

J.P.Morgan

J.P. MORGAN CHASE BANK BERHAD

(Company number: 316347 D)

(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

Domiciled in Malaysia
Principal place of business:
Level 18, Integra Tower
The Intermark
348, Jalan Tun Razak
50400 Kuala Lumpur

J.P. MORGAN CHASE BANK BERHAD (316347-D)
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

ASSETS	Note	31 Mar 2016 RM'000	31 Dec 2015 RM'000
Cash and short-term funds	a	4,190,612	5,447,812
Securities purchased under resale agreement		1,688,798	428,117
Deposits and placements with banks and other financial institutions	b	300,026	-
Financial assets held for trading	c	81,856	20,309
Derivative financial instruments		989,080	987,556
Financial assets available-for-sale	d	143,024	142,192
Loans and advances	e	353,113	330,735
Amount due from related parties		2,154,889	2,589,502
Statutory deposits with Bank Negara Malaysia		2	3,046
Other assets	f	416,521	35,956
Tax recoverable		25,210	24,955
Deferred tax assets		1,177	1,177
Fixed assets		13,688	15,043
TOTAL ASSETS		<u>10,357,996</u>	<u>10,026,400</u>
 LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits from customers	g	3,198,270	3,616,927
Deposits and placements of banks and other financial institutions	h	847,922	825,248
Obligations on securities sold under repurchase agreements		1,567,058	148,233
Derivative financial instruments		878,140	849,235
Amount due to related parties		2,499,725	3,613,227
Other liabilities	i	457,253	72,261
Total liabilities		<u>9,448,368</u>	<u>9,125,131</u>
 Share capital		 85,500	 85,500
Share premium		42,000	42,000
Retained earnings		668,804	660,385
Reserves		113,324	113,384
Shareholders' equity		<u>909,628</u>	<u>901,269</u>
 TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>10,357,996</u>	<u>10,026,400</u>
 COMMITMENTS AND CONTINGENCIES	p	<u>59,263,331</u>	<u>59,714,642</u>

J.P. MORGAN CHASE BANK BERHAD (316347-D)
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

	<u>Note</u>	<u>31 Mar 2016</u> (Quarter 1 2016) RM'000	<u>31 Mar 2015</u> (Quarter 1 2015) RM'000
Interest income	j	51,702	26,470
Interest expense	k	(33,385)	(9,999)
		<hr/>	<hr/>
Net interest income		18,317	16,471
Other operating income	l	26,884	41,225
		<hr/>	<hr/>
Net income		45,201	57,696
Other operating expenses	m	(33,290)	(30,837)
		<hr/>	<hr/>
Operating profit before allowances		11,911	26,859
Write back of/(allowances for) losses on loans and advances	n	42	(117)
		<hr/>	<hr/>
Profit before taxation		11,953	26,742
Taxation		(3,220)	(7,015)
		<hr/>	<hr/>
Net profit for the financial period		<u>8,733</u>	<u>19,727</u>

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

	Share capital RM'000	Share premium RM'000	Statutory reserve RM'000	Fair value reserves- available-for- sale securities RM'000	Option reserve RM'000	Regulatory reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2016	85,500	42,000	97,778	1,332	11,890	2,384	660,385	901,269
Net profit for the financial period	-	-	-	-	-	-	8,733	8,733
Transfer to regulatory reserve	-	-	-	-	-	314	(314)	-
Other comprehensive income	-	-	-	(374)	-	-	-	(374)
At 31 March 2016	<u>85,500</u>	<u>42,000</u>	<u>97,778</u>	<u>958</u>	<u>11,890</u>	<u>2,698</u>	<u>668,804</u>	<u>909,628</u>
At 1 January 2015	85,500	42,000	97,778	-	9,440	2,590	608,886	846,194
Net profit for the financial year	-	-	-	-	-	-	51,293	51,293
Transfer to regulatory reserve	-	-	-	-	-	(206)	206	-
Other comprehensive income	-	-	-	1,332	-	-	-	1,332
Employee share option scheme - Options granted	-	-	-	-	2,450	-	-	2,450
At 31 December 2015	<u>85,500</u>	<u>42,000</u>	<u>97,778</u>	<u>1,332</u>	<u>11,890</u>	<u>2,384</u>	<u>660,385</u>	<u>901,269</u>

J.P. MORGAN CHASE BANK BERHAD (316347-D)
(Incorporated in Malaysia)

CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

	<u>31 Mar 2016</u> RM'000	<u>31 Mar 2015</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	11,953	26,742
Adjustments for items not involving the movement of cash and cash equivalents:		
Depreciation of fixed assets	1,406	1,500
(Write back of)/allowance for losses on loans and advances	(42)	117
Net unrealised gain from revaluation of financial assets held for trading	(990)	(918)
Net gain on derivatives	(6,117)	(10,642)
Net unrealised loss on revaluation of derivatives	15,733	4,128
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<hr/> 21,943	<hr/> 20,927
Increase in deposits and placements with banks and other financial institutions	(300,026)	(100,836)
Increase in securities purchased under resale agreement	(1,260,681)	(2,944)
Increase in financial assets held for trading	(60,557)	(410,071)
Decrease/(increase) in derivative financial instruments	17,765	(6,340)
Increase in financial assets available-for-sale	(1,206)	(141,459)
Increase in loans and advances	(22,336)	(10,809)
Increase in other assets	(380,565)	(60,573)
Decrease in statutory deposits with Bank Negara Malaysia	3,044	-
Decrease in deposits from customers	(418,657)	(357,548)
Increase/(decrease) in deposits and placements of banks and other financial institutions	22,674	(1,857)
Increase in securities sold under repurchase agreements	1,418,825	68,408
Increase in other liabilities	384,992	472,127
(Decrease)/increase in amount due to related parties	(1,113,502)	739,210
	<hr/>	<hr/>
Cash (used in)/generated from operating activities	(1,688,287)	208,235
Income taxes paid	(3,475)	(2,592)
	<hr/>	<hr/>
Net cash (used in)/generated from operating activities	<u>(1,691,762)</u>	<u>205,643</u>

J.P. MORGAN CHASE BANK BERHAD (316347-D)

(Incorporated in Malaysia)

CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016 (CONTINUED)

	<u>31 Mar 2016</u> RM'000	<u>31 Mar 2015</u> RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(51)	(168)
Net cash used in investing activities	<u>(51)</u>	<u>(168)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,691,813)	205,475
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	8,037,314	4,551,264
CASH AND CASH EQUIVALENT AT END OF FINANCIAL PERIOD	<u><u>6,345,501</u></u>	<u><u>4,756,739</u></u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and short term funds	4,190,612	1,829,377
Amount due from related parties	2,154,889	2,927,362
	<u><u>6,345,501</u></u>	<u><u>4,756,739</u></u>

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

A Basis of preparation

The unaudited interim financial statements herein have been prepared in accordance with MFRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board.

The unaudited interim financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2015. The explanatory notes attached in the unaudited interim financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Bank since the financial year ended 31 December 2015.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2015.

B Auditor's Report on preceding Annual Financial Statements

The auditor's report on the financial statements for the financial year ended 31 December 2015 was not subject to any qualification.

C Seasonality or Cyclical factors

The business operations of the Bank are not subject to material seasonal or cyclical fluctuation.

D Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Bank for the financial period ended 31 March 2016.

E Change in estimates

There were no changes in estimates of amounts reported in prior financial years that have material effect on the financial results and position of the Bank for the financial period ended 31 March 2016.

F Issuance and repayment of Debts and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial period ended 31 March 2016.

G Dividend

No dividend was paid during the financial period ended 31 March 2016.

H Subsequent events

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

J.P. MORGAN CHASE BANK BERHAD (316347-D)

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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

I Review of Bank's Performance

The Bank's profit before taxation for the financial period to March 2016 amounted to RM12.0 million. Net interest income for the period was RM18.3 million. Major contributor for interest income include inter-bank lending (RM46.5 million) and interest earned from securities (RM3.2 million). As for interest expense, amount incurred on inter-bank borrowings was RM27.6 million and interest incurred on customer deposits was RM5.8 million.

Income generated from the Bank's treasury activities comprises net gain on foreign exchange trading of RM19.2 million as well as net gain from securities trading of RM7.8 million and net loss on derivatives of RM9.6 million. Inter-company charges, commission and fees earned by the Bank amounted to RM9.5 million.

Total overhead expenditure incurred in the 3 months was RM33.3 million. Staff cost and benefits came up to RM10.4 million while establishment expenses amounted to RM2.8 million. Inter-company fees incurred during the period was RM17.0 million, making up the bulk of general administrative expenses.

Performance for year-to-date March 2016 was lower than that of the corresponding period in 2015. In the current period, the profit before taxation was RM12.0 million (YTD March 2015: RM26.7 million). Net interest income for the current period was higher by RM1.8 million while other operating income in the first 3 months of 2016 was RM26.9 million as compared to RM41.2 million in the corresponding period in 2015. The decrease was mainly due to a net loss of RM9.6 million in derivatives trading in 2016 as compared to net gain of RM6.5 million in 2015. Other operating expenses incurred during 3 months of 2016 was RM33.3 million as compared to RM30.8 million in the corresponding period in 2015. The increase of RM2.5 million was mainly attributed to increase in inter-company fees paid of RM2.0 million whereby, the inter-company fees paid during the first quarter of 2016 amounted to RM17.0 million vis-a-vis RM15.0 million paid during the first quarter of 2015.

J Business outlook for 2016

While the macro-economic environment will remain challenging in 2016 due to the continued volatility in currencies and assets values, we remain optimistic that the economic environment will stabilize and the economy will continue to grow. J.P. Morgan will remain focused on the quality and stability of our earnings by investing in its transaction services, trade and wholesale banking businesses while also enhancing the flow business.

J.P. Morgan's target clients, consisting of multi-national corporations, large domestic corporates, financial institutions and non-bank financial institutions, benefit from our significant competitive advantage in terms of our broad mix and global network. Both elements ensure we can effectively service clients that have both domestic and international presence.

With the J.P. Morgan's strong capitalisation, fortress balance sheet and proven track record in meeting the needs of our clients with exceptional products, innovative solutions and best in class advice, our revenue will continue to grow. In addition, the international corporate and investment banking business is an important component in J.P. Morgan's overall global strategy and remaining a significant focus of the firm, this will also continue to contribute positively to our growth aspirations.

J.P. MORGAN CHASE BANK BERHAD (316347-D)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

	<u>31 Mar 2016</u> RM '000	<u>31 Dec 2015</u> RM '000
a) Cash and short-term funds		
Cash and balances with banks and other financial institutions	26,107	53,331
Money at call and deposit placements maturing within one month	<u>4,164,505</u>	<u>5,394,481</u>
	<u><u>4,190,612</u></u>	<u><u>5,447,812</u></u>
b) Deposits and placements of banks and other financial institutions		
Licensed banks	<u><u>300,026</u></u>	<u><u>-</u></u>
c) Financial assets held for trading		
<u>Money market instruments</u>		
Malaysian Government Securities	81,856	-
<u>Unquoted securities</u>		
Private debt securities	<u>-</u>	<u>20,309</u>
	<u><u>81,856</u></u>	<u><u>20,309</u></u>
d) Financial assets available-for-sale		
<u>Money market instruments</u>		
Malaysian Government Securities	<u><u>143,024</u></u>	<u><u>142,192</u></u>

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(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

	<u>31 Mar 2016</u>	<u>31 Dec 2015</u>
	RM '000	RM '000
e) Loans and advances		
i) Loans and advances analysed by type of loan are as follows:		
Overdrafts	12,289	622
Housing loans	822	1,242
Staff loans	1,290	1,368
Revolving credits	225,787	227,400
Trade finance	<u>114,535</u>	<u>101,754</u>
	354,723	332,386
Less: Allowance for losses on loans and advances:		
- Individual assessment	(53)	(48)
- Collective assessment	<u>(1,557)</u>	<u>(1,603)</u>
Total net loans and advances	<u><u>353,113</u></u>	<u><u>330,735</u></u>
Included in loans and advances is revolving credit extended to a related company amounting to RM20,095,000 (31 Dec 2015: RM20,102,000).		
ii) The maturity structure of loans and advances are as follows:		
Maturity within		
- one year	352,621	329,798
- one year to three years	191	228
- three years to five years	236	219
- over five years	<u>1,675</u>	<u>2,141</u>
	<u><u>354,723</u></u>	<u><u>332,386</u></u>
iii) Loans and advances analysed by type of customers are as follows:		
Domestic business enterprises		
- Others	327,406	325,078
Individuals	2,112	2,610
Foreign entities	<u>25,205</u>	<u>4,698</u>
	<u><u>354,723</u></u>	<u><u>332,386</u></u>

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

	<u>31 Mar 2016</u> RM '000	<u>31 Dec 2015</u> RM '000
e) Loans and advances (continued)		
iv) Loans and advances analysed by interest sensitivity are as follows:		
Fixed rate		
- Housing loans	2,004	2,469
- Other fixed rate loan	108	141
Variable rate		
- Cost-plus	<u>352,611</u>	<u>329,776</u>
	<u><u>354,723</u></u>	<u><u>332,386</u></u>
v) Loans and advances analysed by their economic purpose are as follows:		
Purchase of landed property	2,004	2,469
Purchase of transport vehicles	71	100
Personal use	37	41
Working capital	<u>352,611</u>	<u>329,776</u>
	<u><u>354,723</u></u>	<u><u>332,386</u></u>
vi) Loans and advances analysed by their geographical distribution are as follows:		
In Malaysia	329,518	327,688
Other countries	<u>25,205</u>	<u>4,698</u>
	<u><u>354,723</u></u>	<u><u>332,386</u></u>
vii) Impaired loans		
a) Movement in impaired loans and advances are as follows:		
At 1 January	171	154
Classified as impaired during the financial period/year	-	81
Reclassified as performing during the financial period/year	(24)	(28)
Amount recovered	(5)	(32)
Amount written off	<u>-</u>	<u>(4)</u>
At end of financial period/year	142	171
Individual assessment allowance	<u>(53)</u>	<u>(48)</u>
Net impaired loans and advances	<u><u>89</u></u>	<u><u>123</u></u>
Ratio of net impaired loans and advances to net loans and advances	<u><u>0.03%</u></u>	<u><u>0.04%</u></u>

J.P. MORGAN CHASE BANK BERHAD (316347-D)
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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

	<u>31 Mar 2016</u> RM '000	<u>31 Dec 2015</u> RM '000
e) Loans and advances (continued)		
vii) Impaired loans (continued)		
b) Movement in allowance for impaired loans and advances are as follows:		
<u>Individual assessment allowance</u>		
At 1 January	48	56
Allowance made/(written back) during the financial period/year	<u>5</u>	<u>(8)</u>
Balance at end of financial period/year	<u><u>53</u></u>	<u><u>48</u></u>
<u>Collective assessment allowance</u>		
At 1 January	1,603	692
Allowance (written back)/made during the financial period/year	<u>(46)</u>	<u>911</u>
Balance at end of financial period/year	<u><u>1,557</u></u>	<u><u>1,603</u></u>
Collective assessment allowance (inclusive of regulatory reserve) as % of gross loans and advances, net of individual assessment allowance	<u><u>1.20%</u></u>	<u><u>1.20%</u></u>
c) Impaired loans analysed by their economic purpose are as follows:		
Purchase of landed property	<u><u>142</u></u>	<u><u>171</u></u>
d) Impaired loans analysed by their geographical distribution are as follows:		
In Malaysia	<u><u>142</u></u>	<u><u>171</u></u>
f) Other assets		
Other receivables	410,409	30,016
Deposits and prepayments	<u>6,112</u>	<u>5,940</u>
	<u><u>416,521</u></u>	<u><u>35,956</u></u>

J.P. MORGAN CHASE BANK BERHAD (316347-D)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

	<u>31 Mar 2016</u> RM '000	<u>31 Dec 2015</u> RM '000
g) Deposits from customers		
i) Deposits from customers analysed by type of deposits are as follows:		
Demand deposits	3,039,275	3,460,494
Fixed deposits	<u>158,995</u>	<u>156,433</u>
	<u><u>3,198,270</u></u>	<u><u>3,616,927</u></u>
Maturity structure of fixed deposits are as follows:		
Due within six months	<u>158,995</u>	<u>156,433</u>
ii) Deposits from customers analysed by type of customers are as follows:		
Business enterprises	3,198,060	3,616,718
Others	<u>210</u>	<u>209</u>
	<u><u>3,198,270</u></u>	<u><u>3,616,927</u></u>
h) Deposits and placements of banks and other financial institutions		
Licensed banks	843,356	822,580
Other financial institutions	<u>4,566</u>	<u>2,668</u>
	<u><u>847,922</u></u>	<u><u>825,248</u></u>
i) Other liabilities		
Other payables	454,180	59,756
Accruals and charges	<u>3,073</u>	<u>12,505</u>
	<u><u>457,253</u></u>	<u><u>72,261</u></u>

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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

	<u>31 Mar 2016</u> (Quarter 1 2016) RM '000	<u>31 Mar 2015</u> (Quarter 1 2015) RM '000
j) Interest income		
Loans and advances		
- Interest income other than recoveries from impaired loans	1,991	1,582
- Recoveries from impaired loans	4	2
Money at call and placements with financial institutions	46,526	17,918
Financial assets		
- Held for trading	1,975	6,429
- Available-for-sale	1,206	539
	<u>51,702</u>	<u>26,470</u>
k) Interest expense		
Deposits from customers	5,808	8,081
Deposits and placements of banks and other financial institutions	<u>27,577</u>	<u>1,918</u>
	<u>33,385</u>	<u>9,999</u>
l) Other operating income		
Fee income:		
Service charges and fees	1,947	1,261
Guarantee fees	744	693
	<u>2,691</u>	<u>1,954</u>
Net income from securities:		
Net gain from sale of financial assets held for trading	6,820	3,398
Unrealised gain from revaluation of financial assets held for trading	990	918
Derivatives:		
Net gain from trading of derivatives	6,117	10,642
Unrealised loss from revaluation of derivatives	(15,733)	(4,128)
Other income:		
Foreign exchange gain	19,183	20,207
Other operating income	6,816	8,205
Other non-operating income	-	29
	<u>26,884</u>	<u>41,225</u>

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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

	<u>31 Mar 2016</u> (Quarter 1 2016) RM '000	<u>31 Mar 2015</u> (Quarter 1 2015) RM '000
m) Other operating expenses		
Personnel expenses	10,362	10,017
Establishment expenses	2,832	2,599
Marketing expenses	101	549
General administrative expenses	<u>19,995</u>	<u>17,672</u>
	<u>33,290</u>	<u>30,837</u>
n) Allowance for losses on loans and advances:		
(a) Individual assessment allowance - (Made)/written back	(5)	1
(b) Collective assessment allowance - Written back/(made)	46	(117)
Bad debts on loans and advances		
- Recovered	1	-
- Written off	<u>-</u>	<u>(1)</u>
	<u>42</u>	<u>(117)</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

o) Capital adequacy

The capital adequacy ratios of the Bank are computed in accordance with Bank Negara Malaysia's revised Risk-Weighted Capital Adequacy Framework: Standardised Approach for Credit and Market Risk, and Basic Indicator Approach for Operational Risk (Basel II).

i) The capital adequacy ratios of the Bank are as follows:	<u>31 Mar 2016</u>	<u>31 Dec 2015</u>
	RM '000	RM '000
Tier-I capital		
Paid-up share capital	85,500	85,500
Share premium	42,000	42,000
Retained earnings	660,385	660,385
Fair value reserve - available-for-sale securities	958	1,332
Option reserve	11,890	11,890
Statutory reserve	<u>97,778</u>	<u>97,778</u>
	898,511	898,885
Deferred tax assets	(1,177)	(1,177)
Available-for-sale securities	<u>(527)</u>	<u>(733)</u>
Total Tier I capital	<u>896,807</u>	<u>896,975</u>
Tier-II capital		
Regulatory reserve	2,698	2,384
Collective assessment allowance	<u>1,557</u>	<u>1,603</u>
Total Tier-II capital	<u>4,255</u>	<u>3,987</u>
Total capital	<u><u>901,062</u></u>	<u><u>900,962</u></u>
Common Equity Tier 1 capital ratio	20.942%	20.960%
Tier 1 capital ratio	20.942%	20.960%
Total capital ratio	21.041%	21.053%

J.P. MORGAN CHASE BANK BERHAD (316347-D)

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

o) Capital adequacy (continued)

ii) Total risk weighted assets and capital requirements as at 31 March 2016 and 31 December 2015

<u>Exposure class</u>	31 March 2016				31 December 2015			
	<u>Gross exposures</u>	<u>Net exposures</u>	<u>Risk weighted assets</u>	<u>Capital requirements</u>	<u>Gross exposures</u>	<u>Net exposures</u>	<u>Risk weighted assets</u>	<u>Capital requirements</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
(a) <u>Credit risk</u>								
On-balance sheet exposures								
Sovereigns/central banks	6,331,600	6,331,600	-	-	5,987,358	5,987,358	-	-
Banks	2,354,876	2,354,876	470,976	37,678	2,672,540	2,672,540	534,508	42,761
Insurance companies, securities firms and fund managers	247,225	247,225	247,225	19,778	20,273	20,273	20,273	1,622
Corporates	332,934	332,934	332,857	26,629	318,547	318,547	318,469	25,478
Residential mortgages	1,538	1,538	543	43	1,971	1,971	702	56
Higher risk assets	14	14	21	2	14	14	21	2
Other assets	18,925	18,925	18,569	1,486	18,381	18,381	17,924	1,434
Defaulted exposures	142	142	162	13	171	171	191	15
Total on-balance sheet exposures	9,287,254	9,287,254	1,070,353	85,629	9,019,255	9,019,255	892,088	71,368
Off-balance sheet exposures over-the-counter ('OTC') derivatives	2,401,549	2,401,549	796,202	63,696	2,507,704	2,507,704	904,417	72,353
Off-balance sheet exposures other than OTC derivatives	814,288	814,288	791,255	63,300	834,430	834,430	816,291	65,303
Total off-balance sheet exposures	3,215,837	3,215,837	1,587,457	126,996	3,342,134	3,342,134	1,720,708	137,656
Total on and off-balance sheet exposures	12,503,091	12,503,091	2,657,810	212,625	12,361,389	12,361,389	2,612,796	209,024
(b) <u>Market risk</u>	<u>Long position</u>	<u>Short position</u>			<u>Long position</u>	<u>Short position</u>		
Interest rate risk	75,285,717	75,948,406	1,041,039	83,283	71,951,713	72,864,657	1,034,207	82,737
Equity position risk			19,038	1,523			20,950	1,676
Foreign currency risk	954	90,054	90,050	7,204	19,162	99,507	99,513	7,961
Option risk			112,238	8,979			155,063	12,405
(c) <u>Operational risk</u>			362,247	28,980			356,876	28,550
Total risk weighted assets and capital requirements			4,282,422	342,594			4,279,405	342,353

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

p) Commitments and contingencies

	31 March 2016			31 December 2015		
	Principal amount RM'000	Credit equivalent amount* RM'000	Risk-weighted amount RM'000	Principal amount RM'000	Credit equivalent amount* RM'000	Risk-weighted amount RM'000
Direct credit substitutes	263,680	263,680	244,562	354,949	354,949	341,431
Transaction-related contingent items	51,984	25,992	22,922	54,541	27,271	23,388
Short-term self-liquidating trade related contingencies	47,491	9,498	8,653	63,119	12,624	11,886
Foreign exchange related contracts:						
- less than one year	19,444,687	846,859	338,419	21,558,902	879,426	379,838
- one year to less than five years	1,477,297	251,734	129,730	1,615,831	343,645	202,708
Interest rate related contracts:						
- less than one year	9,868,300	61,081	12,216	9,981,008	103,554	20,711
- one year to less than five years	25,178,074	889,408	194,551	23,375,326	815,639	187,858
- more than five years	528,149	134,010	26,802	701,333	188,033	37,606
Credit derivatives contracts						
- one year to less than five years	75,250	15,815	3,163	75,250	17,278	3,456
Equity related contracts						
- less than one year	938,002	169,722	68,913	828,930	140,725	59,955
- one year to less than five years	180,296	32,919	22,408	131,811	19,404	12,285
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	910,312	455,156	455,156	816,192	408,096	408,096
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	299,809	59,962	59,962	157,450	31,490	31,490
	<u>59,263,331</u>	<u>3,215,836</u>	<u>1,587,457</u>	<u>59,714,642</u>	<u>3,342,134</u>	<u>1,720,708</u>

* The credit equivalent amount is arrived at using the credit conversion factor as per Bank Negara Malaysia guidelines.