

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 2018

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 2018

ASSETS	<u>Note</u>	<u>31 Mar 2018</u> RM'000	<u>31 Dec 2017</u> RM'000
Cash and short-term funds	a	5,179,661	3,893,686
Securities purchased under resale agreement		9,488	46,776
Financial assets measured at fair value through profit or loss / Financial assets held for trading	b	1,071,905	887,490
Derivative financial instruments		662,007	516,759
Instruments at fair value through other comprehensive income / Financial assets available-for-sale	c	898,089	148,476
Loans and advances	d	281,141	307,077
Amount due from related parties		874,330	549,747
Statutory deposits with Bank Negara Malaysia		2	2
Other assets	e	232,415	53,854
Tax recoverable		17,378	19,889
Deferred tax assets		3,110	3,110
Fixed assets		5,133	5,906
TOTAL ASSETS		<u>9,234,659</u>	<u>6,432,772</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits from customers	f	6,766,578	3,129,533
Deposits and placements of banks and other financial institutions	g	339,479	224,762
Obligations on securities sold under repurchase agreements		9,905	48,384
Derivative financial instruments		658,686	519,968
Amount due to related parties		284,395	1,352,728
Other liabilities	h	104,690	112,439
Total liabilities		<u>8,163,733</u>	<u>5,387,814</u>
Share capital		127,500	127,500
Retained earnings		919,672	896,950
Reserves		23,754	20,508
Shareholders' equity		<u>1,070,926</u>	<u>1,044,958</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>9,234,659</u>	<u>6,432,772</u>
COMMITMENTS AND CONTINGENCIES	o	<u>69,510,625</u>	<u>64,125,536</u>

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

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018

	<u>Note</u>	<u>31 Mar 2018</u> (Quarter 1 2018) RM'000	<u>31 Mar 2017</u> (Quarter 1 2017) RM'000
Interest income	i	36,715	37,589
Interest expense	j	(10,295)	(12,636)
		<hr/>	<hr/>
Net interest income		26,420	24,953
Other operating income	k	42,048	38,466
		<hr/>	<hr/>
Net income		68,468	63,419
Other operating expenses	l	(37,918)	(35,280)
		<hr/>	<hr/>
Operating profit before allowances (Allowance for)/write back of losses on loans and advances	m	30,550 (41)	28,139 366
		<hr/>	<hr/>
Profit before taxation		30,509	28,505
Taxation		(7,611)	(7,161)
		<hr/>	<hr/>
Net profit for the financial period		<u>22,898</u>	<u>21,344</u>

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018

	Share capital RM'000	Share premium RM'000	Statutory reserve RM'000	Fair value reserves- FVOCI / available-for- sale securities RM'000	Option reserve RM'000	Regulatory reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2018	127,500	-	-	40	18,053	2,415	896,950	1,044,958
- effects of adoption of MFRS 9	-	-	-	-	-	-	3,067	3,067
- as restated	<u>127,500</u>	<u>-</u>	<u>-</u>	<u>40</u>	<u>18,053</u>	<u>2,415</u>	<u>900,017</u>	<u>1,048,025</u>
Net profit for the financial period	-	-	-	-	-	-	22,898	22,898
Transfer to regulatory reserve	-	-	-	-	-	3,243	(3,243)	-
Other comprehensive income	-	-	-	3	-	-	-	3
At 31 March 2018	<u>127,500</u>	<u>-</u>	<u>-</u>	<u>43</u>	<u>18,053</u>	<u>5,658</u>	<u>919,672</u>	<u>1,070,926</u>
At 1 January 2017	85,500	42,000	97,778	252	15,914	6,379	734,627	982,450
Net profit for the financial year	-	-	-	-	-	-	60,581	60,581
Transfer (from)/to regulatory reserve	-	-	-	-	-	(3,964)	3,964	-
Transfer to share capital	42,000	(42,000)	-	-	-	-	-	-
Transfer from statutory reserve	-	-	(97,778)	-	-	-	97,778	-
Other comprehensive income	-	-	-	(212)	-	-	-	(212)
Employee share option scheme - Options granted	-	-	-	-	2,139	-	-	2,139
At 31 December 2017	<u>127,500</u>	<u>-</u>	<u>-</u>	<u>40</u>	<u>18,053</u>	<u>2,415</u>	<u>896,950</u>	<u>1,044,958</u>

CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018

	<u>31 Mar 2018</u> RM'000	<u>31 Mar 2017</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	30,509	28,505
Adjustments for items not involving the movement of cash and cash equivalents:		
Depreciation of fixed assets	983	1,409
Loss on disposal of fixed assets	18	-
Allowance for/(write back) of losses on loans and advances	41	(366)
Net unrealised loss from revaluation of financial assets held for trading	918	2,500
Net (gain)/loss on derivatives	(8,894)	1,837
Net unrealised loss/(gain) on revaluation of derivatives	12,376	(12,023)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<hr/> 35,951	<hr/> 21,862
Decrease in securities purchased under resale agreement	37,288	573,004
Increase in financial assets measured at fair value through profit and loss / financial assets held for trading	(185,332)	(387,050)
(Increase)/decrease in derivative financial instruments	(10,013)	102,555
Increase in instruments at fair value through other comprehensive income / financial assets available-for-sale	(749,610)	(1,200)
Decrease in loans and advances	25,895	230,948
(Increase)/decrease in other assets	(175,494)	103,158
Increase/(decrease) in deposits from customers	3,637,045	(2,164,937)
Increase in deposits and placements of banks and other financial institutions	114,717	230,041
Decrease in other liabilities	(7,749)	(61,537)
Decrease in securities sold under repurchase agreements	(38,479)	(278,001)
(Decrease)/increase in amount due to related parties	(1,068,333)	97,585
	<hr/>	<hr/>
Cash generated from/(used) in operating activities	1,615,886	(1,533,572)
Income taxes paid	(5,100)	(5,986)
	<hr/>	<hr/>
Net cash generated from/(used) in operating activities	<u>1,610,786</u>	<u>(1,539,558)</u>

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

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

	<u>31 Mar 2018</u> RM'000	<u>31 Mar 2017</u> RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(228)	(61)
Net cash used in investing activities	<u>(228)</u>	<u>(61)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	1,610,558	(1,539,619)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	4,443,433	5,196,370
CASH AND CASH EQUIVALENT AT END OF FINANCIAL PERIOD	<u><u>6,053,991</u></u>	<u><u>3,656,751</u></u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and short term funds	5,179,661	3,537,129
Amount due from related parties	874,330	119,622
	<u><u>6,053,991</u></u>	<u><u>3,656,751</u></u>

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2018

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 2017. 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 2017.

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 2017, except the following:

- MFRS 9: Effective 1 January 2018, the Bank adopted MFRS 9, Financial Instruments, which replaces MFRS 139, Financial Instruments: Recognition and Measurement and substantially changes the classification, measurement and impairment of financial assets, income statement and financial position presentation and disclosure of financial instruments and other arrangements in scope.

B Auditor's Report on preceding Annual Financial Statements

The auditor's report on the financial statements for the financial year ended 31 December 2017 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 2018.

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 2018.

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 2018.

G Dividend

No dividend was paid during the financial period ended 31 March 2018.

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 - 31 MARCH 2018

I Review of Bank's Performance

The Bank's profit before taxation for the financial period to March 2018 amounted to RM30.5 million. Net interest income for the period was RM26.4 million. Major contributor for interest income include inter-bank lending (RM18.2 million) and interest earned from securities (RM15.8 million). Interest income from loans and advances for the period amounted to RM2.7 million. As for interest expense, amount incurred on inter-bank borrowings was RM2.5 million and interest incurred on customer deposits was RM7.8 million.

Income generated from the Bank's treasury activities comprises net gain on foreign exchange trading of RM26.4 million, net gain from securities trading of RM1.8 million and net loss on derivatives of RM3.5 million. Inter-company charges, commission and fees earned by the Bank amounted to RM17.4 million.

Total overhead expenditure incurred in the 3 months was RM37.9 million. Staff cost and benefits came up to RM13.6 million while establishment expenses amounted to RM2.8 million. Inter-company fees incurred during the period was RM15.2 million, making up the bulk of general administrative expenses of RM21.2 million.

Performance for year-to-date March 2018 was higher than that of the corresponding period in 2017. In the current period, the profit before taxation was RM30.5 million (YTD March 2017: RM28.5 million). Net interest income for the current period was higher by RM1.5 million while other operating income in the first 3 months of 2018 was RM42 million as compared to RM38.5 million in the corresponding period in 2017. The increase was mainly due to a higher net gain in foreign exchange and other operating income by RM17.4 and RM3.5 million respectively. These were offset by lower net income from securities of RM3.5 million and a net loss of RM3.5 million in derivatives trading versus a net gain of RM10.2 million recorded during the same period in 2017. Other operating expenses came up to RM37.9 million as compared with RM35.3 million incurred during the corresponding period of 2017. The increase of RM2.6 million was mainly attributed to increase in personnel costs by RM1.9 million as well as increase in administration and general expenses by RM0.6 million.

J Business outlook for 2018

The macro-economic environment looks more promising going into 2018. In view of this, the markets in which we operate look reasonably healthy leading to optimism in the outlook and better prospects for the business.

J.P. Morgan's target clients, which consists 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 product mix and global network. Both elements ensure we can effectively service clients that have both a domestic and international presence.

Globally, with 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, J.P. Morgan's Corporate and Investment Bank's international businesses are important components of J.P. Morgan's overall global strategy and remain a significant focus of the firm. They will continue to contribute positively to our growth aspirations.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2018

	<u>31 Mar 2018</u> RM '000	<u>31 Dec 2017</u> RM '000
a) Cash and short-term funds		
Cash and balances with banks and other financial institutions	41,204	29,684
Money at call and deposit placements maturing within one month	<u>5,138,457</u>	<u>3,864,002</u>
	<u><u>5,179,661</u></u>	<u><u>3,893,686</u></u>
b) Financial assets measured at fair value through profit or loss / Financial assets held for trading		
<u>Money market instruments</u>		
Malaysian Government Securities	615,058	534,543
Bank Negara Malaysia bills	249,539	4,948
Malaysian Government Investment Issuance	106,700	246,479
<u>Unquoted securities</u>		
Private debt securities	<u>100,608</u>	<u>101,520</u>
	<u><u>1,071,905</u></u>	<u><u>887,490</u></u>
c) Instruments at fair value through other comprehensive income / Financial assets available-for-sale		
<u>Money market instruments</u>		
Malaysian Treasury bills	748,641	-
Bank Negara Malaysia bills	<u>149,448</u>	<u>148,476</u>
	<u><u>898,089</u></u>	<u><u>148,476</u></u>

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2018

	<u>31 Mar 2018</u>	<u>31 Dec 2017</u>
	RM '000	RM '000
d) Loans and advances		
i) Loans and advances analysed by type of loan are as follows:		
Overdrafts	58,503	37,503
Housing loans	693	703
Staff loans	722	741
Revolving credits	148,388	175,981
Trade finance	72,947	93,475
	<u>281,253</u>	<u>308,403</u>
Less: Allowance for losses on loans and advances:		
- Individual assessment	-	(41)
- Collective assessment	-	(1,285)
- ECL not credit impaired	(73)	-
- ECL credit impaired	(39)	-
Total net loans and advances	<u><u>281,141</u></u>	<u><u>307,077</u></u>
ii) The maturity structure of loans and advances are as follows:		
Maturity within		
- one year	279,840	306,973
- one year to three years	177	172
- three years to five years	265	118
- over five years	971	1,140
	<u>281,253</u>	<u>308,403</u>
iii) Loans and advances analysed by type of customers are as follows:		
Domestic business enterprises		
- Others	251,771	273,388
Individuals	1,415	1,444
Foreign entities	28,067	33,571
	<u>281,253</u>	<u>308,403</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2018

	31 Mar 2018 RM '000	31 Dec 2017 RM '000
d) Loans and advances (continued)		
iv) Loans and advances analysed by interest sensitivity are as follows:		
Fixed rate		
- Housing loans	1,415	1,444
Variable rate		
- Cost-plus	279,838	306,959
	<u>281,253</u>	<u>308,403</u>
v) Loans and advances analysed by their economic purpose are as		
Purchase of landed properties	1,415	1,444
Working capital	279,838	306,959
	<u>281,253</u>	<u>308,403</u>
vi) Loans and advances analysed by their geographical distribution are as follows:		
In Malaysia	253,186	274,832
Other countries	28,067	33,571
	<u>281,253</u>	<u>308,403</u>
vii) Impaired loans		
a) Movement in impaired loans and advances are as follows:		
At 1 January	111	123
Classified as impaired during the financial period/year	4	54
Reclassified as performing during the financial period/year	-	(54)
Amount recovered	(12)	(12)
At end of financial period/year	103	111
Individual assessment allowance	-	(41)
ECL credit impaired	(39)	-
Net impaired loans and advances	<u>64</u>	<u>70</u>
Ratio of net impaired loans and advances to net loans and advances	<u>0.02%</u>	<u>0.02%</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2018

	<u>31 Mar 2018</u> RM '000	<u>31 Dec 2017</u> RM '000
d) Loans and advances (continued)		
vii) Impaired loans (continued)		
b) Movement in allowance for impaired loans and advances are as		
<u>Individual assessment allowance</u>		
At 1 January		
- as previously reported	41	45
- effects of adoption of MFRS 9	(41)	-
	<u>-</u>	<u>45</u>
Allowance written back during the financial period/year	-	(4)
Balance at end of financial period/year	<u>-</u>	<u>41</u>
<u>ECL credit impaired</u>		
At 1 January		
- as previously reported	-	-
- effects of adoption of MFRS 9	39	-
- as restated / balance at end of financial period/year	<u>39</u>	<u>-</u>
<u>Collective assessment allowance</u>		
At 1 January		
- as previously reported	1,285	1,053
- effects of adoption of MFRS 9	(1,285)	-
	<u>-</u>	<u>1,053</u>
Allowance made/(written back) during the financial period/year	-	232
Balance at end of financial period/year	<u>-</u>	<u>1,285</u>
Collective assessment allowance (inclusive of regulatory reserve) as % of gross loans and advances, net of individual assessment allowance	<u>-</u>	<u>1.20%</u>
<u>ECL not credit impaired</u>		
At 1 January		
- as previously reported	-	-
- effects of adoption of MFRS 9	85	-
- as restated	85	-
- Allowance written back during the financial period/year	(12)	-
Balance at end of financial period/year	<u>73</u>	<u>-</u>
ECL not credit impaired (inclusive of regulatory reserve) as % of gross loans and advances, net of MFRS Stage 3 provision	<u>1.00%</u>	<u>-</u>
c) Impaired loans analysed by their economic purpose are as follows:		
Purchase of landed property	<u>103</u>	<u>111</u>
d) Impaired loans analysed by their geographical distribution are as follows:		
In Malaysia	<u>103</u>	<u>111</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2018

	<u>31 Mar 2018</u> RM '000	<u>31 Dec 2017</u> RM '000
e) Other assets		
Other receivables	187,675	49,612
Deposits and prepayments	44,740	4,242
	<u>232,415</u>	<u>53,854</u>
f) Deposits from customers		
i) Deposits from customers analysed by type of deposits are as follows:		
Demand deposits	6,735,567	3,101,125
Fixed deposits	31,011	28,408
	<u>6,766,578</u>	<u>3,129,533</u>
Maturity structure of fixed deposits are as follows:		
Due within six months	<u>31,011</u>	<u>28,408</u>
ii) Deposits from customers analysed by type of customers are as follows:		
Business enterprises	6,765,970	3,129,157
Others	608	376
	<u>6,766,578</u>	<u>3,129,533</u>
g) Deposits and placements of banks and other financial institutions		
Licensed banks	336,622	220,681
Other financial institutions	2,857	4,081
	<u>339,479</u>	<u>224,762</u>
h) Other liabilities		
Other payables	101,203	99,300
Accruals and charges	3,487	13,139
	<u>104,690</u>	<u>112,439</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2018

	31 Mar 2018 (Quarter 1 2018) RM '000	31 Mar 2017 (Quarter 1 2017) RM '000
i) Interest income		
Loans and advances		
- Interest income other than recoveries from impaired loans	2,692	2,726
- Recoveries from impaired loans	1	1
Money at call and placements with financial institutions	18,179	16,732
Financial assets		
- Held for trading	9,761	16,929
- Available-for-sale	6,082	1,201
	<u>36,715</u>	<u>37,589</u>
j) Interest expense		
Deposits from customers	7,787	7,045
Deposits and placements of banks and other financial institutions	2,508	5,591
	<u>10,295</u>	<u>12,636</u>
k) Other operating income		
Fee income:		
Service charges and fees	991	1,237
Guarantee fees	947	856
	<u>1,938</u>	<u>2,093</u>
Net income from securities:		
Net gain from sale of financial assets held for trading	2,693	7,773
Unrealised loss from revaluation of financial assets held for trading	(918)	(2,500)
Derivatives:		
Net gain/(loss) from trading of derivatives	8,894	(1,837)
Unrealised (loss)/gain from revaluation of derivatives	(12,376)	12,023
Other income:		
Foreign exchange gain	26,393	8,995
Other operating income	15,442	11,919
Loss on disposal of fixed assets	(18)	-
	<u>42,048</u>	<u>38,466</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2018

	<u>31 Mar 2018</u> (Quarter 1 2018) RM '000	<u>31 Mar 2017</u> (Quarter 1 2017) RM '000
l) Other operating expenses		
Personnel expenses	13,600	11,651
Establishment expenses	2,814	2,744
Marketing expenses	321	321
General administrative expenses	21,183	20,564
	<u>37,918</u>	<u>35,280</u>
m) Allowance for losses on loans and advances:		
(a) Individual assessment allowance - (Made)/written back	-	(12)
(b) Collective assessment allowance - (Made)/written back	-	378
(c) ECL not credit impaired	(39)	-
Bad debts on loans and advances - Written off	(2)	-
	<u>(41)</u>	<u>366</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2018

n) 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 2018</u>	<u>31 Dec 2017</u>
	RM '000	RM '000
Tier-I capital		
Paid-up share capital	127,500	127,500
Retained earnings	896,950	896,950
Fair value reserve - Fair value through other comprehensive income / Available-for-sale securities	43	40
Option reserve	<u>18,053</u>	<u>18,053</u>
	<u>1,042,546</u>	<u>1,042,543</u>
Deferred tax assets	(3,110)	(3,110)
Available-for-sale securities	<u>(23)</u>	<u>(22)</u>
Total Tier I capital	<u>1,039,413</u>	<u>1,039,411</u>
Tier-II capital		
Regulatory reserve	5,658	2,415
ECL not credit impaired / Collective assessment allowance	<u>73</u>	<u>1,285</u>
Total Tier-II capital	<u>5,731</u>	<u>3,700</u>
Total capital	<u><u>1,045,144</u></u>	<u><u>1,043,111</u></u>
Common Equity Tier 1 capital ratio	22.499%	25.911%
Tier 1 capital ratio	22.499%	25.911%
Total capital ratio	22.623%	26.004%

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2018

n) Capital adequacy (continued)

ii) Total risk weighted assets and capital requirements as at 31 March 2018 and 31 December 2017

Exposure class	31 March 2018				31 December 2017			
	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) <u>Credit risk</u>								
On-balance sheet exposures								
Sovereigns/central banks	6,072,021	6,072,021	579,499	46,360	4,087,691	4,087,691	81,099	6,488
Banks	912,119	912,119	186,999	14,960	594,364	594,364	124,962	9,997
Insurance companies, securities firms and fund managers	167,675	167,675	83,853	6,708	32,715	32,715	16,372	1,310
Corporates	280,531	280,531	280,184	22,415	306,960	306,960	306,960	24,556
Residential mortgages	1,308	1,308	501	40	1,328	1,328	508	41
Higher risk assets	4	4	6	-	4	4	6	-
Other assets	50,232	50,232	49,875	3,990	10,576	10,576	10,150	812
Defaulted exposures	103	103	103	8	111	111	111	9
Total on-balance sheet exposures	<u>7,483,993</u>	<u>7,483,993</u>	<u>1,181,020</u>	<u>94,481</u>	<u>5,033,749</u>	<u>5,033,749</u>	<u>540,168</u>	<u>43,213</u>
Off-balance sheet exposures over-the-counter ('OTC') derivatives	2,440,096	2,440,096	949,320	75,946	2,393,520	2,393,520	949,839	75,987
Off-balance sheet exposures other than OTC derivatives	484,664	484,664	471,213	37,697	310,922	310,922	302,695	24,216
Total off-balance sheet exposures	<u>2,924,760</u>	<u>2,924,760</u>	<u>1,420,533</u>	<u>113,643</u>	<u>2,704,442</u>	<u>2,704,442</u>	<u>1,252,534</u>	<u>100,203</u>
Total on and off-balance sheet exposures	<u>10,408,753</u>	<u>10,408,753</u>	<u>2,601,553</u>	<u>208,124</u>	<u>7,738,191</u>	<u>7,738,191</u>	<u>1,792,702</u>	<u>143,416</u>
(b) <u>Market risk</u>	<u>Long position</u>	<u>Short position</u>			<u>Long position</u>	<u>Short position</u>		
Interest rate risk	90,729,598	89,146,770	1,102,369	88,190	84,484,880	84,242,850	1,274,851	101,988
Equity position risk			7,963	637			-	-
Foreign currency risk	622	211,594	211,600	16,928	711	184,585	184,588	14,767
Option risk			251,950	20,156			321,413	25,713
(c) <u>Operational risk</u>			444,472	35,558			437,854	35,028
Total risk weighted assets and capital requirements			<u>4,619,907</u>	<u>369,593</u>			<u>4,011,408</u>	<u>320,912</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2018

o) Commitments and contingencies

	31 March 2018			31 December 2017		
	Principal <u>amount</u> RM'000	Credit equivalent <u>amount*</u> RM'000	Risk- weighted <u>amount</u> RM'000	Principal <u>amount</u> RM'000	Credit equivalent <u>amount*</u> RM'000	Risk- weighted <u>amount</u> RM'000
Direct credit substitutes	382,920	382,920	372,654	211,350	211,350	205,445
Transaction-related contingent items	31,490	15,745	12,560	37,791	18,895	16,573
Short-term self-liquidating trade related contingencies	23,436	4,687	4,687	27,485	5,497	5,497
Foreign exchange related contracts:						
- less than one year	25,255,428	612,049	291,749	18,957,817	524,512	250,330
- one year to less than five years	3,185,199	452,085	159,360	2,742,824	295,514	128,328
- more than five years	251,095	60,632	18,037	1,019,626	190,831	44,370
Interest rate related contracts:						
- less than one year	8,469,938	38,298	12,486	8,838,712	43,128	18,100
- one year to less than five years	25,630,810	752,308	252,486	25,891,420	848,925	297,510
- more than five years	2,048,132	138,711	53,252	2,198,070	157,309	61,996
Credit derivatives contracts						
- one year to less than five years	139,994	27,245	8,168	50,050	11,059	2,212
Equity related contracts						
- less than one year	1,963,771	228,816	77,905	1,855,696	194,258	71,575
- one year to less than five years	737,991	129,952	75,877	712,939	127,984	75,418
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	162,624	81,312	81,312	150,361	75,180	75,180
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in borrower's creditworthiness	1,227,797	-	-	1,431,395	-	-
	<u>69,510,625</u>	<u>2,924,760</u>	<u>1,420,533</u>	<u>64,125,536</u>	<u>2,704,442</u>	<u>1,252,534</u>

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