

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 JUNE 2020

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

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

ASSETS	<u>Note</u>	<u>30 Jun 2020</u> RM'000	<u>31 Dec 2019</u> RM'000
Cash and short-term funds	a	5,699,164	4,799,172
Securities purchased under resale agreement		3,513,038	1,814,557
Financial assets held at fair value through profit and loss	b	1,392,219	408,409
Derivative financial instruments		1,379,721	587,362
Financial assets held at fair value through other comprehensive income	c	346,877	843,453
Loans and advances	d	345,489	265,291
Amount due from related parties		574,218	153,149
Statutory deposits with Bank Negara Malaysia		2	2
Other assets	e	708,382	259,729
Tax recoverable		14,874	31,305
Deferred tax assets		3,051	3,051
Fixed assets		11,967	14,914
Right-of-use assets		7,244	9,421
TOTAL ASSETS		<u>13,996,246</u>	<u>9,189,815</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits from customers	f	9,018,286	5,777,317
Deposits and placements of banks and other financial institutions	g	724,515	389,572
Obligations on securities sold under repurchase agreements		15,366	51,759
Derivative financial instruments		1,155,870	561,192
Amount due to related parties		467,346	579,424
Other liabilities	h	962,510	286,072
Total liabilities		<u>12,343,893</u>	<u>7,645,336</u>
Share capital	i	437,500	437,500
Retained earnings		1,203,529	1,089,820
Reserves		11,324	17,159
Shareholders' equity		<u>1,652,353</u>	<u>1,544,479</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>13,996,246</u>	<u>9,189,815</u>
COMMITMENTS AND CONTINGENCIES	p	<u>124,683,922</u>	<u>86,726,113</u>

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

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

	<u>Note</u>	<u>30 Jun 2020</u> (Quarter 2 2020) RM'000	<u>30 Jun 2019</u> (Quarter 2 2019) RM'000
Interest income	j	84,312	74,132
Interest expense	k	(39,355)	(36,260)
		<hr/>	<hr/>
Net interest income		44,957	37,872
Other operating income	l	205,235	129,283
		<hr/>	<hr/>
Net income		250,192	167,155
Other operating expenses	m	(75,832)	(77,482)
		<hr/>	<hr/>
Operating profit before allowances		174,360	89,673
Expected credit losses (made)/written-back on loans and advances	n	(25,935)	730
		<hr/>	<hr/>
Profit before taxation		148,425	90,403
Taxation		(39,821)	(22,365)
		<hr/>	<hr/>
Net profit for the financial period		<u>108,604</u>	<u>68,038</u>

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

(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

	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 2020	437,500	101	11,953	5,105	1,089,820	1,544,479
Net profit for the financial period	-	-	-	-	108,604	108,604
Transfer from regulatory reserve	-	-	-	(5,105)	5,105	-
Other comprehensive income	-	(730)	-	-	-	(730)
At 30 June 2020	<u>437,500</u>	<u>(629)</u>	<u>11,953</u>	<u>-</u>	<u>1,203,529</u>	<u>1,652,353</u>
At 1 January 2019	127,500	133	11,953	14,206	959,653	1,113,445
Capital contribution	310,000	-	-	-	-	310,000
Net profit for the financial period	-	-	-	-	121,066	121,066
Transfer from regulatory reserve	-	-	-	(9,101)	9,101	-
Other comprehensive income	-	(32)	-	-	-	(32)
At 31 December 2019	<u>437,500</u>	<u>101</u>	<u>11,953</u>	<u>5,105</u>	<u>1,089,820</u>	<u>1,544,479</u>

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

(Incorporated in Malaysia)

CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

	<u>30 Jun 2020</u> RM'000	<u>30 Jun 2019</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	148,425	90,403
Adjustments for items not involving the movement of cash and cash equivalents:		
Depreciation of fixed assets	3,068	1,474
Amortisation of lease	2,156	1,962
Expected credit losses on loans and advances	25,935	(730)
Net unrealised gain on revaluation of financial assets held at fair value through profit and loss	(1,586)	(892)
Net gain/(loss) on derivatives	(6,928)	3,202
Net unrealised gain in revaluation on derivatives	(57,295)	(18,474)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>113,775</u>	<u>76,945</u>
Increase in securities purchased under resale agreement (Increase)/decrease in financial assets held at fair value through profit and loss	(1,698,481) (982,224)	(2,445,791) 1,021,315
Increase in derivative financial instruments	(133,458)	(20,883)
Decrease in financial assets held at fair value through other comprehensive income	495,846	471,688
(Increase)/decrease in loans and advances	(106,133)	136,354
Increase in other assets	(446,434)	(547,457)
Increase/(decrease) in deposits from customers	3,240,969	(1,565,057)
Increase/(decrease) in deposits and placements of banks and other financial institutions	334,943	(363,173)
Increase in other liabilities	676,438	767,469
Decrease in securities sold under repurchase agreements	(36,393)	(21,815)
Decrease in amount due to related parties	(112,078)	(320,786)
 Cash generated/(used) in operating activities	 <u>1,346,770</u>	 <u>(2,811,191)</u>
Income taxes paid	(23,400)	(10,800)
Net cash generated/(used) in operating activities	<u><u>1,323,370</u></u>	<u><u>(2,821,991)</u></u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(121)	(990)
Net cash used in investing activities	<u><u>(121)</u></u>	<u><u>(990)</u></u>

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

CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020 (CONTINUED)

	<u>30 Jun 2020</u> RM'000	<u>30 Jun 2019</u> RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital injection	-	310,000
Lease rental payment	(2,188)	(1,994)
Net cash flow (used)/generated in financing activities	<u>(2,188)</u>	<u>308,006</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		
	1,321,061	(2,514,975)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD		
	4,952,321	5,121,768
CASH AND CASH EQUIVALENT AT END OF FINANCIAL PERIOD		
	<u>6,273,382</u>	<u>2,606,793</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and short term funds	5,699,164	2,190,925
Amount due from related parties	574,218	415,868
	<u>6,273,382</u>	<u>2,606,793</u>

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

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2020

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 2019. 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 2019.

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 2019.

B Auditor's Report on preceding Annual Financial Statements

The auditor's report on the financial statements for the financial year ended 31 December 2019 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 June 2020.

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 June 2020.

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 June 2020.

G Dividend

No dividend was paid during the financial period ended 30 June 2020.

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 JUNE 2020

I Review of Bank's Performance

The Bank's profit before taxation for the financial period to June 2020 amounted to RM148.4 million. Net interest income for the period was RM45.0 million. Major contributor for interest income include inter-bank lending (RM68.4 million), interest earned from financial assets held at fair value through other comprehensive income (RM10.9 million) and interest income from loans and advances for the period amounted to RM5.0 million. As for interest expense, amount incurred on inter-bank borrowings was RM4.3 million and interest incurred on customer deposits was RM35.1 million.

Income generated from the Bank's treasury activities comprises net gain on foreign exchange trading of RM36.9 million, net gain from financial assets held at fair value through profit and loss of RM61.5 million and net gain on derivatives of RM64.2 million. Inter-company charges, commission and fees earned by the Bank amounted to RM42.5 million.

Total overhead expenditure incurred in the 6 months was RM75.8 million. Staff cost and benefits came up to RM31.0 million while establishment expenses amounted to RM6.3 million. Inter-company management fees and attribution fees incurred during the period was RM33.2 million while administration and general expenses amounted to RM5.0 million. Expected credit losses made on loans and advances for the period was RM25.9 million, higher than the credit losses written-back in the corresponding period in 2019 of RM0.7 million, mainly contributed by higher expected credit losses provided by taking into consideration of market and industry volatility and adverse macro-economical factors.

Performance for year-to-date June 2020 was higher than that of the corresponding period in 2019. In the current period, the profit before taxation was RM148.4 million (YTD June 2019: RM90.4 million). Net interest income for the current period was higher by RM7.1 million while other operating income in the first 6 months of 2020 was RM205.2 million, higher than the amount earned in the corresponding period in 2019 by RM76.0 million. The higher net interest income recorded was attributable to higher interest income from money at call and placements with financial institutions by RM15.0 million, offset by higher interest expense arising from deposits from customers by RM3.6 million. During the current period, there was lower net gain in foreign exchange by RM8.5 million, offset by higher other operating income earned by RM11.5 million. Net income from financial assets held at fair value through profit and loss for the first 6 months of 2020 amounted to RM61.5 million while RM37.3 million was recorded in the corresponding period for 2019. As for derivatives trading, a net gain of RM64.2 million was recorded in the period against a net gain of RM15.3 million recorded in first 6 months of 2019. Other operating expenses dropped to RM75.8 million as compared with RM77.5 million incurred during the corresponding period of 2019, reflecting a decrease of RM1.7 million.

J Business outlook for 2020

The Bank faces severe headwinds going into 2020 from a combination of geopolitical 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 beyond its influence. This is likely to result in slower economic growth in 2020 compared to earlier years. As a consequence, the Bank's fortunes depend on how clients respond to the prevailing environment which, in turn, is dependent upon how quickly the global economy recovers particularly from the impact of Covid-19. Given the circumstances, 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 JUNE 2020

	<u>30 Jun 2020</u> RM '000	<u>31 Dec 2019</u> RM '000
a) Cash and short-term funds		
Cash and balances with banks and other financial institutions	85,270	34,486
Money at call and deposit placements maturing within one month	<u>5,613,894</u>	<u>4,764,686</u>
	<u>5,699,164</u>	<u>4,799,172</u>
b) Financial assets held at fair value through profit or loss		
<u>Money market instruments</u>		
Malaysian Government Securities	1,048,890	198,330
Malaysian Treasury bills	4,998	4,926
Malaysian Government Investment Issuance	142,848	107,744
Malaysian Government Guaranteed Bonds	188,780	91,107
<u>Unquoted securities</u>		
Unquoted shares	<u>6,703</u>	<u>6,302</u>
	<u>1,392,219</u>	<u>408,409</u>
c) Financial assets held at fair value through other comprehensive income		
<u>Money market instruments</u>		
Bank Negara Interbank Bills	-	745,932
Malaysian Government Investment Issuance	52,945	-
Malaysian Treasury Bills	<u>293,932</u>	<u>97,521</u>
	<u>346,877</u>	<u>843,453</u>
d) Loans and advances		
i) Loans and advances analysed by type of loan are as follows:		
Overdrafts	169,664	50,814
Housing loans	580	579
Staff loans	475	572
Revolving credits	159,281	180,366
Trade finance	<u>33,836</u>	<u>33,764</u>
	363,836	266,095
Less: Allowance for losses on loans and advances:		
- ECL not credit impaired	(18,323)	(780)
- ECL credit impaired	<u>(24)</u>	<u>(24)</u>
Total net loans and advances	<u>345,489</u>	<u>265,291</u>

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2020

	<u>30 Jun 2020</u> RM '000	<u>31 Dec 2019</u> RM '000
d) Loans and advances (continued)		
ii) The maturity structure of loans and advances are as follows:		
Maturity within		
- one year	362,945	265,107
- one year to three years	129	58
- three years to five years	164	255
- over five years	598	675
	<u>363,836</u>	<u>266,095</u>
iii) Loans and advances analysed by type of customers are as follows:		
Domestic business enterprises		
- Others	359,009	260,463
Individuals	1,056	1,151
Foreign entities	3,771	4,481
	<u>363,836</u>	<u>266,095</u>
iv) Loans and advances analysed by interest sensitivity are as follows:		
Fixed rate		
- Housing loans	1,056	1,151
Variable rate		
- Cost-plus	362,780	264,944
	<u>363,836</u>	<u>266,095</u>
v) Loans and advances analysed by their economic purpose are as follows:		
Purchase of landed properties	1,056	1,151
Working capital	362,780	264,944
	<u>363,836</u>	<u>266,095</u>
vi) Loans and advances analysed by their geographical distribution are as follows:		
In Malaysia	360,065	261,614
Other countries	3,771	4,481
	<u>363,836</u>	<u>266,095</u>
vii) Loans and advances analysed by measurement basis are as follows:		
Amortised cost	<u>363,836</u>	<u>266,095</u>

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2020

	<u>30 Jun 2020</u> RM '000	<u>31 Dec 2019</u> RM '000
d) Loans and advances (continued)		
viii) Impaired loans		
a) Movement in impaired loans and advances are as follows:		
At 1 January	92	66
Classified as impaired during the financial period/year	2	33
Amount recovered	<u>(1)</u>	<u>(7)</u>
At end of financial period/year	93	92
ECL credit impaired	<u>(24)</u>	<u>(24)</u>
Net impaired loans and advances	<u><u>69</u></u>	<u><u>68</u></u>
b) Impaired loans analysed by their economic purpose are as follows:		
Purchase of landed property	<u><u>93</u></u>	<u><u>92</u></u>
c) Impaired loans analysed by their geographical distribution are as follows:		
In Malaysia	<u><u>93</u></u>	<u><u>92</u></u>
d) Movement in allowance for impaired loans and advances are as follows:		
<u>ECL credit impaired</u>		
At 1 January	24	23
- Allowance made during the financial period/year	<u>-</u>	<u>1</u>
Balance at end of financial period/year	<u><u>24</u></u>	<u><u>24</u></u>
<u>ECL not credit impaired</u>		
At 1 January	780	181
- Allowance made during the financial period/year	<u>17,543</u>	<u>599</u>
Balance at end of financial period/year	<u><u>18,323</u></u>	<u><u>780</u></u>
e) Other assets		
Other receivables	707,050	258,441
Deposits and prepayments	<u>1,332</u>	<u>1,288</u>
	<u><u>708,382</u></u>	<u><u>259,729</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2020

	<u>30 Jun 2020</u> RM '000	<u>31 Dec 2019</u> RM '000
f) Deposits from customers		
i) Deposits from customers analysed by type of deposits are as follows:		
Demand deposits	8,980,577	5,748,406
Fixed deposits	37,709	28,911
	<u>9,018,286</u>	<u>5,777,317</u>
Maturity structure of fixed deposits are as follows:		
Due within six months	<u>37,709</u>	<u>28,911</u>
ii) Deposits from customers analysed by type of customers are as follows:		
Business enterprises	9,017,699	5,777,073
Others	587	244
	<u>9,018,286</u>	<u>5,777,317</u>
g) Deposits and placements of banks and other financial institutions		
Licensed banks	623,780	254,593
Other financial institutions	100,735	134,979
	<u>724,515</u>	<u>389,572</u>
h) Other liabilities		
Other payables	934,037	255,808
Accruals and charges	8,086	16,274
Lease liabilities	7,375	9,371
Expected credit loss - off-balance sheet lending commitment	13,012	4,619
	<u>962,510</u>	<u>286,072</u>
i) Share capital		
Movement in share capital during the financial period		
At the beginning of financial period/year	437,500	127,500
Capital contribution from holding company	-	310,000
At the end of the financial period/year	<u>437,500</u>	<u>437,500</u>

The Bank has on 11 June 2019 issued and fully paid-up 310,000,000 new ordinary shares in capital at an issue price of RM1.00 each for cash to the parent company, J.P. Morgan International Finance Ltd. This increase in capital contribution is qualified as Common Equity Tier-1 for the purpose of capital adequacy requirements.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2020

	30 Jun 2020 (Quarter 2 2020) RM '000	30 Jun 2019 (Quarter 2 2019) RM '000
j) Interest income		
Loans and advances		
- Interest income other than recoveries from impaired loans	5,043	6,533
- Recoveries from impaired loans	1	-
Money at call and placements with financial institutions	68,396	53,406
Financial assets held at fair value through other comprehensive income	10,872	14,193
	<u>84,312</u>	<u>74,132</u>
k) Interest expense		
Deposits from customers	35,082	31,528
Deposits and placements of banks and other financial institutions	4,273	4,732
	<u>39,355</u>	<u>36,260</u>
l) Other operating income		
Fee income:		
Service charges and fees	2,228	2,204
Guarantee fees	1,743	2,100
	<u>3,971</u>	<u>4,304</u>
Net income from securities:		
Net gain from sale of financial assets fair value through profit or loss	36,817	11,974
Unrealised gain from revaluation of financial assets fair value through profit or loss	1,586	892
Interest income from assets held at fair value through profit and loss	23,145	24,440
Derivatives:		
Net gain/(loss) from trading of derivatives	6,928	(3,202)
Unrealised gain from revaluation of derivatives	57,295	18,474
Other income:		
Foreign exchange gain	36,933	45,388
Other operating income	38,546	27,013
Other non-operating income	14	-
	<u>205,235</u>	<u>129,283</u>
m) Other operating expenses		
Personnel expenses	30,954	28,086
Establishment expenses	6,262	5,099
Marketing expenses	373	807
Management fee	33,247	38,511
General administrative expenses	4,996	4,979
	<u>75,832</u>	<u>77,482</u>

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2020

	<u>30 Jun 2020</u> (Quarter 2 2020) RM '000	<u>30 Jun 2019</u> (Quarter 2 2019) RM '000
n) Expected credit losses (made)/written-back for losses on loans and advances:		
ECL - off-balance sheet lending commitment	(8,393)	668
ECL - loans and advances	(17,543)	65
Loans and advances recovered/(written-off)	1	(3)
	<u>(25,935)</u>	<u>730</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 Jun 2020</u> RM '000	<u>31 Dec 2019</u> RM '000
Tier-I capital		
Share capital	437,500	437,500
Retained earnings	1,089,820	1,089,820
Fair value reserve through other comprehensive income	(629)	101
Option reserve	11,953	11,953
	<u>1,538,644</u>	<u>1,539,374</u>
Deferred tax assets	(3,051)	(3,051)
Financial assets at fair value through other comprehensive income	-	(56)
Total Tier I capital	<u>1,535,593</u>	<u>1,536,267</u>
Tier-II capital		
Regulatory reserve	-	5,105
ECL not credit impaired	18,323	780
Total Tier-II capital	<u>18,323</u>	<u>5,885</u>
Total capital	<u>1,553,916</u>	<u>1,542,152</u>
Common Equity Tier 1 capital ratio	20.751%	35.328%
Tier 1 capital ratio	20.751%	35.328%
Total capital ratio	20.999%	35.464%

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2020

o) Capital adequacy (continued)

ii) Total risk weighted assets and capital requirements as at 30 June 2020 and 31 December 2019

Exposure class	30 June 2020				31 December 2019			
	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	6,443,789	6,443,789	256,950	20,556	5,781,829	5,781,829	81,863	6,549
Banks, development financial institutions	3,998,296	3,998,296	819,013	65,521	1,862,069	1,862,069	372,550	29,804
Insurance companies, securities firms and fund managers	541,950	541,950	272,102	21,768	259,050	259,050	129,829	10,386
Corporates	372,405	372,405	372,405	29,792	264,944	264,944	264,944	21,196
Residential mortgages	958	958	335	27	1,054	1,054	369	30
Higher risk assets	4	4	6	1	4	4	6	1
Other assets	27,660	27,660	27,258	2,180	32,519	32,519	32,007	2,561
Defaulted exposures	69	69	34	3	68	68	34	3
Total on-balance sheet exposures	11,385,131	11,385,131	1,748,103	139,848	8,201,537	8,201,537	881,602	70,530
Off-balance sheet exposures								
over-the-counter (OTC) derivatives	3,901,531	3,901,531	1,544,558	123,565	2,568,066	2,568,066	932,265	74,581
Off-balance sheet exposures other than OTC derivatives	210,570	210,570	187,730	15,018	303,352	303,352	275,386	22,031
Total off-balance sheet exposures	4,112,101	4,112,101	1,732,288	138,583	2,871,418	2,871,418	1,207,651	96,612
Total on and off-balance sheet exposures	15,497,232	15,497,232	3,480,391	278,431	11,072,955	11,072,955	2,089,253	167,142
(b) Market risk								
	<u>Long position</u>	<u>Short</u>			<u>Long position</u>	<u>Short</u>		
Interest rate risk	116,417,531	114,868,300	2,619,479	209,558	112,328,805	111,562,393	1,468,018	117,442
Foreign currency risk	130,238	285,853	285,853	22,868	9,786	-	9,786	783
Option risk			410,051	32,804			263,112	21,049
(c) Operational risk								
			604,281	48,342			518,381	41,470
Total risk weighted assets and capital			7,400,055	592,003			4,348,550	347,886

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2020

p) Commitments and contingencies

	30 June 2020			31 December 2019		
	Principal amount RM'000	Credit equivalent amount* RM'000	Risk-weighted amount RM'000	Principal amount RM'000	Credit equivalent amount* RM'000	Risk-weighted amount RM'000
Direct credit substitutes	174,412	174,412	155,821	177,275	177,275	153,588
Transaction-related contingent items	72,005	36,003	31,754	74,006	37,003	32,724
Short-term self-liquidating trade related contingencies	-	-	-	14,826	2,965	2,965
Foreign exchange related contracts:						
- less than one year	51,362,684	1,060,178	432,778	31,745,761	699,788	297,715
- one year to less than five years	4,176,570	367,563	168,220	3,558,501	350,243	119,476
- more than five years	128,475	22,503	7,777	122,790	22,660	6,619
Interest rate related contracts:						
- less than one year	16,471,966	92,824	32,302	9,624,026	36,969	11,494
- one year to less than five years	45,159,338	1,617,661	603,136	34,587,526	927,673	271,892
- more than five years	2,971,537	346,236	117,956	2,325,772	187,103	50,925
Credit derivatives contracts						
- one year to less than five years	375,392	100,129	32,018	31,150	3,115	623
- more than five years	5,000	954	191	321,429	62,608	24,984
Equity related contracts						
- less than one year	1,576,103	206,177	104,550	1,556,590	145,572	76,804
- one year to less than five years	500,738	87,306	45,630	799,146	132,337	71,732
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	311	155	155	172,217	86,108	86,108
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	1,709,391	-	-	1,615,098	-	-
	<u>124,683,922</u>	<u>4,112,101</u>	<u>1,732,288</u>	<u>86,726,113</u>	<u>2,871,419</u>	<u>1,207,649</u>

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