

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 31 MARCH 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 31 MARCH 2021

ASSETS	<u>Note</u>	<u>31 Mar 2021</u> RM'000	<u>31 Dec 2020</u> RM'000
Cash and short-term funds	a	3,155,780	3,018,499
Securities purchased under resale agreement		1,767,163	2,873,109
Financial assets held at fair value through profit and loss	b	831,832	739,050
Derivative financial instruments		1,105,932	1,479,003
Financial assets held at fair value through other comprehensive income	c	252,466	251,574
Loans and advances	d	321,318	253,661
Amount due from related parties		1,592,106	536,365
Statutory deposits with Bank Negara Malaysia		2	2
Other assets	e	861,689	94,275
Tax recoverable		45,078	33,236
Deferred tax assets		941	4,374
Fixed assets		13,079	13,893
Right-of-use assets		11,914	13,118
TOTAL ASSETS		<u>9,959,300</u>	<u>9,310,159</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits from customers	f	4,176,956	4,559,355
Deposits and placements of banks and other financial institutions	g	692,565	499,683
Obligations on securities sold under repurchase agreements		782,387	183,926
Derivative financial instruments		973,680	1,464,676
Amount due to related parties		812,291	693,701
Other liabilities	h	763,110	171,145
Total liabilities		<u>8,200,989</u>	<u>7,572,486</u>
Share capital	i	437,500	437,500
Retained earnings		1,295,725	1,286,237
Reserves		25,086	13,936
Shareholders' equity		<u>1,758,311</u>	<u>1,737,673</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>9,959,300</u>	<u>9,310,159</u>
COMMITMENTS AND CONTINGENCIES	q	<u>128,237,812</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 31 MARCH 2021

	<u>Note</u>	<u>31 Mar 2021</u> (Quarter 1 2021) RM'000	<u>31 Mar 2020</u> (Quarter 1 2020) RM'000
Interest income	j	24,217	48,903
Interest expense	k	(6,952)	(20,466)
		<hr/>	<hr/>
Net interest income		17,265	28,437
Other operating income	l	49,745	121,754
		<hr/>	<hr/>
Net income		67,010	150,191
Other operating expenses	m	(42,022)	(39,116)
		<hr/>	<hr/>
Operating profit before allowances		24,988	111,075
Expected credit losses written-back/(made) on loans and advances	n	3,647	(16,714)
		<hr/>	<hr/>
Profit before taxation		28,635	94,361
Taxation		(7,641)	(23,285)
		<hr/>	<hr/>
Net profit for the financial period		<u>20,994</u>	<u>71,076</u>

J.P. MORGAN CHASE BANK BERHAD (199401030666 (316347-D))
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STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 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	-	-	-	-	20,994	20,994
Other comprehensive income (net of tax)	-	(356)	-	-	-	(356)
Net unrealised loss on revaluation of financial assets at fair value through other comprehensive income	-	(468)	-	-	-	(468)
Income tax relating to component of other comprehensive income	-	112	-	-	-	112
Total comprehensive income for the financial year	-	(356)	-	-	20,994	20,638
Transfer to regulatory reserve	-	-	-	11,506	(11,506)	-
At 31 March 2021	<u>437,500</u>	<u>654</u>	<u>11,953</u>	<u>12,479</u>	<u>1,295,725</u>	<u>1,758,311</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)

CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

	<u>31 Mar 2021</u> RM'000	<u>31 Mar 2020</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	28,635	94,361
Adjustments for items not involving the movement of cash and cash equivalents:		
Depreciation of fixed assets	1,677	1,449
Amortisation of lease	1,204	1,072
Loss on disposal of fixed assets	198	-
Expected credit losses on loans and advances	(3,647)	16,714
Net unrealised loss/(gain) on revaluation of financial assets held at fair value through profit and loss	4,017	(4,583)
Net (gain)/loss on derivatives	(14,782)	3,409
Net unrealised loss/(gain) in revaluation on derivatives	6,760	(62,185)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>24,062</u>	<u>50,237</u>
Decrease in securities purchased under resale agreement	1,105,946	603,578
Increase in amount due from related parties	(522,935)	(292,175)
Increase in financial assets held at fair value through profit and loss	(96,799)	(1,135,473)
Increase in derivative financial instruments	(109,903)	(170,066)
Increase in financial assets held at fair value through other comprehensive income	(1,248)	(154,160)
Increase in loans and advances	(64,010)	(192,229)
Increase in other assets	(766,321)	(331,309)
(Decrease)/increase in deposits from customers	(382,399)	75,500
Increase in deposits and placements of banks and other financial institutions	192,882	276,276
Increase in other liabilities	591,965	489,931
Increase/(decrease) in securities sold under repurchase agreements	598,461	(42,435)
Increase in amount due to related parties	118,590	195,329
Cash generated/(used) in operating activities	<u>688,291</u>	<u>(626,996)</u>
Income taxes paid	(15,939)	(11,700)
Net cash generated/(used) in operating activities	<u>672,352</u>	<u>(638,696)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1,061)	(36)
Net cash used in investing activities	<u>(1,061)</u>	<u>(36)</u>

J.P. MORGAN CHASE BANK BERHAD (199401030666 (316347-D))
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CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021 (CONTINUED)

	<u>31 Mar 2021</u> RM'000	<u>31 Mar 2020</u> RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease rental payment	(1,204)	(1,097)
Net cash flow used in financing activities	<u>(1,204)</u>	<u>(1,097)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	670,087	(639,829)
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>3,920,440</u></u>	<u><u>4,212,605</u></u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and short term funds	3,155,780	4,099,621
Amount due from related parties	764,660	112,984
	<u><u>3,920,440</u></u>	<u><u>4,212,605</u></u>

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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 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 31 March 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 31 March 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 31 March 2021.

G Dividend

No dividend was paid during the financial period ended 31 March 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 - 31 MARCH 2021

I Review of Bank's Performance

The Bank's profit before taxation for the financial period to March 2021 amounted to RM28.6 million. Net interest income for the period was RM17.3 million. Major contributor for interest income include inter-bank lending (RM21.3 million), interest income from loans and advances (RM1.6 million) and interest earned from financial assets held at fair value through other comprehensive income for the period amounted to RM1.4 million. As for interest expense, amount incurred on inter-bank borrowings was RM3.9 million and interest incurred on customer deposits was RM3.1 million.

Income generated from the Bank's treasury activities comprises net gain on foreign exchange trading of RM13.8 million, net gain from financial assets held at fair value through profit and loss of RM9.2 million and net gain on derivatives of RM8.0 million. Inter-company charges, commission and fees earned by the Bank amounted to RM18.7 million.

Total overhead expenditure incurred in the 3 months was RM42.0 million. Staff cost and benefits came up to RM15.5 million while establishment expenses amounted to RM3.2 million. Inter-company management fees and attribution fees incurred during the period was RM20.0 million while administration and general expenses amounted to RM3.2 million. Expected credit losses written-back on loans and advances for the period was RM3.6 million, as compared to the credit losses made in the corresponding period in 2020 of RM16.7 million, mainly contributed by lower exposures.

Performance for year-to-date March 2021 was lower than that of the corresponding period in 2020. In the current period, the profit before taxation was RM28.6 million (YTD March 2020: RM94.4 million). Net interest income for the current period was lower by RM11.2 million while other operating income in the first 3 months of 2021 was RM49.7 million, lower than the amount earned in the corresponding period in 2020 by RM72.0 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 RM16.1 million and RM7.5 million respectively, offset by lower interest expense arising from deposits from customers by RM15.2 million. During the current period, there was lower net gain in foreign exchange by RM9.5 million, offset by higher management and attribution income earned by RM1.2 million. Net income from financial assets held at fair value through profit and loss for the first 3 months of 2021 amounted to RM9.2 million while RM21.5 million was recorded in the corresponding period for 2020. As for derivatives trading, a net gain of RM8.0 million was recorded in the period against a net gain of RM58.8 million recorded in first 3 months of 2020. Other operating expenses increased to RM42.0 million as compared with RM39.1 million incurred during the corresponding period of 2020, reflecting an increase of RM2.9 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 - 31 MARCH 2021

	<u>31 Mar 2021</u>	<u>31 Dec 2020</u>
	RM '000	RM '000
a) Cash and short-term funds		
Cash and balances with banks and other financial institutions	103,071	129,293
Money at call and deposit placements maturing within one month	3,052,709	2,889,206
	<u>3,155,780</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	607,983	464,225
Malaysian Government Investment Issuance	145,358	196,298
Malaysian Government Guaranteed Bonds	72,084	72,036
<u>Unquoted securities</u>		
Unquoted shares	6,407	6,491
	<u>831,832</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	53,134	53,083
Malaysian Treasury Bills	199,332	198,491
	<u>252,466</u>	<u>251,574</u>
d) Loans and advances		
i) Loans and advances analysed by type of loan are as follows:		
Overdrafts	68,489	50,317
Housing loans	537	550
Staff loans	442	453
Revolving credits	135,082	129,043
Trade finance	122,073	81,485
	<u>326,623</u>	<u>261,848</u>
Less: Allowance for losses on loans and advances:		
- ECL not credit impaired	(5,284)	(8,164)
- ECL credit impaired	(21)	(23)
Total net loans and advances	<u>321,318</u>	<u>253,661</u>

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(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2021

	<u>31 Mar 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	325,671	260,882
- one year to three years	79	85
- three years to five years	322	296
- over five years	551	585
	<u>326,623</u>	<u>261,848</u>
iii) Loans and advances analysed by type of customers are as follows:		
Domestic business enterprises		
- Others	311,064	251,731
Individuals	979	1,003
Foreign entities	14,580	9,114
	<u>326,623</u>	<u>261,848</u>
iv) Loans and advances analysed by interest sensitivity are as follows:		
Fixed rate		
- Housing loans	979	1,003
Variable rate		
- Cost-plus	325,644	260,845
	<u>326,623</u>	<u>261,848</u>
v) Loans and advances analysed by their economic purpose are as follows:		
Purchase of landed properties	979	1,003
Working capital	325,644	260,845
	<u>326,623</u>	<u>261,848</u>
vi) Loans and advances analysed by their geographical distribution are as follows:		
In Malaysia	312,043	252,734
Other countries	14,580	9,114
	<u>326,623</u>	<u>261,848</u>
vii) Loans and advances analysed by measurement basis are as follows:		
Amortised cost	<u>326,623</u>	<u>261,848</u>

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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2021

	<u>31 Mar 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	88	2
Amount recovered	<u>(4)</u>	<u>(4)</u>
At end of financial period/year	174	90
ECL credit impaired	<u>(21)</u>	<u>(23)</u>
Net impaired loans and advances	<u><u>153</u></u>	<u><u>67</u></u>
b) Impaired loans analysed by their economic purpose are as follows:		
Purchase of landed property	<u><u>174</u></u>	<u><u>90</u></u>
c) Impaired loans analysed by their geographical distribution are as follows:		
In Malaysia	<u><u>174</u></u>	<u><u>90</u></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 during the financial period/year	<u>(2)</u>	<u>(1)</u>
Balance at end of financial period/year	<u><u>21</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>(2,880)</u>	<u>7,384</u>
Balance at end of financial period/year	<u><u>5,284</u></u>	<u><u>8,164</u></u>
e) Other assets		
Other receivables	859,188	86,669
Deposits and prepayments	<u>2,501</u>	<u>7,606</u>
	<u><u>861,689</u></u>	<u><u>94,275</u></u>

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(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2021

	<u>31 Mar 2021</u>	<u>31 Dec 2020</u>
	RM '000	RM '000
f) Deposits from customers		
i) Deposits from customers analysed by type of deposits are as follows:		
Demand deposits	4,110,048	4,508,850
Fixed deposits	66,908	50,505
	<u>4,176,956</u>	<u>4,559,355</u>
Maturity structure of fixed deposits are as follows:		
Due within six months	<u>66,908</u>	<u>50,505</u>
ii) Deposits from customers analysed by type of customers are as follows:		
Business enterprises	4,176,041	4,558,574
Others	915	781
	<u>4,176,956</u>	<u>4,559,355</u>
g) Deposits and placements of banks and other financial institutions		
Licensed banks	576,722	366,015
Other financial institutions	115,843	133,668
	<u>692,565</u>	<u>499,683</u>
h) Other liabilities		
Other payables	744,310	138,408
Accruals and charges	5,556	17,535
Lease liabilities	12,140	13,335
Expected credit loss - off-balance sheet lending commitment	1,104	1,867
	<u>763,110</u>	<u>171,145</u>
i) Share capital		
Movement in share capital during the financial period		
At the beginning/end of financial period/year	<u>437,500</u>	<u>437,500</u>

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(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2021

	<u>31 Mar 2021</u> (Quarter 1 2021) RM '000	<u>31 Mar 2020</u> (Quarter 1 2020) RM '000
j) Interest income		
Loans and advances		
- Interest income other than recoveries from impaired loans	1,602	2,723
- Recoveries from impaired loans	1	-
Money at call and placements with financial institutions	21,254	37,365
Financial assets held at fair value through other comprehensive income	1,360	8,815
	<u>24,217</u>	<u>48,903</u>
k) Interest expense		
Deposits from customers	3,057	18,207
Deposits and placements of banks and other financial institutions	3,895	2,259
	<u>6,952</u>	<u>20,466</u>
l) Other operating income		
Fee income:		
Service charges and fees	1,142	1,128
Guarantee fees	362	956
	<u>1,504</u>	<u>2,084</u>
Net income from securities:		
Net gain from sale of financial assets fair value through profit or loss	6,946	9,165
Unrealised (loss)/gain from revaluation of financial assets fair value through profit or loss	(4,017)	4,583
Interest income from assets held at fair value through profit and loss	6,237	7,709
Derivatives:		
Net gain/(loss) from trading of derivatives	14,782	(3,409)
Unrealised (loss)/gain from revaluation of derivatives	(6,760)	62,185
Other income:		
Foreign exchange gain	13,849	23,391
Management and attribution income	17,204	16,046
Other non-operating income	-	-
	<u>49,745</u>	<u>121,754</u>
m) Other operating expenses		
Personnel expenses	15,542	14,708
Establishment expenses	3,172	2,981
Marketing expenses	59	267
Management and attribution fees paid	20,003	18,913
General administrative expenses	3,246	2,247
	<u>42,022</u>	<u>39,116</u>

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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2021

	<u>31 Mar 2021</u> (Quarter 1 2021) RM '000	<u>31 Mar 2020</u> (Quarter 1 2020) RM '000
n) Expected credit losses (made)/written-back for losses on loans and advances:		
ECL - off-balance sheet lending commitment	763	(6,067)
ECL - loans and advances	2,882	(10,647)
Loans and advances recovered	2	-
	<u>3,647</u>	<u>(16,714)</u>

	<u>31 Mar 2021</u> RM '000	<u>31 Dec 2020</u> RM '000
o) Credit exposures arising from transactions with connected parties		
Outstanding credit exposures with connected parties	<u>284,754</u>	<u>259,238</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>7.81%</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>

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>31 Mar 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	654	1,010
Option reserve	11,953	11,953
	<u>1,736,344</u>	<u>1,736,700</u>
Deferred tax assets	(941)	(4,374)
Financial assets at fair value through other comprehensive income	(360)	(556)
Total Tier I capital	<u>1,735,043</u>	<u>1,731,771</u>
Tier-II capital		
Regulatory reserve	12,479	973
ECL not credit impaired	5,284	8,164
Total Tier-II capital	<u>17,763</u>	<u>9,137</u>
Total capital	<u>1,752,806</u>	<u>1,740,908</u>
Common Equity Tier 1 capital ratio	25.074%	25.238%
Tier 1 capital ratio	25.074%	25.238%
Total capital ratio	25.331%	25.371%

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2021

p) Capital adequacy (continued)

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

Exposure class	31 March 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	4,140,157	4,140,157	-	-	3,347,139	3,347,139	200,900	16,072
Public Sector Entities	10,210	10,210	2,042	163	-	-	-	-
Banks, development financial institutions	2,151,773	2,151,773	430,385	34,431	3,084,994	3,084,994	617,031	49,360
Insurance companies, securities firms and fund managers	1,361,972	1,361,972	448,941	35,917	357,588	357,588	98,995	7,920
Corporates	328,639	328,639	328,639	26,291	260,845	260,845	260,845	20,868
Regulatory retail	442	442	442	35	453	453	453	36
Residential mortgages	358	358	125	10	456	456	159	13
Higher risk assets	4	4	6	0	4	4	6	1
Other assets	79,947	79,947	335,005	26,801	60,784	60,784	110,019	8,802
Defaulted exposures	153	153	153	12	67	67	33	3
Total on-balance sheet exposures	8,073,655	8,073,655	1,545,738	123,660	7,112,330	7,112,330	1,288,441	103,075
Off-balance sheet exposures								
over-the-counter ('OTC') derivatives	3,538,566	3,538,566	1,456,188	116,495	3,656,338	3,656,338	1,486,799	118,944
Off-balance sheet exposures other than OTC derivatives	106,981	106,981	99,855	7,988	129,123	129,123	120,558	9,645
Total off-balance sheet exposures	3,645,547	3,645,547	1,556,043	124,483	3,785,461	3,785,461	1,607,357	128,589
Total on and off-balance sheet exposures	11,719,202	11,719,202	3,101,781	248,143	10,897,791	10,897,791	2,895,798	231,664
(b) Market risk								
	<u>Long position</u>	<u>Short</u>			<u>Long position</u>	<u>Short</u>		
Interest rate risk	125,592,770	125,950,628	2,496,412	199,713	116,183,228	113,935,586	3,137,272	250,982
Foreign currency risk	2,186	164,955	164,955	13,196	2,676	52,629	52,629	4,210
Option risk			515,755	41,260			134,513	10,761
(c) Operational risk			640,720	51,258			641,638	51,331
Total risk weighted assets and capital requirements			<u>6,919,623</u>	<u>553,570</u>			<u>6,861,850</u>	<u>548,948</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2021

q) Commitments and contingencies

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

	31 March 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	90,831	90,831	87,408	110,081	110,081	105,177
Transaction-related contingent items	31,997	15,999	12,296	31,974	15,987	12,326
Short-term self-liquidating trade related contingencies	-	-	-	14,522	2,904	2,904
Foreign exchange related contracts:						
- less than one year	50,832,320	1,205,942	540,091	41,345,468	1,221,827	579,427
- one year to less than five years	3,322,192	261,432	122,158	2,527,005	277,461	98,510
- more than five years	124,500	19,657	6,733	120,540	21,914	7,095
Interest rate related contracts:						
- less than one year	25,773,185	153,960	55,785	23,423,274	118,206	42,630
- one year to less than five years	42,074,398	1,379,343	506,658	43,323,128	1,471,298	548,244
- more than five years	2,671,505	311,669	132,745	2,962,352	277,867	84,631
Credit derivatives contracts						
- one year to less than five years	356,675	62,924	24,161	352,650	66,588	24,416
Equity related contracts						
- less than one year	984,898	101,694	49,333	1,271,273	149,180	78,486
- one year to less than five years	279,665	41,945	18,524	313,302	51,997	23,360
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	302	151	151	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	1,695,344	-	-	1,672,725	-	-
	<u>128,237,812</u>	<u>3,645,547</u>	<u>1,556,043</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.