

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 30 SEPTEMBER 2015

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 30 SEPTEMBER 2015

ASSETS	Note	30 Sep 2015 RM'000	31 Dec 2014 RM'000
Cash and short-term funds	a	4,319,449	1,538,858
Securities purchased under resale agreement		167,725	256,341
Deposits and placements with banks and other financial institutions	b	-	401,960
Financial assets held for trading	c	712,510	649,988
Derivative financial instruments		1,749,467	787,871
Financial assets available-for-sale	d	141,693	-
Loans and advances	e	431,680	272,880
Amount due from related parties		3,245,394	3,012,406
Statutory deposits with Bank Negara Malaysia		2	2
Other assets	f	644,343	54,875
Tax recoverable		18,934	30,037
Deferred tax assets		368	368
Fixed assets		16,308	20,077
TOTAL ASSETS		<u>11,447,873</u>	<u>7,025,663</u>
 LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits from customers	g	4,268,424	4,141,036
Deposits and placements of banks and other financial institutions	h	811,044	681,226
Obligations on securities sold under repurchase agreements		29,971	40,488
Derivative financial instruments		1,539,197	594,458
Amount due to related parties		3,381,076	645,568
Other liabilities	i	522,681	76,693
Total liabilities		<u>10,552,393</u>	<u>6,179,469</u>
Share capital		85,500	85,500
Reserves		809,980	760,694
Shareholders' equity		<u>895,480</u>	<u>846,194</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>11,447,873</u>	<u>7,025,663</u>
 COMMITMENTS AND CONTINGENCIES	 p	 <u>65,489,408</u>	 <u>52,396,729</u>

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

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

	<u>Note</u>	<u>30 Sep 2015</u> (Quarter 3 2015) RM'000	<u>30 Sep 2014</u> (Quarter 3 2014) RM'000
Interest income	j	110,286	98,428
Interest expense	k	(56,971)	(25,541)
		<hr/>	<hr/>
Net interest income		53,315	72,887
Other operating income	l	113,500	36,946
		<hr/>	<hr/>
Net income		166,815	109,833
Other operating expenses	m	(98,485)	(86,079)
		<hr/>	<hr/>
Operating profit before allowances		68,330	23,754
Allowances for losses on loans and advances	n	(1,178)	(772)
		<hr/>	<hr/>
Profit before taxation		67,152	22,982
Taxation		(18,016)	(7,337)
		<hr/>	<hr/>
Net profit for the financial period		<u>49,136</u>	<u>15,645</u>

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

	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 2015	85,500	42,000	97,778	-	9,440	2,590	608,886	846,194
Net profit for the financial period	-	-	-	-	-	-	49,136	49,136
Transfer to regulatory reserve	-	-	-	-	-	747	(747)	-
Other comprehensive income	-	-	-	150	-	-	-	150
At 30 September 2015	<u>85,500</u>	<u>42,000</u>	<u>97,778</u>	<u>150</u>	<u>9,440</u>	<u>3,337</u>	<u>657,275</u>	<u>895,480</u>
At 1 January 2014	85,500	42,000	97,778	(243)	7,702	958	598,673	832,368
Net profit for the financial year	-	-	-	-	-	-	15,645	15,645
Transfer to regulatory reserve	-	-	-	-	-	1,467	(1,467)	-
Other comprehensive income	-	-	-	323	-	-	-	323
Employee share option scheme - Options granted	-	-	-	-	-	-	-	-
At 30 September 2014	<u>85,500</u>	<u>42,000</u>	<u>97,778</u>	<u>80</u>	<u>7,702</u>	<u>2,425</u>	<u>612,851</u>	<u>848,336</u>

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

CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

	<u>30 Sep 2015</u> RM'000	<u>30 Sep 2014</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	67,152	22,982
Adjustments for items not involving the movement of cash and cash equivalents:		
Depreciation of fixed assets	4,512	4,441
(Gain)/loss on disposal of fixed assets	(1)	1
Allowance for losses on loans and advances	1,178	772
Net gain from sale of financial assets available-for-sale	-	(133)
Net unrealised gain from revaluation of financial assets held for trading	(1,977)	(728)
Net loss on derivative financial instruments	29,089	17,698
Net unrealised (gain)/loss in fair value changes on derivatives	(36,244)	6,118
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<hr/> 63,709	<hr/> 51,151
Decrease in deposits and placements with banks and other financial institutions	401,960	558
Decrease in securities purchased under resale agreement	88,616	159,285
Increase in financial assets held for trading	(60,545)	(368,392)
Increase in derivative financial instruments	(9,702)	(6,424)
(Increase)/decrease in financial assets available-for-sale	(141,543)	363,956
Increase in loans and advances	(159,978)	(55,883)
Increase in other assets	(589,468)	(421,608)
Increase/(decrease) in deposits from customers	127,388	(237,738)
Increase in deposits and placements of banks and other financial institutions	129,818	42,364
(Decrease)/increase in securities sold under repurchase agreements	(10,517)	30,170
Increase in other liabilities	445,988	582,771
Increase in amount due to related parties	2,735,508	1,034
Cash generated from operating activities	<hr/> 3,021,234	<hr/> 141,244
Income taxes paid	(6,913)	(21,420)
Net cash generated from operating activities	<hr/> <hr/> 3,014,321	<hr/> <hr/> 119,824

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

(Incorporated in Malaysia)

CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015 (CONTINUED)

	<u>30 Sep 2015</u> RM'000	<u>30 Sep 2014</u> RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(742)	(648)
Net cash used in investing activities	<u>(742)</u>	<u>(648)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,013,579	119,176
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD/YEAR	4,551,264	4,031,184
CASH AND CASH EQUIVALENT AT END OF FINANCIAL PERIOD/YEAR	<u><u>7,564,843</u></u>	<u><u>4,150,360</u></u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and short term funds	4,319,449	2,335,164
Amount due from related parties	3,245,394	1,815,196
	<u><u>7,564,843</u></u>	<u><u>4,150,360</u></u>

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2015

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 2014. 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 2014.

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 2014.

B Auditor's Report on preceding Annual Financial Statements

The auditor's report on the financial statements for the financial year ended 31 December 2014 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 30 September 2015.

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 30 September 2015.

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 30 September 2015.

G Dividend

No dividend was paid during the financial period ended 30 September 2015.

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.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2015

I Review of Bank's Performance

The Bank's profit before taxation for the financial period to September 2015 amounted to RM67.2 million. Net interest income for the period was RM53.3 million. Major contributor for interest income include inter-bank lending (RM83.7 million) and interest earned from securities (RM22.0 million). As for interest expense, amount incurred on inter-bank borrowings was RM33.6 million and interest incurred on customer deposits was RM23.4 million.

Income generated from the Bank's treasury activities comprises net gain on foreign exchange trading of RM73.9 million as well as net gain from securities trading of RM1.6 million and net gain from derivatives of RM7.2 million. Inter-company charges, commission and fees earned by the Bank amounted to RM30.7 million.

Total overhead expenditure incurred in the 9 months was RM98.5 million. Staff cost and benefits came up to RM31.3 million while establishment expenses amounted to RM8.0 million. Inter-company fees incurred during the period was RM50.9 million, making up the bulk of general administrative expenses.

Performance for year-to-date September 2015 was higher than that of the corresponding period in 2014. In the current period, the profit before taxation was RM67.2 million (YTD September 2014: RM23.0 million). Net interest income for the current period was lower by RM19.6 million while other operating income in the first 9 months of 2015 was RM113.5 million as compared to RM36.9 million in the corresponding period in 2014. The increase was mainly due to higher net foreign exchange gain of RM73.9 million in 2015 as compared to RM33.1 million in 2014, as well as a net gain made on derivatives of RM7.2 million in 2015 as compared to a net loss of RM23.8 million in 2014. Other operating expenses incurred during the first 9 months of 2015 was RM98.5 million, as compared to RM86.1 million in the corresponding period in 2014. The increase was attributed to higher intercompany fees paid whereby RM50.9 million was incurred during the first 9 months of 2015 against RM35.7 million incurred for the corresponding period in 2014.

J Business outlook for 2015

The macro environment remains challenging in 2015 and volatility in currencies and assets values remains a factor. Despite these conditions, there is optimism that the economic environment will stabilize and the economy will grow. J.P. Morgan will continue to focus on the quality and stability of earnings by investing in its transaction services, trade and wholesale banking businesses while 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 the Bank's significant competitive advantage in terms of a broad product mix and global network which enables us to effectively service clients that have a domestic as well as an international presence.

With the Bank's strong capitalisation and proven strength across product and services, revenue growth will continue as investment in existing client relationships delivers results. The Bank will use its global competitive advantage in order to provide clients with value added solutions and innovative products. The international corporate and investment banking businesses is an important component of J.P. Morgan's overall global strategy and continued investment in these areas will contribute positively to our growth.

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

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2015

	<u>30 Sep 2015</u> RM '000	<u>31 Dec 2014</u> RM '000
a) Cash and short-term funds		
Cash and balances with banks and other financial institutions	30,096	56,934
Money at call and deposit placements maturing within one month	<u>4,289,353</u>	<u>1,481,924</u>
	<u>4,319,449</u>	<u>1,538,858</u>
b) Deposits and placements of banks and other financial institutions		
Licensed banks	<u>-</u>	<u>401,960</u>
c) Financial assets held for trading		
<u>Money market instruments</u>		
Malaysian Government Securities	666,756	337,692
Bank Negara Malaysia bills	5,899	157,920
Malaysian Government Investment Issuance	39,855	24,521
<u>Unquoted securities</u>		
Private debt securities	<u>-</u>	<u>129,855</u>
	<u>712,510</u>	<u>649,988</u>
d) Financial assets available-for-sale		
<u>Money market instruments</u>		
Malaysian Government Securities	141,693	-
<u>Unquoted securities (in Malaysia)</u>		
Private debt securities	12	12
Shares	<u>193</u>	<u>193</u>
	205	205
Allowance for impairment losses	<u>(205)</u>	<u>(205)</u>
	<u>141,693</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2015

	<u>30 Sep 2015</u> RM '000	<u>31 Dec 2014</u> RM '000
e) Loans and advances		
i) Loans and advances analysed by type of loan are as follows:		
Overdrafts	1,446	-
Term loans		
- Housing loans	1,300	1,451
Staff loans	1,442	1,732
Revolving credit	276,034	196,279
Trade finance	<u>153,377</u>	<u>74,166</u>
	433,599	273,628
Less: Allowance for losses on loans and advances:		
- Individual assessment	(54)	(56)
- Collective assessment	<u>(1,865)</u>	<u>(692)</u>
Total net loans and advances	<u><u>431,680</u></u>	<u><u>272,880</u></u>
<p>Included in loans and advances is revolving credit extended to a related company amounting to RM20,101,000 (31 Dec 2014: RM20,101,000).</p>		
ii) The maturity structure of loans and advances are as follows:		
Maturity within		
- one year	430,894	270,472
- one year to three years	223	431
- three years to five years	399	302
- over five years	<u>2,083</u>	<u>2,423</u>
	<u><u>433,599</u></u>	<u><u>273,628</u></u>
iii) Loans and advances analysed by type of customers are as follows:		
Domestic business enterprises		
- Others	422,252	263,624
Individuals	2,742	3,183
Foreign entities	<u>8,605</u>	<u>6,821</u>
	<u><u>433,599</u></u>	<u><u>273,628</u></u>

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(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2015

	<u>30 Sep 2015</u> RM '000	<u>31 Dec 2014</u> RM '000
e) Loans and advances (continued)		
iv) Loans and advances analysed by interest sensitivity are as follows:		
Fixed rate		
- Housing loans	2,567	2,882
- Other fixed rate loan	175	301
Variable rate		
- Cost-plus	<u>430,857</u>	<u>270,445</u>
	<u><u>433,599</u></u>	<u><u>273,628</u></u>
v) Loans and advances analysed by their economic purpose are as follows:		
Purchase of landed property	2,567	2,882
Purchase of transport vehicles	118	254
Personal use	57	47
Working capital	<u>430,857</u>	<u>270,445</u>
	<u><u>433,599</u></u>	<u><u>273,628</u></u>
vi) Loans and advances analysed by their geographical distribution are as follows:		
In Malaysia	424,994	266,807
Other countries	<u>8,605</u>	<u>6,821</u>
	<u><u>433,599</u></u>	<u><u>273,628</u></u>
vii) Impaired loans		
a) Movement in impaired loans and advances are as follows:		
At 1 January	154	451
Classified as impaired during the financial period/year	71	2
Reclassified as performing during the financial period/year	(27)	(75)
Amount recovered	(28)	(207)
Amount written off	<u>(4)</u>	<u>(17)</u>
At end of financial period/year	166	154
Individual assessment allowance	<u>(54)</u>	<u>(56)</u>
Net impaired loans and advances	<u><u>112</u></u>	<u><u>98</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)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2015

	<u>30 Sep 2015</u> RM '000	<u>31 Dec 2014</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	56	185
Allowance written back during the financial period/year	<u>(2)</u>	<u>(129)</u>
Balance at end of financial period/year	<u>54</u>	<u>56</u>
<u>Collective assessment allowance</u>		
At 1 January	692	308
Allowance made during the financial period/year	<u>1,173</u>	<u>384</u>
Balance at end of financial period/year	<u>1,865</u>	<u>692</u>
Collective assessment allowance (inclusive of regulatory reserve) as % of gross loans and advances, net of individual assessment allowance	<u>1.20%</u>	<u>1.20%</u>
c) Impaired loans analysed by their economic purpose are as follows:		
Purchase of landed property	<u>166</u>	<u>154</u>
d) Impaired loans analysed by their geographical distribution are as follows:		
In Malaysia	<u>166</u>	<u>154</u>
f) Other assets		
Other receivables	638,194	50,579
Other debtors, deposits and prepayments	<u>6,149</u>	<u>4,296</u>
	<u>644,343</u>	<u>54,875</u>

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

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2015

	<u>30 Sep 2015</u> RM '000	<u>31 Dec 2014</u> RM '000
g) Deposits from customers		
i) Deposits from customers analysed by type of deposits are as follows:		
Demand deposits	4,069,539	3,935,224
Fixed deposits	<u>198,885</u>	<u>205,812</u>
	<u>4,268,424</u>	<u>4,141,036</u>
Maturity structure of fixed deposits are as follows:		
Due within six months	<u>198,885</u>	<u>205,812</u>
ii) Deposits from customers analysed by type of customers are as follows:		
Business enterprises	4,268,189	4,140,951
Others	<u>235</u>	<u>85</u>
	<u>4,268,424</u>	<u>4,141,036</u>
h) Deposits and placements of banks and other financial institutions		
Licensed banks	808,270	675,452
Other financial institutions	<u>2,774</u>	<u>5,774</u>
	<u>811,044</u>	<u>681,226</u>
i) Other liabilities		
Other payables	515,388	66,559
Accruals and charges	<u>7,293</u>	<u>10,134</u>
	<u>522,681</u>	<u>76,693</u>

J.P. MORGAN CHASE BANK BERHAD (316347-D)
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NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2015

	<u>30 Sep 2015</u> (Quarter 3 2015) RM '000	<u>30 Sep 2014</u> (Quarter 3 2014) RM '000
j) Interest income		
Loans and advances		
- Interest income other than recoveries from impaired loans	4,600	3,414
- Recoveries from impaired loans	17	38
Money at call and placements with financial institutions	83,688	79,243
Financial assets		
- Held for trading	19,038	13,156
- Available-for-sale	2,943	2,577
	<u>110,286</u>	<u>98,428</u>
k) Interest expense		
Deposits from customers	23,366	20,391
Deposits and placements of banks and other financial institutions	33,605	5,150
	<u>56,971</u>	<u>25,541</u>
l) Other operating income		
Fee income:		
Service charges and fees	3,937	3,747
Guarantee fees	2,333	1,972
	<u>6,270</u>	<u>5,719</u>
Net income from securities:		
Net (loss)/gain from sale of financial assets held for trading	(334)	4,045
Unrealised gain from revaluation of financial assets held for trading	1,977	728
Net gain from sale of financial assets available-for-sale	-	133
Derivatives:		
Net loss from trading of derivatives	(29,089)	(17,698)
Unrealised gain/(loss) from revaluation of derivatives	36,244	(6,118)
Other income:		
Foreign exchange gain	73,893	33,059
Other operating income	24,430	17,078
Gain on disposal of fixed assets	1	-
Other non-operating income	108	-
	<u>113,500</u>	<u>36,946</u>

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(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2015

	<u>30 Sep 2015</u> (Quarter 3 2015) RM '000	<u>30 Sep 2014</u> (Quarter 3 2014) RM '000
m) Other operating expenses		
Personnel expenses	31,334	31,189
Establishment expenses	8,025	7,871
Marketing expenses	910	1,802
General administrative expenses	<u>58,216</u>	<u>45,217</u>
	<u>98,485</u>	<u>86,079</u>
n) Allowance for losses on loans and advances:		
(a) Individual assessment allowance		
- Written back	2	59
(b) Collective assessment allowance		
- (Made)/written back	(1,173)	49
Bad debts on loans and advances		
- Recovered	1	-
- Written off	<u>(8)</u>	<u>(880)</u>
	<u>(1,178)</u>	<u>(772)</u>

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2015

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>30 Sep 2015</u>	<u>31 Dec 2014</u>
	RM '000	RM '000
Tier-I capital		
Paid-up share capital	85,500	85,500
Share premium	42,000	42,000
Retained earnings	608,886	608,886
Fair value reserve - available-for-sale securities	150	-
Option reserve	9,440	9,440
Statutory reserve	<u>97,778</u>	<u>97,778</u>
	843,754	843,604
Deferred tax assets	(368)	(368)
Available-for-sale securities	<u>(83)</u>	<u>-</u>
Total Tier I capital	<u>843,303</u>	<u>843,236</u>
Tier-II capital		
Regulatory reserve	3,337	2,590
Collective assessment allowance	<u>1,865</u>	<u>692</u>
Total Tier-II capital	<u>5,202</u>	<u>3,282</u>
Total capital	<u><u>848,505</u></u>	<u><u>846,518</u></u>
CET 1 capital ratio	16.15%	17.41%
Tier I capital ratio	16.15%	17.41%
Total capital ratio	16.25%	17.48%

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

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2015
o) Capital adequacy (continued)
ii) Total risk weighted assets and capital requirements as at 30 September 2015 and 31 December 2014:

Exposure class	30 September 2015				31 December 2014			
	Gross exposures	Net exposures	Risk weighted assets	Capital requirements	Gross exposures	Net exposures	Risk weighted assets	Capital requirements
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
(a) Credit risk								
On-balance sheet exposures								
Sovereigns/central banks	5,051,543	5,051,543	-	-	1,513,493	1,513,493	-	-
Banks	3,487,234	3,487,234	697,447	55,796	3,778,562	3,778,562	755,712	60,457
Insurance companies, securities firms and fund managers	20,216	20,216	20,216	1,617	26,356	26,356	26,356	2,108
Corporates	411,253	411,253	411,174	32,894	250,967	250,967	250,887	20,071
Residential mortgages	2,072	2,072	738	59	2,391	2,391	960	77
Higher risk assets	14	14	21	2	14	14	21	2
Other assets	20,067	20,067	19,504	1,560	21,559	21,559	21,359	1,709
Defaulted exposures	166	166	185	15	154	154	156	12
Total on-balance sheet exposures	8,992,564	8,992,564	1,149,285	91,945	5,593,496	5,593,496	1,055,451	84,436
Off-balance sheet exposures over-the-counter ('OTC') derivatives	3,382,596	3,382,596	1,369,937	109,595	2,190,385	2,190,385	791,131	63,290
Off-balance sheet exposures other than OTC derivatives	695,298	695,298	677,566	54,205	1,786,266	1,786,266	814,947	65,196
Total off-balance sheet exposures	4,077,894	4,077,894	2,047,503	163,800	3,976,651	3,976,651	1,606,078	128,486
Total on and off-balance sheet exposures	13,070,458	13,070,458	3,196,788	255,745	9,570,147	9,570,147	2,661,529	212,922
(b) Market risk								
Interest rate risk	76,857,023	78,033,814	1,357,185	108,575	58,880,092	58,708,184	1,593,428	127,474
Equity position risk			31,700	2,536			9,413	753
Foreign currency risk	534	38,373	38,375	3,070	94,574	5	94,575	7,566
Option risk			250,575	20,046			184,288	14,743
(c) Operational risk			346,293	27,703			300,533	24,043
Total risk weighted assets and capital requirements			5,220,916	417,675			4,843,766	387,501

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

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2015

p) Commitments and contingencies

	30 September 2015			31 December 2014		
	Principal	Credit	Risk-	Principal	Credit	Risk-
	amount	equivalent	weighted	amount	equivalent	weighted
	RM'000	amount*	amount	RM'000	amount*	amount
		RM'000	RM'000		RM'000	RM'000
Direct credit substitutes	280,882	280,882	267,364	161,269	161,269	146,966
Transaction-related contingent items	71,460	35,730	31,516	111,076	55,538	48,876
Short-term self-liquidating trade related contingencies	122,649	24,530	24,530	-	-	-
Forward asset purchases	-	-	-	1,187,943	1,187,943	237,589
Foreign exchange related contracts:						
- less than one year	28,007,466	1,593,255	779,973	18,033,800	717,823	410,710
- one year to less than five years	1,794,253	389,109	231,764	1,498,119	225,249	128,632
Interest rate related contracts:						
- less than one year	10,746,215	99,899	19,980	5,950,889	21,883	4,376
- one year to less than five years	21,562,214	872,349	202,032	20,389,531	699,820	139,965
- more than five years	1,106,442	216,975	43,395	2,606,752	308,133	61,626
Credit derivatives contracts						
- one year to less than five years	62,350	14,994	2,999	51,100	6,502	1,300
Equity related contracts						
- less than one year	887,237	173,928	77,344	1,469,565	195,754	41,478
- one year to less than five years	131,020	22,087	12,450	114,138	15,221	3,044
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	702,372	351,186	351,186	723,356	361,678	361,678
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	14,848	2,970	2,970	99,191	19,838	19,838
	<u>65,489,408</u>	<u>4,077,894</u>	<u>2,047,503</u>	<u>52,396,729</u>	<u>3,976,651</u>	<u>1,606,078</u>

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