

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 2024

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

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

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024

ASSETS	<u>Note</u>	<u>30 Sep 2024</u> RM'000	<u>31 Dec 2023</u> RM'000
Cash and short-term funds	a	10,442,859	15,515,001
Securities purchased under resale agreement	b	11,722,189	10,810,789
Financial assets held at fair value through profit and loss ("FVTPL")	c	1,528,257	1,196,665
Derivative financial instruments		1,924,508	1,009,845
Financial assets held at fair value through other comprehensive income ("FVOCI")	d	196,158	137,604
Loans and advances	e	468,339	555,775
Amount due from related parties		992,498	353,623
Statutory deposits with Bank Negara Malaysia		2	2
Other assets	f	364,366	345,006
Deferred tax assets		4,706	8,178
Fixed assets		5,848	7,048
Right-of-use assets		2,988	6,790
TOTAL ASSETS		<u>27,652,718</u>	<u>29,946,326</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits from customers	g	11,086,713	14,186,490
Deposits and placements of banks and other financial institutions	h	1,077,164	2,271,026
Financial liabilities designated as fair value through profit and loss	j	253,820	248,959
Obligations on securities sold under repurchase agreements		120,434	229,925
Derivative financial instruments		2,785,229	1,139,614
Amount due to related parties	i	8,948,535	9,377,428
Other liabilities	k	952,413	256,982
Tax payable		6,721	7,465
Total liabilities		<u>25,231,029</u>	<u>27,717,889</u>
Share capital		437,500	437,500
Retained earnings		1,958,975	1,778,922
Reserves		25,214	12,015
Shareholders' equity		<u>2,421,689</u>	<u>2,228,437</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>27,652,718</u>	<u>29,946,326</u>
COMMITMENTS AND CONTINGENCIES	s	<u>153,287,283</u>	<u>153,205,128</u>

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

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	<u>Note</u>	<u>30 Sep 2024</u> (Quarter 3 2024) RM'000	<u>30 Sep 2023</u> (Quarter 3 2023) RM'000
Interest income *	l	345,114	349,502
Interest income from financial assets held at fair value through profit and loss	l	355,706	264,144
Interest expense	m	(665,556)	(536,272)
		<hr/>	<hr/>
Net interest income		35,264	77,374
Other operating income	n	395,873	388,282
		<hr/>	<hr/>
Net income		431,137	465,656
Other operating expenses	o	(180,630)	(161,690)
		<hr/>	<hr/>
Operating profit before allowances		250,507	303,966
Expected credit losses written-back/(provided) on loans and advances	p	9,217	(5,277)
		<hr/>	<hr/>
Profit before taxation		259,724	298,689
Taxation		(66,587)	(75,610)
		<hr/>	<hr/>
Net profit for the financial period		<u>193,137</u>	<u>223,079</u>

* Comprises of interest recognised on financial assets measured at amortised cost and fair value through other comprehensive income.

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

UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	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 2024	437,500	62	11,953	-	1,778,922	2,228,437
Net profit for the financial period	-	-	-	-	193,137	193,137
Other comprehensive loss (net of tax)	-	115	-	-	-	115
Net unrealised gain on revaluation of financial assets at fair value through other comprehensive income	-	151	-	-	-	151
Income tax relating to component of other comprehensive income	-	(36)	-	-	-	(36)
Total comprehensive income for the financial period	-	115	-	-	193,137	193,252
Transfer to regulatory reserve	-	-	-	13,084	(13,084)	-
At 30 September 2024	<u>437,500</u>	<u>177</u>	<u>11,953</u>	<u>13,084</u>	<u>1,958,975</u>	<u>2,421,689</u>
At 1 January 2023	437,500	(256)	11,953	6,096	1,490,242	1,945,535
Net profit for the financial year	-	-	-	-	282,584	282,584
Other comprehensive income (net of tax)	-	318	-	-	-	318
Net unrealised gain on revaluation of financial assets at fair value through other comprehensive income	-	419	-	-	-	419
Income tax relating to component of other comprehensive income	-	(101)	-	-	-	(101)
Total comprehensive income for the financial year	-	318	-	-	282,584	282,902
Transfer from regulatory reserve	-	-	-	(6,096)	6,096	-
At 31 December 2023	<u>437,500</u>	<u>62</u>	<u>11,953</u>	<u>-</u>	<u>1,778,922</u>	<u>2,228,437</u>

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

(Incorporated in Malaysia)

UNAUDITED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	<u>30 Sep 2024</u> RM'000	<u>30 Sep 2023</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	259,724	298,689
Adjustments for items not involving the movement of cash and cash equivalents:		
Depreciation of fixed assets	2,396	2,060
Depreciation of right-of-use of assets	3,801	3,826
Expected credit losses (written-back)/provided on loans and advance	(9,217)	5,277
Interest expense on lease liabilities	88	94
Net unrealised gain on revaluation of financial assets held at fair value through profit and loss	(798)	(5,323)
Net loss/(gain) on derivatives	2,719	(41,897)
Net unrealised loss in revaluation on derivatives	3,582	28,690
Net unrealised loss/(gain) in revaluation of structured deposits	4,861	(4,304)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>267,156</u>	<u>287,112</u>
Increase in securities purchased under resale agreement	(911,400)	(6,641,885)
Decrease in amount due from related parties	89,201	169,568
Increase in financial assets held at fair value through profit and loss	(330,794)	(84,120)
Decrease/(Increase) in derivative financial instruments	724,651	(337,887)
Increase in financial assets held at fair value through other comprehensive income	(58,439)	(874,242)
Decrease/(Increase) in loans and advances	96,653	(257,067)
Increase in other assets	(78,484)	(440,180)
(Decrease)/Increase in deposits from customers	(3,099,777)	805,648
Decrease in deposits and placements of banks and other financial institutions	(1,193,862)	(106,173)
Increase/(Decrease) in other liabilities	750,793	(55,562)
(Decrease)/Increase in securities sold under repurchase agreements	(109,491)	58,780
(Decrease)/Increase in amount due to related parties	(428,893)	6,274,577
Cash used in operating activities	<u>(4,282,686)</u>	<u>(1,201,431)</u>
Income taxes paid	(56,106)	(64,939)
Net cash used in operating activities	<u>(4,338,792)</u>	<u>(1,266,370)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1,196)	(2,813)
Net cash used in investing activities	<u>(1,196)</u>	<u>(2,813)</u>

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

(Incorporated in Malaysia)

UNAUDITED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONTINUED)

	<u>30 Sep 2024</u> RM'000	<u>30 Sep 2023</u> RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease rental payment	(4,078)	(4,031)
Net cash flow used in financing activities	<u>(4,078)</u>	<u>(4,031)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		
	(4,344,066)	(1,273,214)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD		
	15,699,614	14,248,248
CASH AND CASH EQUIVALENT AT END OF FINANCIAL PERIOD		
	<u>11,355,548</u>	<u>12,975,034</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and short term funds	10,442,859	12,280,339
Amount due from related parties	912,689	694,695
	<u>11,355,548</u>	<u>12,975,034</u>

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

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2024

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 2023. 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 2023.

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 2023.

B Auditor's report on preceding annual financial statements

The auditor's report on the financial statements for the financial year ended 31 December 2023 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 2024.

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 2024.

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 2024.

G Dividend

No dividend was paid during the financial period ended 30 September 2024.

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 2024

I Review of Bank's performance

The Bank's profit before taxation for the financial period to September 2024 amounted to RM259.7 million. Net interest income for the period was RM35.3 million. Major contributors for interest income include interest income from inter-bank lending (RM316.3 million), interest income from financial assets held at fair value through profit and loss (RM355.7 million) and interest income from loans and advances (RM23.9 million). As for interest expense, amount incurred on customer deposits was RM286.2 million and interest incurred on inter-bank borrowings was RM379.3 million.

Income generated from the Bank's treasury activities comprises net gain from foreign exchange transaction of RM326.1 million, management and attribution income of RM77.2 million, and net loss on derivatives of RM6.3 million.

Total overhead expenditure incurred in the 9 months was RM180.6 million. Staff cost and benefits came up to RM61.9 million while establishment expenses amounted to RM7.4 million. Inter-company management fees and attribution fees incurred during the period was RM97.9 million while administration and general expenses amounted to RM11.4 million. Expected credit losses written back on loans and advances for the period was RM9.2 million, mainly contributed by lower expected credit losses provided.

Performance for year-to-date September 2024 was lower than that of the corresponding period in 2023. In the current period, the profit before taxation was RM259.7 million (YTD September 2023: RM298.7 million). Net interest income for the current period was lower by RM42.1 million while other operating income in the first 9 months of 2024 was RM395.9 million, higher than the amount earned in the corresponding period in 2023 by RM7.6 million. The lower net interest income recorded was attributable to higher interest expense arising from deposits from customers, and deposits and placements of banks and other financial institutions by RM33.8 million and RM95.5 million respectively, offset by lower financial assets held at fair value through other comprehensive income by RM4.7 million. During the current period, there was higher foreign exchange gain by RM60 million. Net loss from financial assets held at fair value through profit and loss for the first 9 months of 2024 amounted to RM3.1 million against a net gain of RM17.3 million recorded in the corresponding period of 2023, and the Bank made net loss from financial liabilities designated as fair value through profit and loss during the current period amounted to RM4.9 million. As for derivatives trading, a net loss of RM6.3 million was recorded in the period against a net gain of RM13.2 million recorded in first 9 months of 2023. Other operating expenses increased to RM180.6 million as compared with RM161.7 million incurred during the corresponding period of 2023, reflecting an increase of RM18.9 million.

J Business outlook for 2024

Malaysia is an open, export-orientated economy, hence its growth will be influenced by macro factors. The Bank will remain focused on the quality and stability of the Bank by investing in transaction services, trade and wholesale banking businesses while enhancing flow business. The Bank's target clients, which consist of multi-national corporations, large domestic corporates, financial institutions and non-bank financial institutions, will continue to benefit from the Bank's significant competitive advantage of a broad product mix and an expansive global network.

Our commitment to developing our business in Malaysia has allowed us to become a leader among foreign banks in the country, and we are confident of further growth with the support of the Bank's strong capitalisation, global network and fortress balance sheet.

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

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2024

	<u>30 Sep 2024</u> RM '000	<u>31 Dec 2023</u> RM '000
a) Cash and short-term funds		
Cash and balances with banks and other financial institutions	269,796	194,458
Money at call and deposit placements maturing within one month	<u>10,173,063</u>	<u>15,320,543</u>
	<u>10,442,859</u>	<u>15,515,001</u>
b) Securities purchased under resale agreement		
Securities purchased under resale agreement measured at fair value through profit or loss	<u>11,722,189</u>	<u>10,810,789</u>
c) Financial assets held at fair value through profit or loss		
<u>Money market instruments</u>		
Malaysian Government Securities	1,286,982	859,106
Negotiable Instruments of Deposits	100,000	100,809
Malaysian Treasury Bills	-	12,232
Malaysian Government Investment Issuance	133,925	216,918
<u>Unquoted securities</u>		
Unquoted shares	<u>7,350</u>	<u>7,600</u>
	<u>1,528,257</u>	<u>1,196,665</u>
d) Financial assets held at fair value through other comprehensive income		
<u>Money market instruments</u>		
Malaysian Treasury Bills	<u>196,158</u>	<u>196,158</u>
e) Loans and advances		
i) Loans and advances analysed by type of loan are as follows:		
Overdrafts	107,095	116,823
Housing loans	375	523
Staff loans	316	331
Revolving credits	316,623	380,030
Trade finance	<u>50,528</u>	<u>73,506</u>
	474,937	571,213
Less: Allowance for losses on loans and advances:		
- ECL not credit impaired	(6,566)	(15,384)
- ECL credit impaired	<u>(32)</u>	<u>(54)</u>
Total net loans and advances	<u>468,339</u>	<u>555,775</u>

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

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2024

	<u>30 Sep 2024</u> RM '000	<u>31 Dec 2023</u> RM '000
e) Loans and advances (continued)		
ii) The maturity structure of loans and advances are as follows:		
Maturity within		
- one year	474,437	570,663
- one year to three years	105	51
- three years to five years	78	84
- over five years	317	415
	<u>474,937</u>	<u>571,213</u>
iii) Loans and advances analysed by type of customers are as follows:		
Domestic business enterprises		
- Others	473,027	560,120
Individuals	691	854
Foreign entities	1,219	10,239
	<u>474,937</u>	<u>571,213</u>
iv) Loans and advances analysed by interest sensitivity are as follows:		
Fixed rate		
- Housing and staff loans	691	854
Variable rate		
- Cost-plus	474,246	570,359
	<u>474,937</u>	<u>571,213</u>
v) Loans and advances analysed by their economic purpose are as follows:		
Purchase of landed properties	691	854
Working capital	474,246	570,359
	<u>474,937</u>	<u>571,213</u>
vi) Loans and advances analysed by their geographical distribution are as follows:		
In Malaysia	473,718	560,974
Other countries	1,219	10,239
	<u>474,937</u>	<u>571,213</u>
vii) Loans and advances analysed by measurement basis are as follows:		
Amortised cost	<u>474,937</u>	<u>571,213</u>

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

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2024

	<u>30 Sep 2024</u> RM '000	<u>31 Dec 2023</u> RM '000
e) Loans and advances (continued)		
viii) Impaired loans		
a) Movement in impaired loans and advances are as follows:		
At 1 January	222	186
Classified as impaired during the financial period/year	34	62
Reclassified as performing during the financial period/year	(77)	(19)
Amount recovered	<u>(36)</u>	<u>(7)</u>
At end of financial period/year	143	222
ECL credit impaired	<u>(32)</u>	<u>(54)</u>
Net impaired loans and advances	<u>111</u>	<u>168</u>
b) Impaired loans analysed by their economic purpose are as follows:		
Purchase of landed property	<u>143</u>	<u>222</u>
c) Impaired loans analysed by their geographical distribution are as follows:		
In Malaysia	<u>143</u>	<u>222</u>
d) Movement in allowance for impaired loans and advances are as follows:		
<u>ECL credit impaired</u>		
At 1 January	54	46
- Allowance (written-back)/made during the financial period/year	<u>(22)</u>	<u>8</u>
Balance at end of financial period/year	<u>32</u>	<u>54</u>
<u>ECL not credit impaired</u>		
At 1 January	15,384	15,264
- Allowance (written-back)/made during the financial period/year	<u>(8,818)</u>	<u>120</u>
Balance at end of financial period/year	<u>6,566</u>	<u>15,384</u>
f) Other assets		
Receivable from securities sold pending settlement	325,575	340,669
Other receivable, deposits and prepayments	<u>38,791</u>	<u>4,337</u>
	<u>364,366</u>	<u>345,006</u>

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

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2024

	<u>30 Sep 2024</u> RM '000	<u>31 Dec 2023</u> RM '000
g) Deposits from customers		
i) Deposits from customers analysed by type of deposits are as follows:		
Demand deposits	10,820,436	14,082,264
Fixed deposits	<u>266,277</u>	<u>104,226</u>
	<u>11,086,713</u>	<u>14,186,490</u>
Maturity structure of fixed deposits are as follows:		
Due within six months	<u>266,277</u>	<u>104,226</u>
ii) Deposits from customers analysed by type of customers are as follows:		
Business enterprises	11,085,980	14,185,826
Others	<u>733</u>	<u>664</u>
	<u>11,086,713</u>	<u>14,186,490</u>
h) Deposits and placements of banks and other financial institutions		
Licensed banks	655,877	616,421
Other financial institutions	<u>421,287</u>	<u>1,654,605</u>
	<u>1,077,164</u>	<u>2,271,026</u>
i) Amounts due to related parties		
Current deposits	1,011,232	265,347
Interbank taking	-	458,956
Fixed deposits	28,239	27,721
Securities sold under repurchase agreement	7,164,410	8,471,458
Other payables	<u>744,654</u>	<u>153,946</u>
	<u>8,948,535</u>	<u>9,377,428</u>
j) Financial liabilities designated as fair value through profit and loss		
Structured deposits	<u>253,820</u>	<u>248,959</u>
k) Other liabilities		
Other payables	934,285	227,787
Accruals and charges	13,761	20,462
Lease liabilities	3,178	7,168
Expected credit loss - off-balance sheet lending commitment	<u>1,189</u>	<u>1,565</u>
	<u>952,413</u>	<u>256,982</u>

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

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2024

	<u>30 Sep 2024</u> (Quarter 3 2024) RM '000	<u>30 Sep 2023</u> (Quarter 3 2023) RM '000
l) Interest income		
Loans and advances		
- Interest income other than recoveries from impaired loans	23,893	22,419
- Recoveries from impaired loans	6	6
Money at call and placements with financial institutions	316,293	317,422
Financial assets held at fair value through other comprehensive income	4,916	9,642
Other interest income	6	13
	<u>345,114</u>	<u>349,502</u>
Interest income from financial assets at fair value through profit or loss		
Financial assets at fair value through profit or loss	<u>355,706</u>	<u>264,144</u>
m) Interest expense		
Deposits from customers	286,230	252,443
Deposits and placements of banks and other financial institutions	<u>379,326</u>	<u>283,829</u>
	<u>665,556</u>	<u>536,272</u>
n) Other operating income		
Fee income:		
Service charges and fees	6,030	4,911
Guarantee fees	853	1,585
	<u>6,883</u>	<u>6,496</u>
Net income from securities:		
Net (loss)/gain from sale of financial assets fair value through profit or loss	(3,921)	11,974
Unrealised gain from revaluation of financial assets fair value through profit or loss	798	5,323
Net (loss)/gain from financial liabilities designated as fair value through profit or loss	(4,861)	4,304
Derivatives:		
Net (loss)/gain from trading of derivatives	(2,719)	41,897
Unrealised loss from revaluation of derivatives	(3,582)	(28,690)
Other income:		
Foreign exchange gain	326,074	266,097
Management and attribution income	77,201	80,881
	<u>395,873</u>	<u>388,282</u>
o) Other operating expenses		
Personnel expenses	61,859	55,798
Establishment expenses	7,418	7,321
Marketing expenses	2,057	1,679
Management and attribution fees paid	97,931	86,400
General administrative expenses	11,365	10,492
	<u>180,630</u>	<u>161,690</u>

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2024

	<u>30 Sep 2024</u> (Quarter 3 2024) RM '000	<u>30 Sep 2023</u> (Quarter 3 2023) RM '000
p) Expected credit losses made on loans and advances:		
ECL - off-balance sheet lending commitment	376	47
ECL - loans and advances	<u>8,841</u>	<u>(5,327)</u>
	<u>9,217</u>	<u>(5,277)</u>
	<u>30 Sep 2024</u> RM '000	<u>31 Dec 2023</u> RM '000
q) Credit exposures arising from transactions with connected parties		
Outstanding credit exposures with connected parties	<u>853,221</u>	<u>773,275</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>15.31%</u>	<u>17.23%</u>
Percentage of outstanding credit exposures to connected parties which is non-performing or in default	<u>0%</u>	<u>0%</u>
r) 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 2024</u> RM '000	<u>31 Dec 2023</u> RM '000
Tier-I capital		
Paid-up share capital	437,500	437,500
Retained earnings	1,778,922	1,778,922
Fair value reserve through other comprehensive income	177	62
Option reserve	<u>11,953</u>	<u>11,953</u>
	2,228,552	2,228,437
Deferred tax assets	(4,706)	(8,178)
Financial assets at fair value through other comprehensive income	<u>(97)</u>	<u>(34)</u>
Total Tier I capital	<u>2,223,749</u>	<u>2,220,225</u>
Tier-II capital		
Regulatory reserve	13,084	-
ECL not credit impaired	<u>7,755</u>	<u>16,949</u>
Total Tier-II capital	<u>20,839</u>	<u>16,949</u>
Total capital	<u>2,244,588</u>	<u>2,237,174</u>
Common Equity Tier 1 capital ratio	24.485%	27.283%
Tier 1 capital ratio	24.485%	27.283%
Total capital ratio	24.715%	27.492%

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2024

s) Capital adequacy (continued)

ii) Total risk weighted assets and capital requirements as at 30 September 2024 and 31 December 2023

Exposure class	30 September 2024				31 December 2023			
	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	10,593,792	10,260,716	478,155	38,252	15,552,877	15,397,723	458,945	36,716
Banks, development financial institutions	12,785,286	1,444,507	289,325	23,147	11,273,943	678,905	135,799	10,864
Insurance companies, securities firms and fund managers	742,724	742,724	357,930	28,634	1,238,633	1,132,648	375,810	30,065
Corporates	510,861	510,861	510,440	40,835	577,513	577,513	575,084	46,007
Regulatory retail	316	316	316	25	331	331	331	26
Residential mortgages	233	233	109	9	302	302	127	10
Other assets	61,013	61,013	65,636	5,251	32,328	32,328	25,853	2,068
Defaulted exposures	110	110	55	4	169	169	101	8
Total on-balance sheet exposures	<u>24,694,335</u>	<u>13,020,480</u>	<u>1,701,966</u>	<u>136,157</u>	<u>28,676,096</u>	<u>17,819,919</u>	<u>1,572,050</u>	<u>125,764</u>
Off-balance sheet exposures over-the-counter ('OTC') derivatives	4,865,407	4,865,407	2,060,591	164,847	3,635,362	3,635,362	1,460,493	116,840
Off-balance sheet exposures other than OTC derivatives	231,172	231,172	222,592	17,807	282,410	282,410	273,355	21,868
Total off-balance sheet exposures	<u>5,096,579</u>	<u>5,096,579</u>	<u>2,283,183</u>	<u>182,654</u>	<u>3,917,772</u>	<u>3,917,772</u>	<u>1,733,848</u>	<u>138,708</u>
Total on and off-balance sheet exposures	<u>29,790,914</u>	<u>18,117,059</u>	<u>3,985,149</u>	<u>318,811</u>	<u>32,593,868</u>	<u>21,737,691</u>	<u>3,305,898</u>	<u>264,472</u>
(b) Market risk	<u>Long position</u>	<u>Short position</u>			<u>Long position</u>	<u>Short position</u>		
Interest rate risk	167,253,721	158,644,659	3,456,193	276,495	152,937,639	149,022,369	3,687,568	295,006
Foreign currency risk	113,334	343,332	343,332	27,467	114,824	2	114,825	9,186
Option risk			327,650	26,212			213,931	17,114
(c) Operational risk			969,604	77,568			815,400	65,232
Total risk weighted assets and capital requirements			<u>9,081,928</u>	<u>726,553</u>			<u>8,137,622</u>	<u>651,010</u>

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2024

t) Commitments and contingencies

Total risk weighted assets and capital requirements as at 30 September 2024 and 31 December 2023

	30 September 2024			31 December 2023		
	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	148,009	148,009	142,894	223,888	223,888	219,108
Transaction-related contingent items	28,561	14,280	10,815	50,353	25,176	20,901
Foreign exchange related contracts:						
- less than one year	58,160,062	2,140,626	1,016,386	63,714,605	1,007,983	404,323
- one year to less than five years	1,589,673	170,360	77,989	1,744,021	174,987	111,513
- more than five years	164,842	46,581	21,807	193,155	39,365	18,031
Interest rate related contracts:						
- less than one year	25,496,570	82,762	31,581	25,488,551	84,093	36,622
- one year to less than five years	61,319,566	1,923,474	731,270	55,087,764	1,765,216	657,328
- more than five years	2,668,492	216,488	101,003	3,449,158	342,769	166,181
Equity related contracts						
- less than one year	1,023,930	104,157	32,185	1,126,918	153,293	43,922
- one year to less than five years	742,909	121,199	32,779	54,059	6,951	2,299
Other Commodity Contracts						
- less than one year	1,813	5	-	-	-	-
- one year to less than five years	405	8	-	-	-	-
- more than five years	99,239	7,582	-	-	-	-
Credit derivatives contracts						
- less than one year	69,423	11,162	5,338	22,938	2,666	1,333
- one year to less than five years	248,292	41,003	10,253	348,239	58,039	18,941
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	137,767	68,883	68,883	66,692	33,346	33,346
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	1,387,730	-	-	1,634,787	-	-
	<u>153,287,283</u>	<u>5,096,579</u>	<u>2,283,183</u>	<u>153,205,128</u>	<u>3,917,772</u>	<u>1,733,848</u>

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