

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 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 JUNE 2021

ASSETS	<u>Note</u>	<u>30 Jun 2021</u> RM'000	<u>31 Dec 2020</u> RM'000
Cash and short-term funds	a	2,375,594	3,018,499
Securities purchased under resale agreement		1,626,421	2,873,109
Financial assets held at fair value through profit and loss	b	1,545,805	739,050
Derivative financial instruments		845,912	1,479,003
Financial assets held at fair value through other comprehensive income	c	180,444	251,574
Loans and advances	d	389,572	253,661
Amount due from related parties		947,324	536,365
Statutory deposits with Bank Negara Malaysia		2	2
Other assets	e	589,135	94,275
Tax recoverable		49,012	33,236
Deferred tax assets		2,662	4,374
Fixed assets		12,277	13,893
Right-of-use assets		10,710	13,118
TOTAL ASSETS		<u>8,574,870</u>	<u>9,310,159</u>
 LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits from customers	f	4,369,084	4,559,355
Deposits and placements of banks and other financial institutions	g	574,169	499,683
Obligations on securities sold under repurchase agreements		98,028	183,926
Derivative financial instruments		717,340	1,464,676
Amount due to related parties		283,265	693,701
Other liabilities	h	761,103	171,145
Total liabilities		<u>6,802,989</u>	<u>7,572,486</u>
Share capital		437,500	437,500
Retained earnings		1,317,738	1,286,237
Reserves		16,643	13,936
Shareholders' equity		<u>1,771,881</u>	<u>1,737,673</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>8,574,870</u>	<u>9,310,159</u>
 COMMITMENTS AND CONTINGENCIES	 p	 <u>119,472,872</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 JUNE 2021

	<u>Note</u>	<u>30 Jun 2021</u> (Quarter 2 2021) RM'000	<u>30 Jun 2020</u> (Quarter 2 2020) RM'000
Interest income	i	45,869	84,312
Interest expense	j	(14,809)	(39,355)
		<hr/>	<hr/>
Net interest income		31,060	44,957
Other operating income	k	96,316	205,235
		<hr/>	<hr/>
Net income		127,376	250,192
Other operating expenses	l	(83,169)	(75,832)
		<hr/>	<hr/>
Operating profit before allowances		44,207	174,360
Expected credit losses written-back/(made) on loans and advances	m	2,926	(25,935)
		<hr/>	<hr/>
Profit before taxation		47,133	148,425
Taxation		(12,603)	(39,821)
		<hr/>	<hr/>
Net profit for the financial period		<u>34,530</u>	<u>108,604</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 JUNE 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	-	-	-	-	34,530	34,530
Other comprehensive income (net of tax)	-	(322)	-	-	-	(322)
Net unrealised loss on revaluation of financial assets at fair value through other comprehensive income	-	(424)	-	-	-	(424)
Income tax relating to component of other comprehensive income	-	102	-	-	-	102
Total comprehensive income for the financial period	-	(322)	-	-	34,530	34,208
Transfer to regulatory reserve	-	-	-	3,029	(3,029)	-
At 30 June 2021	<u>437,500</u>	<u>688</u>	<u>11,953</u>	<u>4,002</u>	<u>1,317,738</u>	<u>1,771,881</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 JUNE 2021

	<u>30 Jun 2021</u> RM'000	<u>30 Jun 2020</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	47,133	148,425
Adjustments for items not involving the movement of cash and cash equivalents:		
Depreciation of fixed assets	3,788	3,068
Amortisation of lease	2,408	2,156
Loss on disposal of fixed assets	198	-
Expected credit losses on loans and advances	(2,926)	25,935
Net unrealised loss/(gain) on revaluation of financial assets held at fair value through profit and loss	1,320	(1,586)
Net gain on derivatives	(32,020)	(6,928)
Net unrealised loss/(gain) in revaluation on derivatives	27,349	(57,295)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>47,250</u>	<u>113,775</u>
Decrease/(Increase) in securities purchased under resale agreement	1,246,688	(1,698,481)
Increase in amount due from related parties	(487,088)	(59,310)
Increase in financial assets held at fair value through profit and loss	(808,075)	(982,224)
Increase in derivative financial instruments	(109,574)	(133,458)
Decrease in financial assets held at fair value through other comprehensive income	70,808	495,846
Increase in loans and advances	(132,985)	(106,133)
Increase in other assets	(492,554)	(446,441)
(Decrease)/increase in deposits from customers	(190,274)	3,240,969
Increase in deposits and placements of banks and other financial institutions	74,489	334,943
Increase in other liabilities	589,958	676,438
Decrease in securities sold under repurchase agreements	(85,898)	(36,393)
Decrease in amount due to related parties	(410,436)	(112,078)
 Cash (used)/generated in operating activities	<u>(687,691)</u>	<u>1,287,453</u>
Income taxes paid	(26,565)	(23,400)
 Net cash (used)/generated in operating activities	<u>(714,256)</u>	<u>1,264,053</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(2,370)	(121)
 Net cash used in investing activities	<u>(2,370)</u>	<u>(121)</u>

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

(Incorporated in Malaysia)

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

	<u>30 Jun 2021</u> RM'000	<u>30 Jun 2020</u> RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease rental payment	(2,408)	(2,181)
Net cash flow used in financing activities	<u>(2,408)</u>	<u>(2,181)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(719,034)	1,261,751
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><u>2,531,319</u></u>	<u><u>6,114,185</u></u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and short term funds	2,375,594	5,699,164
Amount due from related parties	155,725	415,021
	<u><u>2,531,319</u></u>	<u><u>6,114,185</u></u>

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 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 June 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 June 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 June 2021.

G Dividend

No dividend was paid during the financial period ended 30 June 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 JUNE 2021

I Review of Bank's Performance

The Bank's profit before taxation for the financial period to June 2021 amounted to RM47.1 million. Net interest income for the period was RM31.1 million. Major contributor for interest income include inter-bank lending (RM39.9 million), interest income from loans and advances (RM3.3 million) and interest earned from financial assets held at fair value through other comprehensive income for the period amounted to RM2.7 million. As for interest expense, amount incurred on inter-bank borrowings was RM8.6 million and interest incurred on customer deposits was RM6.2 million.

Income generated from the Bank's treasury activities comprises net gain on foreign exchange trading of RM30.0 million, net gain from financial assets held at fair value through profit and loss of RM22.1 million and net gain on derivatives of RM4.7 million. Inter-company charges, commission and fees earned by the Bank amounted to RM39.6 million.

Total overhead expenditure incurred in the 6 months was RM83.2 million. Staff cost and benefits came up to RM30.8 million while establishment expenses amounted to RM6.6 million. Inter-company management fees and attribution fees incurred during the period was RM39.8 million while administration and general expenses amounted to RM5.8 million. Expected credit losses written-back on loans and advances for the period was RM2.9 million, as compared to the credit losses made in the corresponding period in 2020 of RM25.9 million, mainly contributed by lower expected credit losses provided.

Performance for year-to-date June 2021 was lower than that of the corresponding period in 2020. In the current period, the profit before taxation was RM47.1 million (YTD June 2020: RM148.4 million). Net interest income for the current period was lower by RM13.9 million while other operating income in the first 6 months of 2021 was RM96.3 million, lower than the amount earned in the corresponding period in 2020 by RM108.9 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 RM28.5 million and RM8.1 million respectively, offset by lower interest expense arising from deposits from customers by RM28.8 million. During the current period, there was lower net gain in foreign exchange, and management and attribution income by RM7.0 million and RM2.4 million respectively. Net income from financial assets held at fair value through profit and loss for the first 6 months of 2021 amounted to RM22.1 million while RM61.5 million was recorded in the corresponding period for 2020. As for derivatives trading, a net gain of RM4.7 million was recorded in the period against a net gain of RM64.2 million recorded in first 6 months of 2020. Other operating expenses increased to RM83.2 million as compared with RM75.8 million incurred during the corresponding period of 2020, reflecting an increase of RM7.3 million.

J Business outlook for 2021

The Bank continues to operate in an uncertain environment going into 2021 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 roll-out of vaccines to tackle Covid-19 is a positive development and we will monitor and analyze the social and economic benefits as they occur 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 JUNE 2021

	<u>30 Jun 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	94,630	129,293
Money at call and deposit placements maturing within one month	<u>2,280,964</u>	<u>2,889,206</u>
	<u>2,375,594</u>	<u>3,018,499</u>
b) Financial assets held at fair value through profit or loss		
<u>Money market instruments</u>		
Malaysian Government Securities	1,351,506	464,225
Malaysian Government Investment Issuance	115,248	196,298
Malaysian Government Guaranteed Bonds	72,497	72,036
<u>Unquoted securities</u>		
Unquoted shares	6,554	6,491
	<u>1,545,805</u>	<u>739,050</u>
c) Financial assets held at fair value through other comprehensive income		
<u>Money market instruments</u>		
Malaysian Government Investment Issuance	52,548	53,083
Malaysian Treasury Bills	<u>127,896</u>	<u>198,491</u>
	<u>180,444</u>	<u>251,574</u>
d) Loans and advances		
i) Loans and advances analysed by type of loan are as follows:		
Overdrafts	138,886	50,317
Housing loans	530	550
Staff loans	430	453
Revolving credits	145,694	129,043
Trade finance	<u>110,192</u>	<u>81,485</u>
	395,732	261,848
Less: Allowance for losses on loans and advances:		
- ECL not credit impaired	(6,114)	(8,164)
- ECL credit impaired	<u>(46)</u>	<u>(23)</u>
Total net loans and advances	<u>389,572</u>	<u>253,661</u>

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NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2021

	<u>30 Jun 2021</u> RM '000	<u>31 Dec 2020</u> RM '000
d) Loans and advances (continued)		
ii) The maturity structure of loans and advances are as follows:		
Maturity within		
- one year	394,802	260,882
- one year to three years	161	85
- three years to five years	224	296
- over five years	545	585
	<u>395,732</u>	<u>261,848</u>
iii) Loans and advances analysed by type of customers are as follows:		
Domestic business enterprises		
- Others	382,528	251,731
Individuals	960	1,003
Foreign entities	12,244	9,114
	<u>395,732</u>	<u>261,848</u>
iv) Loans and advances analysed by interest sensitivity are as follows:		
Fixed rate		
- Housing loans	960	1,003
Variable rate		
- Cost-plus	394,772	260,845
	<u>395,732</u>	<u>261,848</u>
v) Loans and advances analysed by their economic purpose are as follows:		
Purchase of landed properties	960	1,003
Working capital	394,772	260,845
	<u>395,732</u>	<u>261,848</u>
vi) Loans and advances analysed by their geographical distribution are as follows:		
In Malaysia	383,488	252,734
Other countries	12,244	9,114
	<u>395,732</u>	<u>261,848</u>
vii) Loans and advances analysed by measurement basis are as follows:		
Amortised cost	<u>395,732</u>	<u>261,848</u>

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NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2021

	<u>30 Jun 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	118	2
Amount recovered	<u>(6)</u>	<u>(4)</u>
At end of financial period/year	202	90
ECL credit impaired	<u>(46)</u>	<u>(23)</u>
Net impaired loans and advances	<u>156</u>	<u>67</u>
b) Impaired loans analysed by their economic purpose are as follows:		
Purchase of landed property	<u>202</u>	<u>90</u>
c) Impaired loans analysed by their geographical distribution are as follows:		
In Malaysia	<u>202</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>23</u>	<u>(1)</u>
Balance at end of financial period/year	<u>46</u>	<u>23</u>
<u>ECL not credit impaired</u>		
At 1 January	8,164	780
- Allowance (written-back)/made during the financial period/year	<u>(2,050)</u>	<u>7,384</u>
Balance at end of financial period/year	<u>6,114</u>	<u>8,164</u>
e) Other assets		
Other receivables	586,590	86,669
Deposits and prepayments	<u>2,545</u>	<u>7,606</u>
	<u>589,135</u>	<u>94,275</u>

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(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2021

	<u>30 Jun 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	4,327,881	4,508,850
Fixed deposits	41,203	50,505
	<u>4,369,084</u>	<u>4,559,355</u>
Maturity structure of fixed deposits are as follows:		
Due within six months	<u>41,203</u>	<u>50,505</u>
ii) Deposits from customers analysed by type of customers are as follows:		
Business enterprises	4,368,145	4,558,574
Others	939	781
	<u>4,369,084</u>	<u>4,559,355</u>
g) Deposits and placements of banks and other financial institutions		
Licensed banks	302,192	366,015
Other financial institutions	271,977	133,668
	<u>574,169</u>	<u>499,683</u>
h) Other liabilities		
Other payables	740,550	138,408
Accruals and charges	8,644	17,535
Lease liabilities	10,938	13,335
Expected credit loss - off-balance sheet lending commitment	971	1,867
	<u>761,103</u>	<u>171,145</u>

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(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2021

	<u>30 Jun 2021</u> (Quarter 2 2021) RM '000	<u>30 Jun 2020</u> (Quarter 2 2020) RM '000
i) Interest income		
Loans and advances		
- Interest income other than recoveries from impaired loans	3,274	5,042
- Recoveries from impaired loans	3	1
Money at call and placements with financial institutions	39,860	68,397
Financial assets held at fair value through other comprehensive income	<u>2,732</u>	<u>10,872</u>
	<u><u>45,869</u></u>	<u><u>84,312</u></u>
j) Interest expense		
Deposits from customers	6,194	35,082
Deposits and placements of banks and other financial institutions	<u>8,615</u>	<u>4,273</u>
	<u><u>14,809</u></u>	<u><u>39,355</u></u>
k) Other operating income		
Fee income:		
Service charges and fees	2,479	2,228
Guarantee fees	<u>916</u>	<u>1,743</u>
	3,395	3,971
Net income from securities:		
Net gain from sale of financial assets fair value through profit or loss	8,241	36,817
Unrealised (loss)/gain from revaluation of financial assets fair value through profit or loss	(1,320)	1,586
Interest income from assets held at fair value through profit and loss	15,182	23,145
Derivatives:		
Net gain from trading of derivatives	32,020	6,928
Unrealised (loss)/gain from revaluation of derivatives	(27,349)	57,295
Other income:		
Foreign exchange gain	29,980	36,933
Management and attribution income	36,167	38,546
Other non-operating income	-	14
	<u>96,316</u>	<u>205,235</u>
l) Other operating expenses		
Personnel expenses	30,814	30,954
Establishment expenses	6,585	6,262
Marketing expenses	200	373
Management and attribution fees paid	39,810	33,247
General administrative expenses	<u>5,760</u>	<u>4,996</u>
	<u><u>83,169</u></u>	<u><u>75,832</u></u>

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NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2021

	<u>30 Jun 2021</u> (Quarter 2 2021) RM '000	<u>30 Jun 2020</u> (Quarter 2 2020) RM '000
m) Expected credit losses (made)/written-back for losses on loans and advances:		
ECL - off-balance sheet lending commitment	896	(8,393)
ECL - loans and advances	2,027	(17,543)
Loans and advances recovered	3	1
	<u>2,926</u>	<u>(25,935)</u>
	<u>30 Jun 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>216,221</u>	<u>259,238</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>5.84%</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		
<p>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).</p>		
i) The capital adequacy ratios of the Bank are as follows:	<u>30 Jun 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	688	1,010
Option reserve	11,953	11,953
	<u>1,736,378</u>	<u>1,736,700</u>
Deferred tax assets	(2,662)	(4,374)
Financial assets at fair value through other comprehensive income	(378)	(556)
Total Tier I capital	<u>1,733,338</u>	<u>1,731,771</u>
Tier-II capital		
Regulatory reserve	4,002	973
ECL not credit impaired	6,114	8,164
Total Tier-II capital	<u>10,116</u>	<u>9,137</u>
Total capital	<u>1,743,454</u>	<u>1,740,908</u>
Common Equity Tier 1 capital ratio	25.866%	25.238%
Tier 1 capital ratio	25.866%	25.238%
Total capital ratio	26.016%	25.371%

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2021

o) Capital adequacy (continued)

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

Exposure class	30 June 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	2,702,446	2,702,446	58,114	4,649	3,347,139	3,347,139	200,900	16,072
Public Sector Entities	9,480	9,480	1,896	152	-	-	-	-
Banks, development financial institutio	2,100,640	2,100,640	420,128	33,610	3,084,994	3,084,994	617,031	49,360
Insurance companies, securities firms and fund managers	968,815	968,815	259,522	20,762	357,588	357,588	98,995	7,920
Corporates	396,018	396,018	396,018	31,681	260,845	260,845	260,845	20,868
Regulatory retail	430	430	430	34	453	453	453	36
Residential mortgages	328	328	114	9	456	456	159	13
Higher risk assets	-	-	-	-	4	4	6	1
Other assets	45,538	45,538	40,109	3,209	60,784	60,784	110,019	8,802
Defaulted exposures	155	155	94	8	67	67	33	3
Total on-balance sheet exposures	<u>6,223,850</u>	<u>6,223,850</u>	<u>1,176,425</u>	<u>94,114</u>	<u>7,112,330</u>	<u>7,112,330</u>	<u>1,288,441</u>	<u>103,075</u>
Off-balance sheet exposures								
over-the-counter ('OTC') derivatives	3,055,632	3,055,632	1,230,904	98,472	3,656,338	3,656,338	1,486,799	118,944
Off-balance sheet exposures other than OTC derivatives	249,600	249,600	241,239	19,299	129,123	129,123	120,558	9,645
Total off-balance sheet exposures	<u>3,305,232</u>	<u>3,305,232</u>	<u>1,472,143</u>	<u>117,771</u>	<u>3,785,461</u>	<u>3,785,461</u>	<u>1,607,357</u>	<u>128,589</u>
Total on and off-balance sheet exposu	<u>9,529,082</u>	<u>9,529,082</u>	<u>2,648,568</u>	<u>211,885</u>	<u>10,897,791</u>	<u>10,897,791</u>	<u>2,895,798</u>	<u>231,664</u>
(b) Market risk								
	Long position	Short position			Long position	Short position		
Interest rate risk	118,273,458	117,027,473	3,199,525	255,962	116,183,228	113,935,586	3,137,272	250,982
Foreign currency risk	2,193	120,721	120,725	9,658	2,676	52,629	52,629	4,210
Option risk			87,325	6,986			134,513	10,761
(c) Operational risk								
			645,201	51,616			641,638	51,331
Total risk weighted assets and capital requirements			<u>6,701,344</u>	<u>536,107</u>			<u>6,861,850</u>	<u>548,948</u>

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2021

p) Commitments and contingencies

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

	30 June 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	194,565	194,566	190,691	110,081	110,081	105,177
Transaction-related contingent items	30,244	15,122	11,837	31,974	15,987	12,326
Short-term self-liquidating trade related contingencies	12,009	2,402	1,201	14,522	2,904	2,904
Foreign exchange related contracts:						
- less than one year	46,596,831	1,034,624	476,460	41,345,468	1,221,827	579,427
- one year to less than five years	2,781,978	237,970	101,113	2,527,005	277,461	98,510
- more than five years	124,530	20,024	6,807	120,540	21,914	7,095
Interest rate related contracts:						
- less than one year	25,574,701	143,114	51,242	23,423,274	118,206	42,630
- one year to less than five years	38,763,432	1,260,007	448,092	43,323,128	1,471,298	548,244
- more than five years	2,149,677	189,209	74,747	2,962,352	277,867	84,631
Credit derivatives contracts						
- one year to less than five years	327,568	52,372	21,330	352,650	66,588	24,416
- more than five years	18,700	3,510	702	-	-	-
Equity related contracts						
- less than one year	827,409	77,760	34,104	1,271,273	149,180	78,486
- one year to less than five years	254,698	37,042	16,307	313,302	51,997	23,360
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	75,020	37,510	37,510	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	1,741,510	-	-	1,672,725	-	-
	<u>119,472,872</u>	<u>3,305,232</u>	<u>1,472,143</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.