

# 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 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 SEPTEMBER 2020

ASSETS	<u>Note</u>	<u>30 Sep 2020</u> RM'000	<u>31 Dec 2019</u> RM'000
Cash and short-term funds	a	4,831,310	4,799,172
Securities purchased under resale agreement		2,549,616	1,814,557
Financial assets held at fair value through profit and loss	b	548,222	408,409
Derivative financial instruments		1,418,183	587,362
Financial assets held at fair value through other comprehensive income	c	351,091	843,453
Loans and advances	d	329,789	265,291
Amount due from related parties		887,616	153,149
Statutory deposits with Bank Negara Malaysia		2	2
Other assets	e	377,954	259,729
Tax recoverable		16,775	31,305
Deferred tax assets		3,051	3,051
Fixed assets		10,975	14,914
Right-of-use assets		14,323	9,421
<b>TOTAL ASSETS</b>		<b><u>11,338,907</u></b>	<b><u>9,189,815</u></b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Deposits from customers	f	6,477,843	5,777,317
Deposits and placements of banks and other financial institutions	g	797,931	389,572
Obligations on securities sold under repurchase agreements		360,666	51,759
Derivative financial instruments		1,283,178	561,192
Amount due to related parties		332,249	579,424
Other liabilities	h	378,461	286,072
<b>Total liabilities</b>		<b><u>9,630,328</u></b>	<b><u>7,645,336</u></b>
Share capital	i	437,500	437,500
Retained earnings		1,257,667	1,089,820
Reserves		13,412	17,159
<b>Shareholders' equity</b>		<b><u>1,708,579</u></b>	<b><u>1,544,479</u></b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b><u>11,338,907</u></b>	<b><u>9,189,815</u></b>
<b>COMMITMENTS AND CONTINGENCIES</b>	q	<b><u>120,840,904</u></b>	<b><u>86,726,113</u></b>

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

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

	<u>Note</u>	<u>30 Sep 2020</u> (Quarter 3 2020) RM'000	<u>30 Sep 2019</u> (Quarter 3 2019) RM'000
Interest income	j	123,245	115,040
Interest expense	k	(58,796)	(52,583)
		<hr/>	<hr/>
Net interest income		64,449	62,457
Other operating income	l	286,905	189,455
		<hr/>	<hr/>
Net income		351,354	251,912
Other operating expenses	m	(110,455)	(116,016)
		<hr/>	<hr/>
Operating profit before allowances		240,899	135,896
Expected credit losses (made)/written-back on loans and advances	n	(21,487)	79
		<hr/>	<hr/>
Profit before taxation		219,412	135,975
Taxation		(56,670)	(36,285)
		<hr/>	<hr/>
Net profit for the financial period		<u>162,742</u>	<u>99,690</u>

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

(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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	-	-	-	-	162,742	162,742
Transfer from regulatory reserve	-	-	-	(5,105)	5,105	-
Other comprehensive income	-	1,358	-	-	-	1,358
At 30 September 2020	<u>437,500</u>	<u>1,459</u>	<u>11,953</u>	<u>-</u>	<u>1,257,667</u>	<u>1,708,579</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 SEPTEMBER 2020

	<u>30 Sep 2020</u> RM'000	<u>30 Sep 2019</u> RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	219,412	135,975
Adjustments for items not involving the movement of cash and cash equivalents:		
Depreciation of fixed assets	4,313	1,973
Amortisation of lease	3,422	2,932
Expected credit losses on loans and advances	21,487	(79)
Net unrealised loss/(gain) on revaluation of financial assets held at fair value through profit and loss	566	(1,816)
Net loss on derivatives	5,832	4,479
Net unrealised gain in revaluation on derivatives	(90,875)	(31,409)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<hr/> 164,157	<hr/> 112,055
Increase in securities purchased under resale agreement (Increase)/decrease in financial assets held at fair value through profit and loss	(735,059) (140,379)	(249,330) 1,444,708
Increase in derivative financial instruments	(23,792)	(18,075)
Decrease in financial assets held at fair value through other comprehensive income	493,720	956,878
(Increase)/decrease in loans and advances	(85,985)	113,311
Increase in other assets	(123,085)	(476,073)
Increase/(decrease) in deposits from customers	700,526	(1,277,437)
Increase/(decrease) in deposits and placements of banks and other financial institutions	408,359	(270,683)
Increase in other liabilities	92,389	418,748
Increase in securities sold under repurchase agreements	308,907	46,174
Decrease in amount due to related parties	(247,175)	(958,282)
	<hr/>	<hr/>
Cash generated/(used) in operating activities	812,583	(158,006)
Income taxes paid	(42,150)	(20,872)
Net cash generated/(used) in operating activities	<hr/> 770,433	<hr/> (178,878)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(374)	(2,791)
Net cash used in investing activities	<hr/> (374)	<hr/> (2,791)

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

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

	<u>30 Sep 2020</u> RM'000	<u>30 Sep 2019</u> RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital injection	-	310,000
Lease rental payment	(3,454)	(3,029)
Net cash flow (used)/generated in financing activities	<u>(3,454)</u>	<u>306,971</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		
	766,605	125,302
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>5,718,926</u>	<u>5,247,070</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and short term funds	4,831,310	4,967,965
Amount due from related parties	887,616	279,105
	<u>5,718,926</u>	<u>5,247,070</u>

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

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 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 September 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 September 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 September 2020.

G Dividend

No dividend was paid during the financial period ended 30 September 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 SEPTEMBER 2020

I Review of Bank's Performance

The Bank's profit before taxation for the financial period to September 2020 amounted to RM219.4 million. Net interest income for the period was RM64.4 million. Major contributor for interest income include inter-bank lending (RM103.2 million), interest earned from financial assets held at fair value through other comprehensive income (RM13.0 million) and interest income from loans and advances for the period amounted to RM7.0 million. As for interest expense, amount incurred on inter-bank borrowings was RM6.8 million and interest incurred on customer deposits was RM52.0 million.

Income generated from the Bank's treasury activities comprises net gain on foreign exchange trading of RM46.2 million, net gain from financial assets held at fair value through profit and loss of RM78.7 million and net gain on derivatives of RM85.0 million. Inter-company charges, commission and fees earned by the Bank amounted to RM76.9 million.

Total overhead expenditure incurred in the 9 months was RM110.5 million. Staff cost and benefits came up to RM44.7 million while establishment expenses amounted to RM9.9 million. Inter-company management fees and attribution fees incurred during the period was RM47.3 million while administration and general expenses amounted to RM8.0 million. Expected credit losses made on loans and advances for the period was RM21.5 million, as compared to the credit losses written-back in the corresponding period in 2019 of RM0.08 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 September 2020 was higher than that of the corresponding period in 2019. In the current period, the profit before taxation was RM219.4 million (YTD September 2019: RM136.0 million). Net interest income for the current period was higher by RM2.0 million while other operating income in the first 9 months of 2020 was RM286.9 million, higher than the amount earned in the corresponding period in 2019 by RM97.5 million. The higher net interest income recorded was attributable to higher interest income from money at call and placements with financial institutions by RM20.0 million, offset by lower financial assets held at fair value through other comprehensive income by RM10.1 million, and higher interest expense arising from deposits from customers by RM5.9 million. During the current period, there was lower net gain in foreign exchange by RM5.9 million, offset by higher management and attribution income earned by RM29.1 million. Net income from financial assets held at fair value through profit and loss for the first 9 months of 2020 amounted to RM78.7 million while RM62.0 million was recorded in the corresponding period for 2019. As for derivatives trading, a net gain of RM85.0 million was recorded in the period against a net gain of RM26.9 million recorded in first 9 months of 2019. Other operating expenses dropped to RM110.5 million as compared with RM116.0 million incurred during the corresponding period of 2019, reflecting a decrease of RM5.6 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 SEPTEMBER 2020

	<u>30 Sep 2020</u>	<u>31 Dec 2019</u>
	RM '000	RM '000
a) Cash and short-term funds		
Cash and balances with banks and other financial institutions	71,540	34,486
Money at call and deposit placements maturing within one month	<u>4,759,770</u>	<u>4,764,686</u>
	<u><u>4,831,310</u></u>	<u><u>4,799,172</u></u>
b) Financial assets held at fair value through profit or loss		
<u>Money market instruments</u>		
Malaysian Government Securities	371,762	198,330
Malaysian Treasury bills	-	4,926
Malaysian Government Investment Issuance	98,139	107,744
Malaysian Government Guaranteed Bonds	71,633	91,107
<u>Unquoted securities</u>		
Unquoted shares	<u>6,688</u>	<u>6,302</u>
	<u><u>548,222</u></u>	<u><u>408,409</u></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	53,751	-
Malaysian Treasury Bills	<u>297,340</u>	<u>97,521</u>
	<u><u>351,091</u></u>	<u><u>843,453</u></u>
d) Loans and advances		
i) Loans and advances analysed by type of loan are as follows:		
Overdrafts	124,210	50,814
Housing loans	576	579
Staff loans	464	572
Revolving credits	141,728	180,366
Trade finance	<u>77,760</u>	<u>33,764</u>
	344,738	266,095
Less: Allowance for losses on loans and advances:		
- ECL not credit impaired	(14,925)	(780)
- ECL credit impaired	<u>(24)</u>	<u>(24)</u>
Total net loans and advances	<u><u>329,789</u></u>	<u><u>265,291</u></u>

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

	<u>30 Sep 2020</u>	<u>31 Dec 2019</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	343,731	265,107
- one year to three years	96	58
- three years to five years	315	255
- over five years	596	675
	<u>344,738</u>	<u>266,095</u>
iii) Loans and advances analysed by type of customers are as follows:		
Domestic business enterprises		
- Others	326,733	260,463
Individuals	1,040	1,151
Foreign entities	16,965	4,481
	<u>344,738</u>	<u>266,095</u>
iv) Loans and advances analysed by interest sensitivity are as follows:		
Fixed rate		
- Housing loans	1,040	1,151
Variable rate		
- Cost-plus	343,698	264,944
	<u>344,738</u>	<u>266,095</u>
v) Loans and advances analysed by their economic purpose are as follows:		
Purchase of landed properties	1,040	1,151
Working capital	343,698	264,944
	<u>344,738</u>	<u>266,095</u>
vi) Loans and advances analysed by their geographical distribution are as follows:		
In Malaysia	327,773	261,614
Other countries	16,965	4,481
	<u>344,738</u>	<u>266,095</u>
vii) Loans and advances analysed by measurement basis are as follows:		
Amortised cost	<u>344,738</u>	<u>266,095</u>

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

	<u>30 Sep 2020</u>	<u>31 Dec 2019</u>
	RM '000	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>(2)</u>	<u>(7)</u>
At end of financial period/year	92	92
ECL credit impaired	<u>(24)</u>	<u>(24)</u>
Net impaired loans and advances	<u>68</u>	<u>68</u>
b) Impaired loans analysed by their economic purpose are as follows:		
Purchase of landed property	<u>92</u>	<u>92</u>
c) Impaired loans analysed by their geographical distribution are as follows:		
In Malaysia	<u>92</u>	<u>92</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>24</u>	<u>24</u>
<u>ECL not credit impaired</u>		
At 1 January	780	181
- Allowance made during the financial period/year	<u>14,145</u>	<u>599</u>
Balance at end of financial period/year	<u>14,925</u>	<u>780</u>
e) Other assets		
Other receivables	372,363	258,441
Deposits and prepayments	<u>5,591</u>	<u>1,288</u>
	<u>377,954</u>	<u>259,729</u>

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(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

	<u>30 Sep 2020</u>	<u>31 Dec 2019</u>
	RM '000	RM '000
f) Deposits from customers		
i) Deposits from customers analysed by type of deposits are as follows:		
Demand deposits	6,430,036	5,748,406
Fixed deposits	47,807	28,911
	<u>6,477,843</u>	<u>5,777,317</u>
Maturity structure of fixed deposits are as follows:		
Due within six months	<u>47,807</u>	<u>28,911</u>
ii) Deposits from customers analysed by type of customers are as follows:		
Business enterprises	6,477,139	5,777,073
Others	704	244
	<u>6,477,843</u>	<u>5,777,317</u>
g) Deposits and placements of banks and other financial institutions		
Licensed banks	687,201	254,593
Other financial institutions	110,730	134,979
	<u>797,931</u>	<u>389,572</u>
h) Other liabilities		
Other payables	341,012	255,808
Accruals and charges	10,960	16,274
Lease liabilities	14,524	9,371
Expected credit loss - off-balance sheet lending commitment	11,965	4,619
	<u>378,461</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 had 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 SEPTEMBER 2020

	<u>30 Sep 2020</u> (Quarter 3 2020) RM '000	<u>30 Sep 2019</u> (Quarter 3 2019) RM '000
j) Interest income		
Loans and advances		
- Interest income other than recoveries from impaired loans	7,015	8,674
- Recoveries from impaired loans	1	2
Money at call and placements with financial institutions	103,231	83,218
Financial assets held at fair value through other comprehensive income	12,998	23,146
	<u>123,245</u>	<u>115,040</u>
k) Interest expense		
Deposits from customers	52,018	46,146
Deposits and placements of banks and other financial institutions	6,778	6,437
	<u>58,796</u>	<u>52,583</u>
l) Other operating income		
Fee income:		
Service charges and fees	3,292	3,277
Guarantee fees	2,430	3,047
	<u>5,722</u>	<u>6,324</u>
Net income from securities:		
Net gain from sale of financial assets fair value through profit or loss	49,777	29,625
Unrealised (loss)/gain from revaluation of financial assets fair value through profit or loss	(566)	1,816
Interest income from assets held at fair value through profit and loss	29,530	30,570
Derivatives:		
Net loss from trading of derivatives	(5,832)	(4,478)
Unrealised gain from revaluation of derivatives	90,875	31,409
Other income:		
Foreign exchange gain	46,177	52,109
Management and attribution income	71,163	42,034
Other non-operating income	59	46
	<u>286,905</u>	<u>189,455</u>
m) Other operating expenses		
Personnel expenses	44,697	42,883
Establishment expenses	9,900	7,248
Marketing expenses	480	1,413
Management and attribution fees paid	47,337	56,584
General administrative expenses	8,041	7,888
	<u>110,455</u>	<u>116,016</u>

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

	<u>30 Sep 2020</u> (Quarter 3 2020) RM '000	<u>30 Sep 2019</u> (Quarter 3 2019) RM '000
n) Expected credit losses (made)/written-back for losses on loans and advances:		
ECL - off-balance sheet lending commitment	(7,346)	7
ECL - loans and advances	(14,144)	74
Loans and advances recovered/(written-off)	3	(2)
	<u>(21,487)</u>	<u>79</u>

	<u>30 Sep 2020</u> RM '000	<u>31 Dec 2019</u> RM '000
o) Credit exposures arising from transactions with connected parties		
Outstanding credit exposures with connected parties	<u>273,447</u>	<u>276,326</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>6.34%</u>	<u>8.81%</u>
Percentage of outstanding credit exposures to connected parties which is non-performing or in default	<u>0%</u>	<u>0%</u>

p) 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 2020</u> RM '000	<u>31 Dec 2019</u> RM '000
<b>Tier-I capital</b>		
Share capital	437,500	437,500
Retained earnings	1,089,820	1,089,820
Fair value reserve through other comprehensive income	1,459	101
Option reserve	<u>11,953</u>	<u>11,953</u>
	1,540,732	1,539,374
Deferred tax assets	(3,051)	(3,051)
Financial assets at fair value through other comprehensive income	<u>(803)</u>	<u>(56)</u>
Total Tier I capital	<u>1,536,878</u>	<u>1,536,267</u>
<b>Tier-II capital</b>		
Regulatory reserve	-	5,105
ECL not credit impaired	<u>14,925</u>	<u>780</u>
Total Tier-II capital	<u>14,925</u>	<u>5,885</u>
<b>Total capital</b>	<u>1,551,803</u>	<u>1,542,152</u>
Common Equity Tier 1 capital ratio	23.138%	35.328%
Tier 1 capital ratio	23.138%	35.328%
Total capital ratio	23.363%	35.464%

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

p) Capital adequacy (continued)

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

Exposure class	30 September 2020				31 December 2019			
	Gross exposures RM'000	Net exposures RM'000	Risk weighted assets RM'000	Capital requirement RM'000	Gross exposures RM'000	Net exposures RM'000	Risk weighted assets RM'000	Capital requirement RM'000
<b>(a) Credit risk</b>								
On-balance sheet exposures								
Sovereigns/central banks	4,796,366	4,796,366	124,665	9,973	5,781,829	5,781,829	81,863	6,549
Public Sector Entities	10,978	10,978	2,196	176	0	0	0	0
Banks, development financial institutions and fund managers	3,626,288	3,626,288	728,501	58,280	1,862,069	1,862,069	372,550	29,804
Insurance companies, securities firms and fund managers	578,169	578,169	289,652	23,172	259,050	259,050	129,829	10,386
Corporates	343,698	343,698	343,698	27,496	264,944	264,944	264,944	21,196
Residential mortgages	943	943	330	26	1,054	1,054	369	30
Higher risk assets	4	4	7	1	4	4	6	1
Other assets	39,890	39,890	39,492	3,159	32,519	32,519	32,007	2,561
Defaulted exposures	68	68	34	3	68	68	34	3
Total on-balance sheet exposures	<u>9,396,404</u>	<u>9,396,404</u>	<u>1,528,575</u>	<u>122,286</u>	<u>8,201,537</u>	<u>8,201,537</u>	<u>881,602</u>	<u>70,529</u>
Off-balance sheet exposures over-the-counter ('OTC') derivatives	3,773,877	3,773,877	1,506,062	120,485	2,568,066	2,568,068	932,264	74,581
Off-balance sheet exposures other than OTC derivatives	196,989	196,989	174,277	13,942	303,352	303,351	275,385	22,031
Total off-balance sheet exposures	<u>3,970,866</u>	<u>3,970,866</u>	<u>1,680,339</u>	<u>134,427</u>	<u>2,871,418</u>	<u>2,871,419</u>	<u>1,207,649</u>	<u>96,612</u>
Total on and off-balance sheet exposures	<u>13,367,270</u>	<u>13,367,270</u>	<u>3,208,914</u>	<u>256,713</u>	<u>11,072,955</u>	<u>11,072,956</u>	<u>2,089,251</u>	<u>167,141</u>
<b>(b) Market risk</b>								
	Long position	Short			Long position	Short		
Interest rate risk	118,711,776	117,661,092	2,563,437	205,075	112,328,805	111,562,393	1,468,018	117,442
Foreign currency risk	2,764	107,295	107,295	8,584	9,786	-	9,786	783
Option risk			119,843	9,587			263,112	21,049
<b>(c) Operational risk</b>								
			642,678	51,414			518,381	41,470
Total risk weighted assets and capital		<u>6,642,167</u>	<u>531,373</u>			<u>4,348,548</u>	<u>347,884</u>	

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

q) Commitments and contingencies

	30 September 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	156,796	156,796	138,204	177,275	177,275	153,588
Transaction-related contingent items	71,856	35,928	31,808	74,006	37,003	32,724
Short-term self-liquidating trade related contingencies	20,571	4,114	4,114	14,826	2,965	2,965
Foreign exchange related contracts:						
- less than one year	46,196,714	1,083,122	480,347	31,745,761	699,788	297,715
- one year to less than five years	3,476,114	302,366	124,262	3,558,501	350,243	119,476
- more than five years	124,665	22,969	7,773	122,790	22,660	6,619
Interest rate related contracts:						
- less than one year	19,360,548	109,757	38,464	9,624,026	36,969	11,494
- one year to less than five years	44,559,711	1,609,589	598,152	34,587,526	927,673	271,892
- more than five years	2,958,562	294,384	91,478	2,325,772	187,103	50,925
Credit derivatives contracts						
- one year to less than five years	357,056	92,781	30,399	31,150	3,115	623
- more than five years	-	-	-	321,429	62,608	24,984
Equity related contracts						
- less than one year	1,579,456	201,286	109,514	1,556,590	145,572	76,804
- one year to less than five years	324,419	57,623	25,673	799,146	132,337	71,732
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	302	151	151	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	1,654,134	-	-	1,615,098	-	-
	<u>120,840,904</u>	<u>3,970,866</u>	<u>1,680,339</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.