
Regulatory Retail	179,372	14,350	217,209	17,377
Residential Real Estate (RRE) Financing	375,710	30,057	393,502	31,480
Higher Risk Asset	2,094	168	749	60
Other assets	74,920	5,994	86,745	6,940
Defaulted Exposures	17,115	1,369	23,443	1,875
Total for On-Balance Sheet Exposures	**4,606,155**	**368,494**	**4,833,874**	**386,710**

4. Credit Risk (Cont'd.)

Risk Governance

The ERMC supports the BRMC in credit risk management oversight. ERMC and BRMC review 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 group-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 granting to retail consumers is individually underwritten, which amongst others, includes the assessment of the historical payment track record and the current payment 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.

4. Credit Risk (Cont'd.)

Risk Management Approach (Cont'd.)

(b) Corporate Financing and advances

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

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, 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 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.

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 2020									
Household	-	-	-	-		1,375,897	-	-	1,375,897
Wholesale & retail trade	-	-	155	14,036		1,065,935	-	-	1,080,126
Real estate, renting and business activities	-	-	-	-		887,585	-	-	887,585
Manufacturing	-	-	-	-		842,912	-	-	842,912
Construction	-	-	-	-		522,713	-	-	522,713
Finance intermediation	80,991	378,940	-	725,059	647,547	12,969	7,217	-	1,852,723
Education, health and others	-	-	-	-		68,317	-	-	68,317
Agriculture, hunting and related service activities	-	-	-	-		101,367	-	-	101,367
Hotel & restaurant	-	-	-	-		41,223	-	-	41,223
Transportation	-	-	-	-		42,985	-	-	42,985
Mining and quarrying	-	-	-	-		24,754	-	-	24,754
Other business	-	-	-	-		67,596	-	18,752	86,348
Total	80,991	378,940	155	739,095	647,547	5,054,253	7,217	18,752	6,926,950

4. Credit Risk (Cont'd.)

4.1 Distribution of Credit Exposures (Cont'd.)

(a) Industry Analysis (Cont'd.)

Group and Bank	Cash and Short term funds RM'000	Deposits and placements with other 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 Dec 2019									
Household	-	-	-	-	-	1,485,265	-	-	1,485,265
Wholesale & retail trade	-	-	34	18,270	-	1,080,172	-	-	1,098,476
Real estate, renting and business activities	-	-	-	-	-	780,908	-	-	780,908
Manufacturing	-	-	-	-	-	931,737	-	-	931,737
Construction	-	-	-	-	-	615,200	-	-	615,200
Finance intermediation	237,229	389,862	-	725,856	313,663	26,197	135,900	-	1,828,707
Education, health and others	-	-	-	-	-	104,102	-	-	104,102
Agriculture, hunting and related service activities	-	-	-	-	-	79,886	-	-	79,886
Hotel & restaurant	-	-	-	-	-	40,541	-	-	40,541
Transportation	-	-	-	-	-	38,692	-	-	38,692
Mining and quarrying	-	-	-	-	-	14,721	-	-	14,721
Other business	-	-	-	-	-	69,447	-	18,678	88,125
Total	237,229	389,862	34	744,126	313,663	5,266,868	135,900	18,678	7,106,360

4. Credit Risk (Cont'd.)

4.1 Distribution of Credit Exposures (Cont'd.)

(b) Geographical Analysis

Group and Bank	Malaysia	Saudi Arabia	Other countries	Total
	RM'000	RM'000	RM'000	RM'000
31 December 2020				
Cash and short term funds	32,816	9,447	38,728	80,991
Deposits and placement with banks and other financial instituitions	-	54,534	324,406	378,940
Derivatives assets	155	-	-	155
Financial investments at amortised cost	739,095	-	-	739,095
Financial investments at fair value through other comprehensive income (FVOCI)	647,547	-	-	647,547
Net financing and advances	5,054,253	-	-	5,054,253
Statutory deposits with BNM	7,217	-	-	7,217
Other assets	18,752	-	-	18,752
Total	6,499,835	63,981	363,134	6,926,950

Group and Bank	Malaysia	Saudi Arabia	Other countries	Total
	RM'000	RM'000	RM'000	RM'000
31 December 2019				
Cash and short term funds	205,921	7,675	23,633	237,229
Deposits and placement with banks and other financial instituitions	-	-	389,862	389,862
Derivatives assets	34	-	-	34
Financial investments at amortised cost	744,126	-	-	744,126
Financial investments at fair value through other comprehensive income (FVOCI)	313,663	-	-	313,663
Net financing and advances	5,266,868	-	-	5,266,868
Statutory deposits with BNM	135,900	-	-	135,900
Other assets	18,678	-	-	18,678
Total	6,685,190	7,675	413,495	7,106,360

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 2020					
Cash and short term funds	80,991	-	-	-	80,991
Deposit and placement with bank and other financial institutions	378,940	-	-	-	378,940
Hedging financial instruments	155	-	-	-	155
Financial investments at fair value through other comprehensive income ("FVOCI")	-	20,000	225,000	402,547	647,547
Financial investments at amortised cost	14,036	-	-	725,059	739,095
Net financing and advances	2,505,389	261,577	327,835	1,959,454	5,054,254
Statutory deposits with BNM	7,217	-	-	-	7,217
Other assets	18,752	-	-	-	18,752
Total	3,005,479	281,577	552,835	3,087,059	6,926,950

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 2019					
Cash and short term funds	237,229	-	-	-	237,229
Deposit and placement with bank and					-
other financial institutions	389,862	-	-	-	389,862
Hedging financial instruments	34	-	-	-	34
Financial investments at fair value through					-
other comprehensive income ("FVOCI")	-	-	-	313,663	313,663
Financial investments at amortised cost	18,270	-	-	725,856	744,126
Net financing and advances	2,542,311	230,631	352,313	2,141,612	5,266,868
Statutory deposits with BNM	135,900	-	-	-	135,900
Other assets	18,678	-	-	-	18,678
Total	3,342,285	230,631	352,313	3,181,131	7,106,360

4. Credit Risk (Cont'd.)

4.2 Off-Balance Sheet Exposures

Off-balance sheet exposures of the Group are mainly from the following:

- Financial guarantees and standby letters of credit, which represent undertaking that the Group will make payments in the event that a customer cannot meet its obligations to third parties. These exposures carry the same credit risk as financing even though are contingent in nature
- Documentary and commercial letters of credits, which are undertakings by the Group on behalf of the customer. These exposure are usually collateralized by the underlying shipment of goods to which they relate
- Commitments to extend credit including the utilized or undrawn portions of credits facilities
- Principal/notional amount of derivative financial instruments

Disclosure on Off Balance Sheet Exposures

Group and Bank	31 Dec 2020			31 Dec 2019		
	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	120,496	60,248	60,248	86,397	43,198	43,198
Trade-related contigencies	6,522	1,304	1,304	691	138	138
Irrevocable commitments to extent credit:						
-Maturity no exceeding one year	1,400,231	279,997	276,335	1,190,241	238,029	230,534
-Maturity exceeding one year	135,078	67,521	67,618	103,824	51,909	52,006
Unutilised charge card lines	-	-	-	8,438	1,688	1,266
	1,662,327	409,070	405,505	1,389,591	334,962	327,142

4. Credit Risk (Cont'd.)

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:

(a) for home financing – charges over the properties
(b) for shop-house financing – charges over the properties
(c) for motor vehicle financing – charges over the vehicles financed
(d) for corporate financing – charges over business assets such as premises or deposit.

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. Eligible financial collateral consists primarily of cash. The Group does not have any credit exposure which is reduced through the application of other eligible collateral.

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4. Credit Risk (Cont'd.)

4.3 Credit Risk Mitigation (Cont'd.)

Group and Bank	31 Dec 2020		31 Dec 2019	
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	1,274,686	-	1,183,402	-
Banks, Development Financial Institutions & MDBs	427,131	-	600,924	-
Corporate	4,068,242	901,546	4,071,026	869,212
Regulatory Retail	239,362	1,000	290,612	1,001
Residential Real Estate (RRE) Financing	845,484	-	894,211	-
Higher Risk assets	1,396	-	499	-
Other assets	92,728	-	106,980	-
Defaulted Exposures	23,124	-	28,790	-
Total for On-Balance Sheet Exposures	6,972,153	902,546	7,176,444	870,213
Off-Balance Sheet Exposures				
Off-balance sheet exposures other than OTC derivatives or credit derivatives	409,070	-	334,962	-
Total for Off-Balance Sheet Exposures	409,070	-	334,962	-
Total On and Off-Balance Sheet Exposures	7,381,223	902,546	7,511,406	870,213

4. Credit Risk (Cont'd.)

4.4 Assignment of Risk Weight for Portfolios under the Standardised Approach

The Bank assesses credit quality of financing and advances using an external rating technique tailored to the various categories of products and counter parties. These technique have been developed internally and combines statistical analysis with credit officer's judgment.

External 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), Moody's, Fitch, and Japan Credit Rating Agency (JCR).
- 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), Moody's, Fitch, and Japan Credit Rating Agency (JCR).

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

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 31 December 2020	Disclosure on Rated Exposures according to Rating by ECAIs										
	AAA RM'000	AA+ RM'000	AA RM'000	A+ RM'000	A RM'000	A- RM'000	BBB+ RM'000	BBB RM'000	BBB- RM'000	Unrated RM'000	Total RM'000
Exposure Class											
<u>On and Off Balance-Sheet Exposures</u>											
<u>Credit Exposure - Standardised Approach</u>											
Sovereigns/Central Banks	-	-	-	-	-	1,274,686	-	-	-	-	1,274,686
Banks, DFIs & MDBs	-	-	-	65,777	1,648	31,653	4,539	1,009	341	325,056	430,023
Corporate	-	-	-	-	-	-	-	-	-	4,488,074	4,488,074
Regulatory Retail	-	-	-	-	-	-	-	-	-	245,459	245,459
Residential Real Estate (RRE) Financing	-	-	-	-	-	-	-	-	-	848,664	848,664
Total Higher Risk Assets	-	-	-	-	-	-	-	-	-	1,590	1,590
Other assets	-	-	-	-	-	-	-	-	-	92,727	92,727
Total	-	-	-	65,777	1,648	1,306,339	4,539	1,009	341	6,001,570	7,381,223

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 2019	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	-	-	-	-	-	1,183,402	-	-	-	-	1,183,402
Banks, DFIs & MDBs	-	-	-	190,387	868	19,358	4,684	307	632	387,554	603,790
Corporate	-	-	-	-	-	-	-	-	-	4,421,043	4,421,043
Regulatory Retail	-	-	-	-	-	-	-	-	-	294,175	294,175
Residential Real Estate (RRE) Financing	-	-	-	-	-	-	-	-	-	901,324	901,324
Total Higher Risk Assets	-	-	-	-	-	-	-	-	-	693	693
Other assets	-	-	-	-	-	-	-	-	-	106,979	106,979
Total	-	-	-	190,387	868	1,202,760	4,684	307	632	6,111,768	7,511,406

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 2020

Risk weights	Exposures after netting and credit risk mitigation ("CRM")								
	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 risk weighted assets RM'000
Performing Exposures									
0%	1,274,686	-	-	-	-	-	17,808	1,292,494	-
20%	-	51,083	205,382	-	-	-	-	256,465	51,293
35%	-	-	-	-	391,461	-	-	391,461	137,011
50%	-	378,940	-	-	427,018	-	-	805,958	402,979
75%	-	-	-	244,558	7,258	-	-	251,816	188,862
100%	-	-	4,117,348	-	19,746	-	74,920	4,212,014	4,212,014
150%	-	-	-	-	-	1,590	-	1,590	2,386
Total	1,274,686	430,023	4,322,730	244,558	845,483	1,590	92,728	7,211,798	4,994,545
Defaulted Exposures									
35%	-	-	-	-	-	-	-	-	-
50%	-	-	11,741	78	3,180	-	-	14,999	7,500
100%	-	-	4,522	623	-	-	-	5,145	5,145
150%	-	-	2,980	-	-	-	-	2,980	4,470
Total	-	-	19,243	701	3,180	-	-	23,124	17,115
Total Performing and Defaulted	1,274,686	430,023	4,341,973	245,259	848,663	1,590	92,728	7,234,922	5,011,660

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 2019

	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 risk weighted assets** RM'000
Performing Exposures									
0%	1,183,402	-	-	-	-	-	20,233	1,203,635	-
20%	-	213,927	76,420	-	-	-	-	290,347	58,069
35%	-	-	-	-	429,129	-	-	429,129	150,195
50%	-	389,862	-	-	439,580	-	-	829,442	414,721
75%	-	-	-	292,908	7,942	-	-	300,850	225,638
100%	-	-	4,183,605	-	17,560	-	86,745	4,287,910	4,287,910
150%	-	-	-	-		693	-	693	1,040
Total	1,183,402	603,789	4,260,025	292,908	894,211	693	106,978	7,342,006	5,137,573
Defaulted Exposures									
35%	-	-	-	-	-	-	-	-	-
50%	-	-	12,449	46	7,113	-	-	19,608	9,804
100%	-	-	-	220	-	-	-	220	220
150%	-	-	8,946	-	-	-	-	8,946	13,419
Total	-	-	21,395	266	7,113	-	-	28,774	23,443
Total Performing and Defaulted	1,183,402	603,789	4,281,420	293,174	901,324	693	106,978	7,370,780	5,161,016

4. Credit Risk (Cont'd.)

4.5 Credit Quality of Gross Financing and Advances

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

Gross Financing, Advances and Financing by Credit Quality

	Group and Bank	
	31 Dec 2020	31 Dec 2019
	RM'000	RM'000
Neither past due nor impaired	4,996,725	5,133,884
Past due but not impaired	134,219	159,092
Impaired	53,413	62,574
Gross financing and advances	5,184,357	5,355,550
Ratio of net impaired financing and advances to gross financing and advances less individual impairment allowances	0.45%	0.54%

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 39(c)(vi) to the financial statements.

4. Credit Risk (Cont'd.)

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

(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.

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

	Group and Bank	
	31 Dec 2020	**31 Dec 2019**
	RM'000	RM'000
Purchase of property – residential property	86,916	124,911
Personal use	42,496	27,686
Purchase of transport vehicles	3,431	4,503
Purchase of shop-house	1,376	1,930
Charge card	-	62
	134,219	159,092

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

	Group and Bank	
	31 Dec 2020	**31 Dec 2019**
	RM'000	RM'000
Malaysia	134,219	159,092
	134,219	159,092

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

	Group and Bank	
	31 Dec 2020	**31 Dec 2019**
	RM'000	RM'000
1 day to < 1 month	92,314	110,911
1 month to < 2 month	32,050	40,857
2 month to < 3 month	9,855	7,324
	134,219	159,092

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 a 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 recognized.

- 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 recognized.

- 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 recognized.

4. Credit Risk (Cont'd)

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

(c) Impaired Financing and Advances (Cont'd.)

The movements in the allowance for impairment losses of financing and advances during the financial period are as follows:

	Group and Bank	
	31 Dec 2020	31 Dec 2019
	RM'000	RM'000
At 1 January	88,682	99,150
Impairment loss recognised during the year	31,826	3,223
Impairment written-off	(11,521)	(13,691)
Closing balance	108,987	88,682

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) Reconciliation of allowance for impaired financing and advances

4. Credit Risk (Cont'd.)

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

(i) Impaired Financing and Advances and the Related Impairment Allowances by Economic Purpose

Group and Bank 31 Dec 2020	**Impaired Financing and Advances** RM'000	**Impairment 1 Jan** RM'000	**Net Charge for the year** RM'000	**Amount Written Off/Other Movement** RM'000	**Total Impairment Allowances for Financing and Advances** RM'000
Working capital	40,642	58,937	2,047	-	60,984
Personal use	6,209	22,617	26,519	(8,988)	40,148
Purchase of properties-residential	6,248	6,212	1,536	(2,322)	5,426
Charged Card	157	314	(119)	(56)	139
Purchase of transport vehicle	157	602	1,843	(155)	2,290
	53,413	88,682	31,826	(11,521)	108,987

Group and Bank 31 Dec 2019	**Impaired Financing and Advances** RM'000	**Impairment 1 Jan** RM'000	**Net Charge for the year** RM'000	**Amount Written Off/Other Movement** RM'000	**Total Impairment Allowances for Financing and Advances** RM'000
Working capital	42,496	78,600	(17,843)	(1,820)	58,937
Personal use	7,192	15,100	17,233	(9,716)	22,617
Purchase of properties-residential	12,060	4,473	3,338	(1,600)	6,212
Charged Card	314	184	164	(35)	314
Purchase of transport vehicle	513	793	330	(520)	602
	62,574	99,150	3,223	(13,691)	88,682

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 Dec 2020	**Impaired Financing and Advances** RM'000	**Impairment 1 Jan** RM'000	**Net Charge for the Year** RM'000	**Amounts Written Off/Other Movement** RM'000	**Total Impairment Allowances for Financing and Advances** RM'000
Malaysia	53,413	88,682	31,826	(11,521)	108,987
	53,413	88,682	31,826	(11,521)	108,987

Group and Bank 31 Dec 2019	**Impaired Financing and Advances** RM'000	**Impairment 1 Jan** RM'000	**Net Charge for the Year** RM'000	**Amounts Written Off/Other Movement** RM'000	**Total Impairment Allowances for Financing and Advances** RM'000
Malaysia	62,574	99,150	3,223	(13,691)	88,682
	62,574	99,150	3,223	(13,691)	88,682

Al Rajhi Bank

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4. Credit Risk (Cont'd.)

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

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

	Group and Bank	
	31 Dec 2020	**31 Dec 2019**
	RM'000	RM'000
ECL/ Collective assessment allowance		
At 1 January		
Stage 1 ECL	29,854	33,982
Stage 2 ECL	25,044	32,150
Stage 1 ECL provided during the financial year	11,596	(4,128)
Stage 2 ECL provided during the financial year	12,416	(7,105)
At 31 December	78,910	54,899
As % of total gross financing and advances less individual impairment allowances	1.53%	1.03%
ECL/ Individual assessment allowance		
At 1 January	33,783	33,018
Stage 3 ECL provided during the financial year	7,814	14,456
Amount written off	(11,521)	(13,691)
At 31 December	30,077	33,783

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4. Credit Risk (Cont'd.)

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

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

Group and Bank	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January 2020	29,854	25,045	33,783	88,682
Changes due to financial assets recognised in the opening balance:				
- Transferred to 12-mth ECL	10,612	(9,197)	(1,415)	-
- Transferred to Lifetime ECL not credit impaired	(209)	994	(785)	-
- Transferred to Lifetime ECL credit impaired	(37)	(800)	837	-
Financing derecognised				-
during the year (other than write-offs)	(5,528)	(687)	(499)	(6,714)
Write-offs	-	-	(11,521)	(11,521)
New Financing originated/ purchased	6,479	2,394	159	9,032
Changes due to change in credit risk	(9,759)	15,351	9,174	14,766
Allowance made/ (written back), net	10,038	4,360	344	14,742
At 31 December 2020	**41,450**	**37,460**	**30,077**	**108,987**

5. Market Risk

Risk Governance

The Assets and Liabilities Committee ("ALCO") supports the BRMC 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	**Minimum Capital Requirement** RM'000
31 Dec 2020				
Foreign Currency Risk	1,867	-	1,867	149
Inventory Risk			154,667	12,373
			156,534	12,523
31 Dec 2019				
Foreign Currency Risk	2,189	-	2,189	175
Inventory Risk			171,150	13,692
			173,339	13,867

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 bank.

(a) Profit rate sensitivity analysis

	Group and Bank			
	31 Dec 2020		31 Dec 2019	
	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%	3,523	(36,504)	3,068	(41,214)
-1%	(3,523)	36,504	(3,068)	41,214

(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 Dec 2020		31 Dec 2019	
	Impact on profit after tax RM'000	Impact on equity RM'000	Impact on profit after tax RM'000	Impact on equity RM'000
5%	36	36	108	108
-5%	(36)	(36)	(108)	(108)

6. Operational Risk

Operational risk is defined as the risk of loss, whether direct or indirect, to which the Bank 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 Bank's business and support activities and can result in direct and indirect financial loss, regulatory sanctions, customer dissatisfaction and damage to the Bank's reputation

The Group established a 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 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 authorization processes within the respective business and operational functions in the Bank.

Minimum Regulatory Capital Requirements for Operational Risk

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

	Group and Bank			
	31 Dec 2020		31 Dec 2019	
	Risk weighted assets RM'000	Capital Requirement RM'000	Risk weighted assets RM'000	Capital Requirement RM'000
Operational Risk	360,862	28,869	368,432	29,475

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.

Technology Risk falls under the purview of Operational Risk Management and therefore follows the same methodology. Among the salient IT Risk principles for the Bank 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 Bank.

The Group has put in place a disciplined product evaluation process. The Group's product evaluation process is governed by the Group's New Product Development Policy and Guideline on New Product Development. 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.

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 a bank wide basis.
- Enforced responsibility and accountability for the management of fraud risk across the bank.
- Ensure governance and management throughout the bank via risk culture that promotes a responsible culture of transparency, vigilance, openness, awareness and off being proactive across the bank.
- To investigate into allegations of fraud involving branches, head office and subsidiaries of ARBM.

To further enhance operational risk management in response to threat of external fraud, losses arising from frauds or control lapses are analyzed 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 activities 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

6. Operational Risk (Cont'd.)

Risk Management Approach (Cont'd)

(a) Strategy and Processes (Cont'd)

Group's computer systems, peripherals and network infrastructure to ensure uninterrupted transmission.

(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.
- 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.
- 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 services providers adhere to the terms and conditions in the service agreement and that their integrity and service quality are not compromised.

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 Working Committee ("ORWC"), Operational Risk Committee ("ORC") and the ERMC for deliberations.

7. Shariah Non-Compliance Risk and Governance

Shariah Non-Compliance ("SNC") Risk arises from the Bank's failure to comply with the Shariah ruling and principles as determined by the Shariah Board of the Bank or Shariah Advisory Council of Bank Negara Malaysia (on advice of Shariah Board).

The Bank practice a zero risk appetite policy for non-adherence to the Shariah requirement, resolution and ruling set out by the relevant Shariah authority. The SNC risk is managed according to the Bank's Risk Management Framework and Shariah Risk Management Policy under the auspices of Shariah Governance Framework ("SGF") of the Bank. The risk methodology provides structural process in mitigating the risk of SNC while promoting risk awareness culture at all level. Shariah Risk Management Policy, amongst others, prescribes the core requirement of Shariah compliance concerning the Bank's operation and activities. Whereas SGF sets out the Bank's governance structure, process and arrangements including the functions of internal Shariah.

The Shariah Board is responsible and accountable for all its decision, views and opinions related to Shariah matters. The Shariah Board is expected to endorse bank'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 SGF.

Meanwhile, Board of Directors ("BOD") is expected to have an oversight on Shariah Compliance aspects of the Bank's overall operations. The Board is ultimately responsible for the establishment of an appropriate Shariah governance framework of the Bank.

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 Shariah Board of the Bank respectively. The Management is also responsible to ensure that responsibilities for 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. Shariah Non-Compliance Risk and Governance (Cont'd.)

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

Shariah Control function comprises of Shariah Compliance Review, Shariah Audit and Shariah Risk Management where all Shariah issues and findings will be deliberated at Shariah Supervisor before presenting to Shariah Board.

a) The Shariah Compliance Review function refers to regular assessment on Shariah compliance in the activities and operations of the Bank with the objective of ensuring that the activities and operations carried out by the Bank do not contravene with the

Shariah requirement of the Bank and Shariah Advisory Counsel of Bank Negara Malaysia.

b) The Shariah Risk Management process is established to systematically identify, measure, monitor and control of Shariah non-compliance risks in the bank to mitigate any possible Shariah Non-Compliance events for all bank's activities. The function is supported by the establishment of the Shariah Risk Working Committee which is responsible for developing and/or enhancing the capability of the Bank in managing Shariah non-compliance risk and recommending them to the higher authorities for further deliberation and decision.

c) The Shariah Audit refers to periodical assessment conducted from time to time, to provide an independent assessment and objective assurance designed to add value and improve the degree of compliance in relation to the Bank's action, operation, business and activities with the main objective of 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.

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

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

(d) Shariah Audit to inform the incident owner to raise the SNC Reporting Form, and follow through the process of SNC Reporting. Shariah Audit also to provide recommendations on the rectification measures taken as well as follow–up on the implementation by the Bank.

In addition, the independent assessment is performed periodically by internal Shariah Audit to verify that the operations conducted by 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.

Remedial actions to be taken on immediate basis in rectifying the SNC event and cease the operations which is deemed as SNC, including but not limited to the immediate termination of the Shariah non-compliant products or services to address Shariah non-compliant income or activities. Rectification plans proposed to rectify the SNC shall be approved by the Shariah Board and the Board of Directors.

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

There is nil Shariah Non-Compliance ("SNC") event and hence there is no financial impact due to SNC event for the financial period under review. The process of SNC Reporting as well as SNC Income Purification is in place and well documented in the bank which is subject to updates from time to time. Should there be any SNC events being detected which requires income purification, the rectification process and proper distribution of purification income will be according to the Shariah parameters stipulated in Shariah Board Ruling No.70 on Management of Purification Account and the Bank's Guideline on Income Purification.

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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 period ended 31 December 2020 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