

J.P.Morgan

J.P. MORGAN CHASE BANK BERHAD

(Company number: 199401030666 (316347-D))

(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

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 (199401030666 (316347-D))
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

ASSETS	<u>Note</u>	<u>30 Sep 2021</u> RM'000	<u>31 Dec 2020</u> RM'000
Cash and short-term funds	a	4,366,693	3,018,499
Securities purchased under resale agreement		2,194,594	2,873,109
Financial assets held at fair value through profit and loss	b	1,504,955	739,050
Derivative financial instruments		840,980	1,479,003
Financial assets held at fair value through other comprehensive income	c	181,295	251,574
Loans and advances	d	337,407	253,661
Amount due from related parties		1,032,088	536,365
Statutory deposits with Bank Negara Malaysia		2	2
Other assets	e	754,344	94,275
Tax recoverable		42,159	33,236
Deferred tax assets		3,725	4,374
Fixed assets		10,469	13,893
Right-of-use assets		9,506	13,118
TOTAL ASSETS		<u>11,278,217</u>	<u>9,310,159</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits from customers	f	5,838,125	4,559,355
Deposits and placements of banks and other financial institutions	g	703,053	499,683
Obligations on securities sold under repurchase agreements		358,248	183,926
Derivative financial instruments		718,597	1,464,676
Amount due to related parties		961,726	693,701
Other liabilities	h	912,655	171,145
Total liabilities		<u>9,492,404</u>	<u>7,572,486</u>
Share capital		437,500	437,500
Retained earnings		1,328,528	1,286,237
Reserves		19,785	13,936
Shareholders' equity		<u>1,785,813</u>	<u>1,737,673</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>11,278,217</u>	<u>9,310,159</u>
COMMITMENTS AND CONTINGENCIES	p	<u>122,491,912</u>	<u>117,468,596</u>

J.P. MORGAN CHASE BANK BERHAD (199401030666 (316347-D))
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

	<u>Note</u>	<u>30 Sep 2021</u> (Quarter 3 2021) RM'000	<u>30 Sep 2020</u> (Quarter 3 2020) RM'000
Interest income	i	70,843	123,245
Interest expense	j	(21,549)	(58,796)
		<hr/>	<hr/>
Net interest income		49,294	64,449
Other operating income	k	145,846	286,905
		<hr/>	<hr/>
Net income		195,140	351,354
Other operating expenses	l	(128,167)	(110,455)
		<hr/>	<hr/>
Operating profit before allowances		66,973	240,899
Expected credit losses written-back/(made) on loans and advances	m	-	(21,487)
		<hr/>	<hr/>
Profit before taxation		66,973	219,412
Taxation		(18,421)	(56,670)
		<hr/>	<hr/>
Net profit for the financial period		<u>48,552</u>	<u>162,742</u>

J.P. MORGAN CHASE BANK BERHAD (199401030666 (316347-D))
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UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

	Share capital RM'000	Fair value reserves of OCI RM'000	Option reserve RM'000	Regulatory reserve RM'000	Distributable Retained earnings RM'000	Total RM'000
At 1 January 2021	437,500	1,010	11,953	973	1,286,237	1,737,673
Net profit for the financial period	-	-	-	-	48,552	48,552
Other comprehensive income (net of tax)	-	(412)	-	-	-	(412)
Net unrealised loss on revaluation of financial assets at fair value through other comprehensive income	-	(542)	-	-	-	(542)
Income tax relating to component of other comprehensive income	-	130	-	-	-	130
Total comprehensive income for the financial period	-	(412)	-	-	48,552	48,140
Transfer to regulatory reserve	-	-	-	6,261	(6,261)	-
At 30 September 2021	<u>437,500</u>	<u>598</u>	<u>11,953</u>	<u>7,234</u>	<u>1,328,528</u>	<u>1,785,813</u>
At 1 January 2020	437,500	101	11,953	5,105	1,089,820	1,544,479
Net profit for the financial period	-	-	-	-	192,285	192,285
Other comprehensive income (net of tax)	-	909	-	-	-	909
Net unrealised gain on revaluation of financial assets at fair value through other comprehensive income	-	1,197	-	-	-	1,197
Income tax relating to component of other comprehensive income	-	(288)	-	-	-	(288)
Total comprehensive income for the financial year	-	909	-	-	192,285	193,194
Transfer from regulatory reserve	-	-	-	(4,132)	4,132	-
At 31 December 2020	<u>437,500</u>	<u>1,010</u>	<u>11,953</u>	<u>973</u>	<u>1,286,237</u>	<u>1,737,673</u>

J.P. MORGAN CHASE BANK BERHAD (199401030666 (316347-D))

(Incorporated in Malaysia)

UNAUDITED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

	<u>30 Sep 2021</u> RM'000	<u>30 Sep 2020</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	66,973	219,412
Adjustments for items not involving the movement of cash and cash equivalents:		
Depreciation of fixed assets	5,637	4,313
Amortisation of lease	3,613	3,422
Loss on disposal of fixed assets	198	-
Expected credit losses on loans and advances	-	21,487
Net unrealised loss on revaluation of financial assets held at fair value through profit and loss	3,657	566
Net (gain)/loss on derivatives	(27,232)	5,832
Net unrealised loss/(gain) in revaluation on derivatives	19,985	(90,875)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>72,831</u>	<u>164,157</u>
Decrease/(Increase) in securities purchased under resale agreement	678,515	(735,059)
Increase in amount due from related parties	(423,115)	(301,405)
Increase in financial assets held at fair value through profit and loss	(769,562)	(140,379)
Increase in derivative financial instruments	(100,809)	(23,792)
Decrease in financial assets held at fair value through other comprehensive income	69,867	493,720
Increase in loans and advances	(83,746)	(85,985)
Increase in other assets	(656,438)	(123,084)
Increase in deposits from customers	1,278,770	700,526
Increase in deposits and placements of banks and other financial institutions	203,370	408,359
Increase in other liabilities	741,510	92,388
Increase in securities sold under repurchase agreements	174,322	308,907
Increase/(Decrease) in amount due to related parties	268,025	(247,175)
 Cash generated in operating activities	<u>1,453,540</u>	<u>511,178</u>
Income taxes paid	(26,565)	(42,150)
 Net cash generated in operating activities	<u>1,426,975</u>	<u>469,028</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(2,411)	(374)
 Net cash used in investing activities	<u>(2,411)</u>	<u>(374)</u>

J.P. MORGAN CHASE BANK BERHAD (199401030666 (316347-D))

(Incorporated in Malaysia)

UNAUDITED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (CONTINUED)

	<u>30 Sep 2021</u> RM'000	<u>30 Sep 2020</u> RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease rental payment	(3,762)	(3,454)
Net cash flow used in financing activities	<u>(3,762)</u>	<u>(3,454)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		
	1,420,802	465,200
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD		
	3,250,353	4,852,434
CASH AND CASH EQUIVALENT AT END OF FINANCIAL PERIOD	<u>4,671,155</u>	<u>5,317,634</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and short term funds	4,366,693	4,831,310
Amount due from related parties	304,462	486,324
	<u>4,671,155</u>	<u>5,317,634</u>

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(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

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 2020. 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 2020.

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 2020.

B Auditor's Report on preceding Annual Financial Statements

The auditor's report on the financial statements for the financial year ended 31 December 2020 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 2021.

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 2021.

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 2021.

G Dividend

No dividend was paid during the financial period ended 30 September 2021.

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 2021

I Review of Bank's Performance

The Bank's profit before taxation for the financial period to September 2021 amounted to RM67.0 million. Net interest income for the period was RM49.3 million. Major contributor for interest income include inter-bank lending (RM61.8 million), interest income from loans and advances (RM5.3 million) and interest earned from financial assets held at fair value through other comprehensive income for the period amounted to RM3.7 million. As for interest expense, amount incurred on inter-bank borrowings was RM12.4 million and interest incurred on customer deposits was RM9.1 million.

Income generated from the Bank's treasury activities comprises net gain on foreign exchange trading of RM45.5 million, net gain from financial assets held at fair value through profit and loss of RM30.8 million and net gain on derivatives of RM7.2 million. Inter-company charges, commission and fees earned by the Bank amounted to RM62.3 million.

Total overhead expenditure incurred in the 9 months was RM128.2 million. Staff cost and benefits came up to RM46.1 million while establishment expenses amounted to RM10.2 million. Inter-company management fees and attribution fees incurred during the period was RM62.5 million while administration and general expenses amounted to RM9.1 million. Expected credit losses written back on loans and advances for the period was RM1.5 million, offset by the additional expected credit losses provided for off-balance sheet lending commitment of RM1.5 million.

Performance for year-to-date September 2021 was lower than that of the corresponding period in 2020. In the current period, the profit before taxation was RM67.0 million (YTD September 2020: RM219.4 million). Net interest income for the current period was lower by RM15.2 million while other operating income in the first 9 months of 2021 was RM145.8 million, lower than the amount earned in the corresponding period in 2020 by RM141.1 million. The lower net interest income recorded was attributable to lower interest income from money at call and placements with financial institutions and financial assets held at fair value through other comprehensive income by RM41.4 million and RM9.3 million respectively, and higher interest expense arising from deposits and placements of banks and other financial institutions by RM5.6 million, offset by lower interest expense arising from deposits from customers by RM42.9 million. During the current period, there was lower net gain in management and attribution income, and foreign exchange by RM14.1 million and RM0.6 million respectively. Net income from financial assets held at fair value through profit and loss for the first 9 months of 2021 amounted to RM30.8 million while RM78.7 million was recorded in the corresponding period for 2020. As for derivatives trading, a net gain of RM7.2 million was recorded in the period against a net gain of RM85.0 million recorded in first 9 months of 2020. Other operating expenses increased to RM128.2 million as compared with RM110.5 million incurred during the corresponding period of 2020, reflecting an increase of RM17.7 million.

J Business outlook for 2021

The Bank continues to operate in an uncertain environment due to a combination of geo-economic factors as well as the Covid-19 virus. The Malaysian economy is an open, export-orientated economy and is therefore heavily exposed to macro factors that influence economic growth. The increase in Covid-19 vaccination rate is a positive development and we will monitor and analyze the social and economic benefits and be prepared to support clients as necessary as the situation evolves. In the meantime, the Bank will continue to ensure that clients' needs are met by our broad product mix and global network while at the same time managing risk.

The Bank will continue to focus on multi-national corporations, large domestic corporates, financial institutions and non-bank financial institutions, providing them with a broad mix of products and services across Corporate Banking, Wholesale Payments and Markets. With the support of our parent's strong capitalization, fortress balance sheet and proven track record in facing adverse conditions, the Bank is confident of evolving even stronger following recovery from the current environment.

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(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

	<u>30 Sep 2021</u> RM '000	<u>31 Dec 2020</u> RM '000
a) Cash and short-term funds		
Cash and balances with banks and other financial institutions	86,727	129,293
Money at call and deposit placements maturing within one month	<u>4,279,966</u>	<u>2,889,206</u>
	<u><u>4,366,693</u></u>	<u><u>3,018,499</u></u>
b) Financial assets held at fair value through profit or loss		
<u>Money market instruments</u>		
Malaysian Government Securities	763,517	464,225
Malaysian Treasury Bills	9,562	-
Malaysian Government Investment Issuance	701,363	196,298
Malaysian Government Guaranteed Bonds	23,958	72,036
<u>Unquoted securities</u>		
Unquoted shares	<u>6,555</u>	<u>6,491</u>
	<u><u>1,504,955</u></u>	<u><u>739,050</u></u>
c) Financial assets held at fair value through other comprehensive income		
<u>Money market instruments</u>		
Malaysian Government Investment Issuance	52,790	53,083
Malaysian Treasury Bills	<u>128,505</u>	<u>198,491</u>
	<u><u>181,295</u></u>	<u><u>251,574</u></u>
d) Loans and advances		
i) Loans and advances analysed by type of loan are as follows:		
Overdrafts	135,287	50,317
Housing loans	528	550
Staff loans	419	453
Revolving credits	154,462	129,043
Trade finance	<u>56,418</u>	<u>81,485</u>
	347,114	261,848
Less: Allowance for losses on loans and advances:		
- ECL not credit impaired	(9,668)	(8,164)
- ECL credit impaired	<u>(39)</u>	<u>(23)</u>
Total net loans and advances	<u><u>337,407</u></u>	<u><u>253,661</u></u>

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(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

	<u>30 Sep 2021</u>	<u>31 Dec 2020</u>
	RM '000	RM '000
d) Loans and advances (continued)		
ii) The maturity structure of loans and advances are as follows:		
Maturity within		
- one year	346,211	260,882
- one year to three years	264	85
- three years to five years	100	296
- over five years	539	585
	<u>347,114</u>	<u>261,848</u>
iii) Loans and advances analysed by type of customers are as follows:		
Domestic business enterprises		
- Others	338,595	251,731
Individuals	947	1,003
Foreign entities	7,572	9,114
	<u>347,114</u>	<u>261,848</u>
iv) Loans and advances analysed by interest sensitivity are as follows:		
Fixed rate		
- Housing loans	947	1,003
Variable rate		
- Cost-plus	346,167	260,845
	<u>347,114</u>	<u>261,848</u>
v) Loans and advances analysed by their economic purpose are as follows:		
Purchase of landed properties	947	1,003
Working capital	346,167	260,845
	<u>347,114</u>	<u>261,848</u>
vi) Loans and advances analysed by their geographical distribution are as follows:		
In Malaysia	339,542	252,734
Other countries	7,572	9,114
	<u>347,114</u>	<u>261,848</u>
vii) Loans and advances analysed by measurement basis are as follows:		
Amortised cost	<u>347,114</u>	<u>261,848</u>

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

	<u>30 Sep 2021</u> RM '000	<u>31 Dec 2020</u> RM '000
d) Loans and advances (continued)		
viii) Impaired loans		
a) Movement in impaired loans and advances are as follows:		
At 1 January	90	92
Classified as impaired during the financial period/year	117	2
Reclassified as performing during the financial period/year	(4)	-
Amount recovered	<u>(7)</u>	<u>(4)</u>
At end of financial period/year	196	90
ECL credit impaired	<u>(39)</u>	<u>(23)</u>
Net impaired loans and advances	<u><u>157</u></u>	<u><u>67</u></u>
b) Impaired loans analysed by their economic purpose are as follows:		
Purchase of landed property	<u>196</u>	<u>90</u>
c) Impaired loans analysed by their geographical distribution are as follows:		
In Malaysia	<u>196</u>	<u>90</u>
d) Movement in allowance for impaired loans and advances are as follows:		
<u>ECL credit impaired</u>		
At 1 January	23	24
- Allowance made/(written-back) during the financial period/year	<u>16</u>	<u>(1)</u>
Balance at end of financial period/year	<u><u>39</u></u>	<u><u>23</u></u>
<u>ECL not credit impaired</u>		
At 1 January	8,164	780
- Allowance made during the financial period/year	<u>1,504</u>	<u>7,384</u>
Balance at end of financial period/year	<u><u>9,668</u></u>	<u><u>8,164</u></u>
e) Other assets		
Other receivables	751,700	86,669
Deposits and prepayments	<u>2,644</u>	<u>7,606</u>
	<u><u>754,344</u></u>	<u><u>94,275</u></u>

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NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

	<u>30 Sep 2021</u> RM '000	<u>31 Dec 2020</u> RM '000
f) Deposits from customers		
i) Deposits from customers analysed by type of deposits are as follows:		
Demand deposits	5,757,115	4,508,850
Fixed deposits	81,010	50,505
	<u>5,838,125</u>	<u>4,559,355</u>
Maturity structure of fixed deposits are as follows:		
Due within six months	<u>81,010</u>	<u>50,505</u>
ii) Deposits from customers analysed by type of customers are as follows:		
Business enterprises	5,837,039	4,558,574
Others	1,086	781
	<u>5,838,125</u>	<u>4,559,355</u>
g) Deposits and placements of banks and other financial institutions		
Licensed banks	416,713	366,015
Other financial institutions	286,340	133,668
	<u>703,053</u>	<u>499,683</u>
h) Other liabilities		
Other payables	890,981	138,408
Accruals and charges	11,592	17,535
Lease liabilities	9,731	13,335
Expected credit loss - off-balance sheet lending commitment	351	1,867
	<u>912,655</u>	<u>171,145</u>

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NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

	<u>30 Sep 2021</u> (Quarter 3 2021) RM '000	<u>30 Sep 2020</u> (Quarter 3 2020) RM '000
i) Interest income		
Loans and advances		
- Interest income other than recoveries from impaired loans	5,333	7,015
- Recoveries from impaired loans	3	1
Money at call and placements with financial institutions	61,807	103,231
Financial assets held at fair value through other comprehensive income	3,700	12,998
	<u>70,843</u>	<u>123,245</u>
j) Interest expense		
Deposits from customers	9,138	52,018
Deposits and placements of banks and other financial institutions	12,411	6,778
	<u>21,549</u>	<u>58,796</u>
k) Other operating income		
Fee income:		
Service charges and fees	3,738	3,292
Guarantee fees	1,455	2,430
	<u>5,193</u>	<u>5,722</u>
Net income from securities:		
Net gain from sale of financial assets fair value through profit or loss	11,927	49,777
Unrealised loss from revaluation of financial assets fair value through profit or loss	(3,657)	(566)
Interest income from assets held at fair value through profit and loss	22,487	29,530
Derivatives:		
Net gain/(loss) from trading of derivatives	27,232	(5,832)
Unrealised (loss)/gain from revaluation of derivatives	(19,985)	90,875
Other income:		
Foreign exchange gain	45,542	46,177
Management and attribution income	57,107	71,163
Other non-operating income	-	59
	<u>145,846</u>	<u>286,905</u>
l) Other operating expenses		
Personnel expenses	46,081	44,697
Establishment expenses	10,213	9,900
Marketing expenses	296	480
Management and attribution fees paid	62,496	47,337
General administrative expenses	9,081	8,041
	<u>128,167</u>	<u>110,455</u>

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

	<u>30 Sep 2021</u> (Quarter 3 2021) RM '000	<u>30 Sep 2020</u> (Quarter 3 2020) RM '000
m) Expected credit losses written-back/(made) for losses on loans and advances:		
ECL - off-balance sheet lending commitment	1,516	(7,346)
ECL - loans and advances	(1,520)	(14,144)
Loans and advances recovered	4	3
	<u>-</u>	<u>(21,487)</u>

	<u>30 Sep 2021</u> RM '000	<u>31 Dec 2020</u> RM '000
n) Credit exposures arising from transactions with connected parties		
Outstanding credit exposures with connected parties	<u>241,924</u>	<u>259,238</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>6.73%</u>	<u>6.41%</u>
Percentage of outstanding credit exposures to connected parties which is non-performing or in default	<u>0%</u>	<u>0%</u>

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 2021</u> RM '000	<u>31 Dec 2020</u> RM '000
Tier-I capital		
Share capital	437,500	437,500
Retained earnings	1,286,237	1,286,237
Fair value reserve through other comprehensive income	598	1,010
Option reserve	11,953	11,953
	<u>1,736,288</u>	<u>1,736,700</u>
Deferred tax assets	(3,725)	(4,374)
Financial assets at fair value through other comprehensive income	(329)	(556)
Total Tier I capital	<u>1,732,234</u>	<u>1,731,771</u>
Tier-II capital		
Regulatory reserve	7,234	973
ECL not credit impaired	9,668	8,164
Total Tier-II capital	<u>16,902</u>	<u>9,137</u>
Total capital	<u>1,749,136</u>	<u>1,740,908</u>
Common Equity Tier 1 capital ratio	23.193%	25.238%
Tier 1 capital ratio	23.193%	25.238%
Total capital ratio	23.419%	25.371%

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

o) Capital adequacy (continued)

ii) Total risk weighted assets and capital requirements as at 30 September 2021 and 31 December 2020

Exposure class	30 September 2021				31 December 2020			
	Gross exposures RM'000	Net exposures RM'000	Risk weighted assets RM'000	Capital requirements RM'000	Gross exposures RM'000	Net exposures RM'000	Risk weighted assets RM'000	Capital requirements RM'000
(a) Credit risk								
On-balance sheet exposures								
Sovereigns/central banks	5,097,695	5,097,695	301,465	24,116	3,347,139	3,347,139	200,900	16,072
Banks, development financial institutions	2,297,098	2,297,098	459,420	36,754	3,084,994	3,084,994	617,031	49,360
Insurance companies, securities firms and fund managers	1,183,893	1,183,893	383,754	30,700	357,588	357,588	98,995	7,920
Corporates	348,109	348,109	348,109	27,849	260,845	260,845	260,845	20,868
Regulatory retail	419	419	419	34	453	453	453	36
Residential mortgages	327	327	114	9	456	456	159	13
Higher risk assets	4	4	6	0	4	4	6	1
Other assets	81,298	81,298	56,033	4,483	60,784	60,784	110,019	8,802
Defaulted exposures	158	158	157	13	67	67	33	3
Total on-balance sheet exposures	9,009,001	9,009,001	1,549,477	123,958	7,112,330	7,112,330	1,288,441	103,075
Off-balance sheet exposures over-the-counter ('OTC') derivatives	3,092,785	3,092,785	1,264,388	101,151	3,656,338	3,656,338	1,486,799	118,944
Off-balance sheet exposures other than OTC derivatives	155,562	155,562	148,077	11,846	129,123	129,123	120,558	9,645
Total off-balance sheet exposures	3,248,347	3,248,347	1,412,465	112,997	3,785,461	3,785,461	1,607,357	128,589
Total on and off-balance sheet exposures	12,257,348	12,257,348	2,961,942	236,955	10,897,791	10,897,791	2,895,798	231,664
(b) Market risk								
	<u>Long position</u>	<u>Short position</u>			<u>Long position</u>	<u>Short position</u>		
Interest rate risk	119,978,359	117,912,722	3,738,699	299,096	116,183,228	113,935,586	3,137,272	250,982
Foreign currency risk	1,756	27,151	27,150	2,172	2,676	52,629	52,629	4,210
Option risk			102,255	8,180			134,513	10,761
(c) Operational risk								
			638,879	51,110			641,638	51,331
Total risk weighted assets and capital requirements			7,468,925	597,514			6,861,850	548,948

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

p) Commitments and contingencies

Total risk weighted assets and capital requirements as at 30 September 2021 and 31 December 2020

	30 September 2021			31 December 2020		
	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	91,258	91,258	87,113	110,081	110,081	105,177
Transaction-related contingent items	29,945	14,973	11,725	31,974	15,987	12,326
Short-term self-liquidating trade related contingencies	57,487	11,497	11,405	14,522	2,904	2,904
Foreign exchange related contracts:						
- less than one year	51,163,032	986,226	468,509	41,345,468	1,221,827	579,427
- one year to less than five years	2,453,700	205,917	89,982	2,527,005	277,461	98,510
- more than five years	125,610	19,562	6,739	120,540	21,914	7,095
Interest rate related contracts:						
- less than one year	24,075,074	120,643	43,540	23,423,274	118,206	42,630
- one year to less than five years	38,311,678	1,232,188	439,659	43,323,128	1,471,298	548,244
- more than five years	2,545,247	278,597	121,338	2,962,352	277,867	84,631
Credit derivatives contracts						
- one year to less than five years	352,062	59,281	24,361	352,650	66,588	24,416
Equity related contracts						
- less than one year	1,200,328	165,155	58,365	1,271,273	149,180	78,486
- one year to less than five years	167,138	25,216	11,895	313,302	51,997	23,360
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	75,668	37,834	37,834	302	151	151
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	1,843,685	-	-	1,672,725	-	-
	<u>122,491,912</u>	<u>3,248,347</u>	<u>1,412,465</u>	<u>117,468,596</u>	<u>3,785,461</u>	<u>1,607,357</u>

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