Registration No.

199401030666 (316347-D)

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

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The Directors are pleased to submit their report to the members together with the audited financial statements of the Bank for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activities of the Bank are banking and related financial services.

There was no significant change in the nature of these activities during the financial year.

FINANCIAL RESULTS

	RM'000
Net profit for the financial year	246,546

DIVIDENDS

No dividend has been paid, declared or proposed since the end of the Bank's previous financial year. The Directors do not recommend the payment of any dividend for the financial year ended 31 December 2024.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year other than those disclosed in the financial statements.

SHARE CAPITAL

During the financial year, there was no issuance of new ordinary shares. As at 31 December 2024, the issued share capital of the Bank is RM437,500,002 comprising 395,500,002 ordinary shares.

EQUITY COMPENSATION BENEFITS

The ultimate holding company, JPMorgan Chase & Co. ("JPMC", "The Firm") has a Long-Term Incentive Plan ("LTIP") that provides for grants of common stock-based awards, including stock options, restricted stock, and restricted stock units ("RSU") to certain key employees employed by JPMC and its subsidiaries. JPMC also grants stock options to other employees as recognition of the services rendered, under its broad-based employee stock option plan such as the Value Sharing Plan.

Details of the equity compensation benefits are set out in Note 34 to the financial statements.

DIRECTORS

The Directors of the Bank in office during the financial year and during the period from the end of the financial year to the date of the report are as follows:

Osman Tarique Morad
Robert Armor Morris
Mahani binti Amat
Wong Hooi Ching
Gail Koh De Josselin

In accordance with Clause 93 of the Bank's Constitution, Osman Tarique Morad retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

DIRECTORS' BENEFITS

Neither during nor at the end of the financial year was the Bank a party to any arrangements whose object was to enable the Directors of the Bank to acquire benefits by means of the acquisition of shares in, or debentures of, the Bank or any other body corporate except that certain Directors received remuneration as Directors and employees of the Bank and related corporations, and share options granted to Directors of the Bank by the ultimate holding company.

Since the end of the previous financial year, no Director of the Bank has received or become entitled to receive any benefit (other than the benefits shown under Directors' Remuneration as disclosed in this Directors' Report and Note 26 to the financial statements) by reason of a contract made by the Bank or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

DIRECTORS' INTEREST IN SHARES AND OPTIONS

According to the Register of Directors' Shareholdings kept by the Bank under Section 59 of the Companies Act, 2016, the following Directors who held office at the end of the financial year have interest in the shares, restricted stock units and share options (collectively "Shares") of the Bank and/or its related corporations during the financial year, as set out below. None of the other Directors who held office at the end of the financial year have any interest in the Shares of the Bank and/or its related corporations during the financial year.

	Number of Shares			
	As at 1.1.2024	Acquired	Disposed	As at 31.12.2024
JPMorgan Chase & Co.				
Wong Hooi Ching	3,815	1,596	516	4,895
Gail Koh De Josselin	19,240	8,193	3,738	23,695

DIRECTORS' REMUNERATION

Details of Directors' remuneration are set out below:

	RM'000
Salary, bonuses and other remuneration	4,256
Defined contribution retirement plan	511
Benefits-in-kind	65
Fees/allowances	675

AUDITORS' REMUNERATION

Auditors' remuneration of the Bank is RM496,385.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Bank were prepared, the Directors took reasonable steps to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts.

At the date of this report, the Directors are not aware of any circumstances which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Bank inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Bank were prepared, the Directors took reasonable steps to ascertain that any current assets, other than debts, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Bank had been written down to an amount which the current assets might be expected to realise.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to current assets in the financial statements of the Bank misleading.

VALUATION METHODS

At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing methods of valuation of assets or liabilities in the Bank's financial statements misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

(a) any charge on the assets of the Bank which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability in respect of the Bank which has arisen since the end of the financial year other than in the ordinary course of banking business.

No contingent or other liability of the Bank has become enforceable or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Bank to meet its obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Bank which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the Bank's operations during the financial year were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the Bank's operations for the current financial year in which this report is made.

BUSINESS STRATEGY AND REVIEW 2024

Despite continued uncertainty throughout 2024, the Bank's key businesses, in particular transaction services, trade, wholesale banking and markets flow business, delivered satisfactory results in 2024.

The Bank recorded a profit before tax of RM332 million in financial year 2024, a decrease of RM47 million against financial year 2023. Net interest income decreased by RM17 million or 21% to RM64 million, contributed by the decrease in interest income from money at call and placements with financial institutions by RM66 million and increase in interest expense arising from deposits and placements of banks and other financial institutions by RM40 million, offset by the increase in interest income for financial assets held at fair value through profit and loss by RM99 million. Other operating income decreased by RM20 million or 4%, mainly arising from increase in net loss on derivatives by RM7.6 million and net loss from financial assets held at fair value through profit and loss of RM10 million as compared to net gain of RM18 million in 2023. This is offset by the increase in gain from foreign exchange contracts by RM14 million. Meanwhile, operating expenses increased by RM20 million or 9% to RM243 million.

The Bank's total assets decreased by RM2.8 billion or 9% to RM27 billion, contributed by the decrease in cash and short-term funds of RM6.5 billion, offset by increase in financial assets held at fair value through profit and loss, securities purchased under resale agreements and derivative financial instruments of RM2.4 billion, RM725 million and RM374 million respectively. The Bank's total liabilities decreased by RM3.1 billion or 11% to RM25 billion, contributed by the decrease in deposits from customers, deposits and placements of banks and other financial institutions and amounts due to related parties by RM1.2 billion, RM1.2 billion and RM534 million respectively. The Bank's total capital ratio remained strong at 28.180%, with its Tier 1 capital ratio at 28.009% as at the end of 2024.

BUSINESS OUTLOOK FOR 2025

Malaysia is an open, export-orientated economy that is influenced by macro factors. Despite that, its economy is expected to maintain steady growth, supported by strong domestic demand and government initiatives aimed at digital transformation and infrastructure development. The Bank continues to provide its corporate and institutional clients transaction services, trade and wholesale banking businesses. The Bank's clients will continue to benefit from our broad product mix, expansive global network and expertise.

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.

ULTIMATE HOLDING CORPORATION

The Directors regard JPMorgan Chase & Co., a corporation incorporated in the United States of America, as the ultimate holding corporation of the Bank.

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to accept re-appointment as auditors.

This report was approved by the Board of Directors on 20 March 2025. Signed on behalf of the Board of Directors:

ROBERT ARMOR MORRIS
DIRECTOR

WONG HOOI CHING
DIRECTOR

Kuala Lumpur
6 May 2025

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Note	2024 RM'000	2023 RM'000
ASSETS			
Cash and short-term funds	2	9,044,675	15,515,001
Securities purchased under resale agreements	3	11,535,887	10,810,789
Financial assets held at fair value through profit and loss ("FVTPL")	4	3,565,441	1,196,665
Derivative financial instruments	5	1,383,928	1,009,845
Financial assets held at fair value through other comprehensive income ("FVOCI")	6	197,650	137,604
Loans and advances	7	579,505	555,775
Amounts due from related parties	8	623,148	353,623
Statutory deposits with Bank Negara Malaysia	9	2	2
Other assets	10	187,029	345,006
Tax recoverable		2,453	-
Deferred tax assets	11	5,879	8,178
Fixed assets	12	5,859	7,048
Right-of-use assets	13	7,717	6,790
TOTAL ASSETS		27,139,173	29,946,326
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits from customers	14	13,009,006	14,186,490
Deposits and placements of banks and other financial institutions	15	1,106,174	2,271,026
Financial liabilities designated as fair value through profit and loss ("FVTPL")	16	246,328	248,959
Obligations on securities sold		30,895	229,925
Derivative financial instruments	5	1,032,512	1,139,614
Amounts due to related parties	17	8,843,647	9,377,428
Tax payable		-	7,465
Other liabilities	18	395,626	256,982
Total liabilities		24,664,188	27,717,889
Share capital		437,500	437,500
Retained earnings		2,017,803	1,778,922
Reserves	19	19,682	12,015
Shareholder's equity		2,474,985	2,228,437
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		27,139,173	29,946,326
COMMITMENTS AND CONTINGENCIES	28	181,768,319	153,205,128

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J.P. MORGAN CHASE BANK BERHAD
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STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 RM'000	2023 RM'000
Interest income*	20	446,757	520,967
Interest income for financial assets at fair value through profit or loss	21	479,257	380,511
Interest expense	22	(862,345)	(820,716)
Net interest income		63,669	80,762
Other operating income	23	501,821	521,574
Net income		565,490	602,336
Operating expenses	24	(243,381)	(223,406)
Operating profit before allowances		322,109	378,930
Expected credit losses on loans and advances	25	9,606	(352)
Profit before taxation		331,715	378,578
Taxation	27	(85,169)	(95,994)
Net profit for the financial year		246,546	282,584
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss			
- Net unrealised gain on revaluation of financial assets held at fair value through other comprehensive income		2	419
- Income tax relating to component of other comprehensive income		-	(101)
Other comprehensive income, net of tax		2	318
Total comprehensive income for the financial year		246,548	282,902

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

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J.P. MORGAN CHASE BANK BERHAD
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STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Share capital RM'000	Fair value reserve 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 year	-	-	-	-	246,546	246,546
Other comprehensive income (net of tax)	-	2	-	-	-	2
Net unrealised gain on revaluation of financial assets at fair value through other comprehensive income	-	2	-	-	-	2
Income tax relating to component of other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the financial year	-	2	-	-	246,546	246,548
Transfer to regulatory reserve	-	-	-	7,665	(7,665)	-
	437,500	64	11,953	7,665	2,017,803	2,474,985

J.P. MORGAN CHASE BANK BERHAD
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STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

	Share capital RM'000	Fair value reserve of OCI RM'000	Option reserve RM'000	Regulatory reserve RM'000	Distributable retained earnings RM'000	Total RM'000
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	-
	437,500	62	11,953	-	1,778,922	2,228,437

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J.P. MORGAN CHASE BANK BERHAD
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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	2024 RM'000	2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	331,715	378,578
Adjustments for items not involving the movement of cash and cash equivalents:		
Depreciation of fixed assets	3,261	2,802
Depreciation of right-of-use of assets	5,131	5,093
Loss on write-off of fixed assets	-	2
Expected credit losses on loan and advances	(9,606)	352
Interest expense on lease liabilities	146	136
Net loss/(gain) on derivatives	22,029	(38,370)
Net unrealised loss/(gain) from revaluation of financial assets held at fair value through profit and loss	2,688	(4,712)
Net unrealised (gain)/loss in revaluation on derivatives	(1,119)	51,675
Net unrealised gain from revaluation of structured deposits	(2,631)	(3,384)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	351,614	392,172
Increase in securities purchased under resale agreements	(725,098)	(5,610,581)
(Increase)/decrease in amount due from related parties	(211,592)	491,180
(Increase)/decrease in financial assets held at FVTPL	(2,371,464)	240,718
(Increase)/decrease in derivative financial instruments	(502,095)	86,670
(Increase)/decrease in financial assets held at FVOCI	(60,044)	237,068
Increase in loans and advances	(14,124)	(128,080)
Decrease/(increase) in other assets	74,345	(279,237)
(Decrease)/increase in deposits from customers	(1,177,484)	1,093,102
(Decrease)/increase in deposits and placements of banks and other financial institutions	(1,164,852)	1,235,097
Increase/(decrease) in other liabilities	213,726	(396,137)
(Decrease)/increase in obligation on securities sold	(199,030)	128,657
(Decrease)/increase in amount due to related parties	(533,781)	4,052,838
Cash (used) in/generated from operating activities	(6,319,879)	1,543,467
Income taxes paid	(85,000)	(83,879)
Net cash (used) in/generated from operating activities	(6,404,879)	1,459,588

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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

	Note	2024 RM'000	2023 RM'000
CASH FLOWS FROM INVESTING ACTIVITY			
Purchase of fixed assets		(2,072)	(2,841)
Net cash used in investing activity		(2,072)	(2,841)
CASH FLOWS FROM FINANCING ACTIVITY			
Lease rental payment		(5,442)	(5,381)
Net cash used in financing activity		(5,442)	(5,381)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(6,412,393)	1,451,366
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		15,699,614	14,248,248
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR		9,287,221	15,699,614
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Cash and short-term funds	2	9,044,675	15,515,001
Amount due from related parties	8	242,546	184,613
		9,287,221	15,699,614

SUMMARY OF MATERIAL ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements and are also consistent with those applied in the previous year, unless otherwise stated.

A BASIS OF PREPARATION

The financial statements of the Bank have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements have been prepared on a going concern basis under historical cost convention unless otherwise indicated in this summary of material accounting policies.

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported year. It also requires the Directors to exercise their judgement in the process of applying the Bank's accounting policies. Although these estimates are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in accounting policy Note Q.

(a) Standards, amendments to published standards and interpretations that are effective and applicable to the Bank.

The following standards and amendments have been adopted for the first time by the Bank for the financial year beginning on 1 January 2024:

- Amendments to MFRS 101 'Classification of liabilities as current or non-current' and 'Non-current Liabilities with Covenants'.

The adoption of the amendment listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

A BASIS OF PREPARATION (CONTINUED)

(b) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Bank but not yet effective.

A number of new standards and amendments to standards and interpretations are effective for financial year beginning on or after 1 January 2025.

- Amendments to MFRS 121 'Lack of Exchangeability' (effective 1 January 2025) clarify that a currency is exchangeable when an entity is able to exchange it into another currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism that creates enforceable rights and obligations. If an entity can only obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, then the currency is not exchangeable. In such cases, the entity is required to estimate the spot exchange rate at the measurement date.

  The amendments do not specify how an entity estimates the spot exchange rate, but permit an entity to use observable exchange rate without adjustment or another estimation technique, provided it could meet the objective for estimating the spot exchange rate set out in the amendments.

- Amendments to MFRS 9 and MFRS 7 'Amendments to the Classification and Measurement of Financial Instruments' (effective 1 January 2026):

  - Require financial assets to be derecognised on the date the contractual rights to the cash flows expire and financial liabilities to be derecognised when obligation under the contract is discharged (i.e. the settlement date). In addition, there is an optional exception to derecognise financial liabilities before the settlement date using electronic payment systems (if specified criteria are met);
  - Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
  - Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environmental, social and governance targets); and
  - Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

A BASIS OF PREPARATION (CONTINUED)

(b) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Bank but not yet effective. (continued)

A number of new standards and amendments to standards and interpretations are effective for financial year beginning on or after 1 January 2025. (continued)

- MFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027) replaces MFRS 101 'Presentation of Financial Statements'.

    - The new MFRS introduces a new structure of profit or loss statement.

        (a) Income and expenses are classified into 3 new main categories:

        i. Operating category which typically includes results from the main business activities;
        ii. Investing category that presents the results of investments in associates and joint ventures and other assets that generate a return largely independently of other resources; and
        iii. Financing category that presents income and expenses from financing liabilities.

        (b) Entities are required to present two new specified subtotals: 'Operating profit or loss' and 'Profit or loss before financing and income taxes'.

    - Management-defined performance measures are disclosed in a single note and reconciled to the most similar specified subtotal in MFRS Accounting Standards.

    - Changes to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

A number of new standards and amendments to standards and interpretations are effective for financial year beginning on or after 1 January 2025: (continued)

The adoption of the above amendments to published standards are not expected to give rise to any material financial impact to the Bank, except for the adoption of MFRS 18 and amendments to MFRS 9, of which the Bank are in the midst of assessing the financial and disclosure impact to the Bank.

B INCOME RECOGNITION

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the expected future cash payments or receipts through the expected life of the financial instrument, or when appropriate, a shorter period, to the net carrying amount of the instrument. When calculating the effective interest, the Bank estimates cash flows (using projections based on its experience of customers' behaviour) considering all contractual terms of the financial instrument but excluding future credit losses. Fees are included in the calculation to the extent that they can be measured and are considered to be an integral part of the effective interest rate.

Interest income for financial assets measured at amortised cost and FVOCI is recognised in the Statement of Comprehensive Income as part of interest income.

Interest income for financial assets measured at FVTPL is recognised separately in the Statement of Comprehensive Income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

C RECOGNITION OF FEES AND OTHER INCOME

The Bank earn fees and other income from a diverse range of products and services provided to its customers. Fees and other income are recognised when the Bank has satisfied its performance obligation in providing the promised products and services to the customer, and is recognised based on contractual rates or amount agreed with customers, and net of expenses directly related to it. The Bank generally satisfies its performance obligations and recognises the fees and other income on the following basis:

(i) Transaction-based fee and other income is recognised on the completion of the transaction. Such fees include fees related to the service charges and fees, and loans and advance arrangement fees. These fees constitute a single performance obligation.

(ii) For a service that is provided over a period of time, fee and other income is recognised on an equal proportion basis over the period during which the related service is provided or credit risk is undertaken. This basis of recognition most appropriately reflects the nature and pattern of provision of these services to the customers over time. Fees for these services will be billed periodically over time. Such fees include commitment fee income, which relates to loans and guarantee fees

Net gain or loss from sales of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income are recognised in the Statement of Comprehensive Income upon sales of the securities, as the difference between net sales proceeds and the carrying amount of the financial assets.

D REPURCHASE AGREEMENTS

Securities purchased under agreements to resell, and securities sold under agreements to repurchase, are treated as collateralised lending and borrowing transactions respectively. The consideration for the transaction can be in the form of cash or securities. If the consideration for the purchase or sale of securities is given in cash the transaction is recorded on the balance sheet within securities purchased/sold under agreements to resell/repurchase. If the consideration is received or given in the form of securities the transaction is recorded off balance sheet. The difference between the sales and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

E FINANCIAL ASSETS AND LIABILITIES

(a) Recognition of financial assets and financial liabilities

The Bank recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on the trade-date, which is the date on which the Bank commits to purchase or sell an asset.

(b) Classification and measurement of financial assets and financial liabilities

On initial recognition, financial assets are classified as measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). The classification is based on both the business model for managing the financial assets and their contractual cash flow characteristics. Factors considered by the Bank in determining the business model for a group of assets including the past experience on how the cash flows for these assets were collected, how the assets' performance is evaluated and reported to key management personnel, how risks are assessed and managed, and how managers are compensated.

On initial recognition, financial liabilities are classified as measured at either amortised cost or FVTPL.

E FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(c) Subsequent measurement

There are three measurement categories into which the Bank classifies its financial assets:

(i) Amortised cost

Financial assets are measured at amortised cost if they are held under a business model with the objective to collect contractual cash flows ("Hold to Collect") and they have contractual terms under which cash flows are solely payments of principal and interest ("SPPI"). In making the SPPI assessment, the Bank considers whether the contractual cash flows are consistent with a basic lending arrangement (i.e., interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement).

Interest income from these financial assets is included in interest income using the effective interest method. Any gain or loss arising on derecognition is recognised directly in the income statement and presented in net gain and loss from financial instruments together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the income statement.

Financial assets measured at amortised cost include cash and short-term funds, loans and advances, certain securities purchased under resale agreements, amount due from related parties, statutory deposits with BNM and other assets.

Financial liabilities are measured at amortised cost unless they are held for trading or designated as measured at fair value through profit or loss.

(ii) Fair value through other comprehensive income ("FVOCI")

Financial assets are measured at FVOCI if they are held under a business model with the objective of both collecting contractual cash flows and selling the financial assets ("Hold to Collect and Sell"), and they have contractual terms under which cash flows are SPPI.

Financial assets measured at FVOCI are initially recognised at fair value, which includes direct transaction costs. The financial assets are subsequently remeasured at fair value with any changes presented in other comprehensive income (OCI) except for changes attributable to impairment, interest income and foreign currency exchange gains and losses.

Interest income from these financial assets is included in interest income using the effective interest method. Foreign exchange gains and losses are presented in other gains/(losses) on financial instruments and impairment losses are presented as separate line item in the Statement of Comprehensive Income.

E FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(c) Subsequent measurement (continued)

(iii) Fair value through profit or loss ("FVTPL")

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. The Bank may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes are recognised in the income statement and presented net within other gains/(losses) on financial instruments in the period which they arise. Transaction costs of financial assets carried at FVTPL are expensed off in the income statement.

Financial assets measured at FVTPL include fixed income securities and reverse repurchase agreements.

Financial liabilities measured at FVTPL include structured deposits and repurchase agreements.

(d) Impairment of financial assets and lending-related commitments

Instruments in scope of Traditional Credit Product ("TCP") include loans and advances, lending-related commitments, and other lending products stemming from extensions of credit to borrowers. The Bank establishes an expected credit losses allowance ("ECL") for these instruments to ensure they are reflected in the financial statements at the Bank's best estimate of the net amount expected to be collected. The ECL is determined on in-scope financial instruments measured at amortised cost or FVOCI. ECL is measured collectively via a portfolio-based (modelled) approach for Stage 1 and 2 assets but are generally measured individually for Stage 3 assets. ECL is forecasted over the 12-month term (Stage 1) or expected life (Stage 2 or 3) of in-scope financial instruments, where the forecast period includes the reasonable and supportable ("R&S") forecast period, the reversion period and the residual period and considers the time value of money.

Determining the appropriateness of the allowance is complex and requires judgment by management about the effect of circumstances that are inherently uncertain. Further, estimating the allowance involves consideration of a range of possible outcomes, which management evaluates to determine its best estimate. Subsequent evaluations of the TCP portfolio, in light of the circumstances then prevailing, may result in significant changes in the ECL in future periods.

The Bank must consider the appropriateness of decisions and judgements regarding methodology and inputs utilised in developing estimates of ECL each reporting period and document them appropriately.

Note 32 provides more detail on how the expected credit loss allowance is measured.

E FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(e) Derecognition of financial assets and financial liabilities

Financial assets are derecognised when the contractual right to receive cash flows from the asset has expired, or has been transferred with either of the following conditions met:

(i) the Bank has transferred substantially all the risks and rewards of ownership of the asset; or
(ii) the Bank has neither retained nor transferred substantially all of the risks and rewards; but has relinquished control of the asset.

Financial liabilities are derecognised when they are extinguished, that is when the obligation is discharged, cancelled or expires.

(f) Write-off

Loan and advances on the balance sheet are written off when it is highly certain that a loss has been realised. The determination of whether to recognise a write-off includes many factors, including the prioritisation of the Bank's claim in bankruptcy, expectations of the workout/restructuring of the loan and valuation of the borrower's equity or the loan collateral.

All other financial assets are written off when there is no reasonable expectation of recovery and the amount of loss can be reasonably estimated or when the asset is past due for a specified period.

(g) Determining fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair values are determined by reference to observable market prices where available and reliable. Fair values of financial assets and financial liabilities are based on quoted market prices or dealer price quotations for financial instruments traded in active markets. Where market prices are unavailable, fair value is based on valuation models that consider relevant transaction characteristics (such as maturity) and use as inputs observable or unobservable market parameters, including but not limited to yield curves, interest rates, volatilities, equity or debt prices, foreign exchange rates and credit curves. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value.

For financial assets and liabilities held at fair value, most market parameters in the valuation model are either directly observable or are implied from instrument prices. When input values do not directly correspond to the most actively traded market parameters, the model may perform numerical procedures in the pricing such as interpolation.

E FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(h) Regulatory reserve requirements

Pursuant to BNM Guidelines on Financial Reporting, the Bank shall maintain, in aggregate, Stage 1 and Stage 2 provisions and regulatory reserves of no less than 1% of all credit exposures (on and off balance sheet that are subject to MFRS 9 impairment requirements, excluding exposures to and with an explicit guarantee from Malaysia Government, Bank, a licensed bank, a licensed investment bank, a licensed Islamic Bank and a prescribed development financial institution) net of Stage 3 provision.

F DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and option pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Certain derivatives embedded in other financial instruments are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract and the host contract is not carried at fair value through profit or loss. These embedded derivatives are separately accounted for at fair value, with changes in fair value recognised in the income statement.

G OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset, and the net amount presented in the Statement of Financial Position when there is legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Bank or the counterparty.

H IMPAIRMENT OF NON-FINANCIAL ASSETS

Non-financial assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

I FIXED ASSETS

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation of fixed assets is calculated on a straight-line basis over the estimated useful lives.

The principal useful lives used are as follows:

	Years
Bank premises	
- improvements, furniture and fittings	Lower of the remaining lease term or 10 years
- office machinery and equipment	5
Computers	3 - 5

The residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date.

Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

At each balance sheet date, the Bank assesses whether there is any indication of impairment. Where an indication of impairment exists, the carrying amount of the asset is written down to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the income statement.

J CURRENCY TRANSLATIONS

(a) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia, which is the Bank's functional and presentation currency.

(b) Foreign currency transactions and balances

Monetary assets and monetary liabilities in foreign currencies are translated into Ringgit Malaysia at rates of exchange ruling on the balance sheet date. Income and expense items denominated in foreign currencies are translated into Ringgit Malaysia at exchange rates prevailing at the date of the transactions. Any gains or losses arising on translation are taken directly to the income statement.

Non-monetary items denominated in foreign currencies that are stated at historical cost are translated into Ringgit Malaysia at the exchange rate ruling at the date when the transaction was initially recognised.

Non-monetary items denominated in foreign currencies that are stated at fair value are translated into Ringgit Malaysia at foreign exchange rates ruling at the dates when the fair values were determined. Translation differences arising on non-monetary items measured at fair value are recognised in the income statement except for differences arising on FVOCI non-monetary financial assets, which are included in the OCI reserve.

K CURRENT AND DEFERRED INCOME TAX

Tax expense for the period comprises current and deferred income tax. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting of each jurisdiction in which the Bank operates and generates taxable income and includes all taxes based upon the taxable profits.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred income tax related to fair value remeasurement of financial investments at fair value through other comprehensive income, which are charged or credited directly to equity, is also credited or charged directly to equity and is subsequently recognised in the statement of income together with the deferred gain or loss.

L EMPLOYEE BENEFITS

Short-term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Bank.

Defined contribution plan

A defined contribution plan is a pension plan under which the Bank pays fixed contributions to the national pension scheme, Employees' Provident Fund ("EPF").

The Bank's contributions to EPF are charged to the income statement in the period to which they related. Once the contributions have been paid, the Bank has no further payment obligations.

Share-based payment awards

Staff costs include equity compensation expenses arising from the grant of share-based awards to the employees of the Bank which are equity-settled. The details of the share-based awards available are described in Note 34.

Share-based payment awards may be made to employees of the Bank under the Firm's incentive awards schemes. The fair value of any such shares, rights to shares or share options is measured when the conditional award is made. This value is recognised as the compensation expense to the Bank over the period to which the performance criteria relate together with employer's other payroll taxes. All of the awards granted are equity settled. The Firm estimates the level of forfeitures and applies this forfeiture rate at the grant date.

The Bank has recognised all equity compensation benefits as equity-settled, whereby all these employee benefit expenses are credited to "Option reserve" under equity. For employee benefit expenses where the Bank has an obligation to settle with JPMorgan Chase & Co the corresponding amounts are transferred from "Option reserve" to "Other liabilities".

M PROVISION AND CONTINGENT LIABILITIES

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one of more uncertain future events not wholly within the control of the Bank, or a present obligation that arises from past events but is not recognised because either an outflow of economic benefits are not probable or the amount of the obligation cannot be reliably measured. For contingent liabilities that are not recognised in the financial statements, disclosure is made unless the probability of settlement is remote.

N FINANCIAL GUARANTEE CONTRACTS

Financial guarantee contracts are contracts that require the Bank to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Financial guarantee contracts are subsequently measured at the higher of the amount determined in accordance with the expected credit loss model under MFRS 9 "Financial instruments" and the amount initially recognised less cumulative amount of income recognised in accordance with the principles of MFRS 15 "Revenue from Contracts with Customers", where appropriate.

O CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash and short-term funds of three months or less, and amount due from related parties. Only short-term deposits under amount due from related parties are considered as cash and cash equivalents.

P LEASES

Leases are recognised as right-of-use ("ROU") asset and a corresponding liability at the date on which the leased asset is available for use by the Bank (i.e. the commencement date).

ROU Asset

The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the lease commencement date plus any initial direct costs incurred, less any lease incentives received. The ROU asset is subsequently amortised on a straight-line basis from the commencement date to the earlier of the end of the useful life of the ROU asset or the lease term. The estimated useful life of the ROU asset is determined on the same basis as those of the property and equipment. In addition, the ROU asset may be reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

P LEASES (CONTINUED)

Lease Liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Bank's incremental borrowing rate. The lease liability is measured at amortised cost using a constant periodic rate of interest. It is remeasured when there is a change in an index or rate, or if the Bank changes its assessment of whether it will exercise an extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in earnings if the carrying amount of the ROU asset has been reduced to zero.

The Bank presents the lease liabilities as a separate line item in Note 18 to the Statement of Financial Position. Interest expense on the lease liability is presented within the operating expense in the Statement of Comprehensive Income.

Short-term leases and leases of low-value

The Bank has elected not to recognise ROU assets and lease liabilities for short-term leases of real estate as well as equipment that have a lease term of 12 months or less and leases of low-value assets.

Q CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the process of applying the Bank's accounting policies, management makes judgements, estimates and assumptions for certain categories of assets and liabilities. These judgements, estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, and the reported amounts of revenue and expenses during the reporting period. Making judgements, estimates and assumptions can involve levels of uncertainty and subjectivity and therefore actual results could differ from the reported amounts.

Some of the judgements, estimates and assumptions management makes when preparing the Bank's financial statements involve high levels of subjectivity and assessments about the future and other sources of uncertainty. Those that may have a material impact on the Bank's financial condition, changes in financial condition or results of operations are described below.

(a) Fair value of financial instruments

The Bank carries a significant portion of its assets and liabilities at fair value on a recurring basis. Certain financial instruments are classified on the basis of valuation techniques that feature one or more significant inputs that are unobservable, and for them, the measurement of fair value is more judgemental:

- Judgements - In classifying a financial instrument in the valuation hierarchy judgement is applied in determining the observability and significance of the inputs to the fair value measurement. A financial instrument's categorisation within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Q CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(a) Fair value of financial instruments (continued)

- Estimates - For instruments classified in level 3, management judgement must be applied to assess the appropriate models and level of valuation adjustments. Details on the Bank's level 3 financial instruments and the sensitivity of their valuation to the effect of applying reasonable possible alternative assumptions in determining their fair value are set out in Note 32.

(b) Measurement of the Expected credit losses ("ECL")

An allowance for ECL is required for financial assets measured at amortised cost and fair value through other comprehensive income as well as lending-related commitments such as loan commitments and financial guarantees. The measurement of ECL requires the use of complex models and significant assumptions about future economic conditions and credit behaviours. Explanation of the inputs, assumptions and estimation techniques used in measuring ECL are further detailed in Note 32, which also sets out key sensitivities of the ECL to changes in these inputs.

A number of significant judgements are also required in measuring ECL, such as:

- Determining the criteria for identifying when financial instruments have experienced a significant increase in credit risk;
- Choosing appropriate forecasts and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type financial instrument/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

For Multinational Corporations ("MNC") exposures which are not supported by a legally enforceable guarantee, management makes judgement based on local standalone risk grading for ECL measurement.

1 GENERAL INFORMATION

The principal activities of the Bank are banking and related financial services. There was no significant change in the nature of these activities during the financial year.

The Bank is a wholly-owned subsidiary of J.P. Morgan International Finance Limited, a corporation incorporated in the United States of America. The Directors regard JPMorgan Chase & Co., a corporation incorporated in the United States of America, as the Bank's ultimate holding corporation.

The Bank is a limited liability company, incorporated and domiciled in Malaysia.

The principal place of business and address of the registered office of the Bank is Level 18, Integra Tower, The Intermark, 348 Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia.

2 CASH AND SHORT-TERM FUNDS

	2024 RM'000	2023 RM'000
Cash and balances with banks and other financial institutions	150,825	194,458
Money at call and deposit placements maturing within one month	8,893,850	15,320,543
	9,044,675	15,515,001

3 SECURITIES PURCHASED UNDER RESALE AGREEMENTS

	2024 RM'000	2023 RM'000
Securities purchased under resale agreements measured at FVTPL	11,535,887	10,810,789

4 FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT AND LOSS

	2024 RM'000	2023 RM'000
Money market instruments		
Malaysian Government Securities	1,042,898	859,106
Negotiable Instruments of Deposits	2,392,113	100,809
Malaysian Government Investment Issuance	124,010	216,918
Malaysian Treasury Bills	-	12,232
Unquoted securities		
Unquoted shares	6,420	7,600
	3,565,441	1,196,665

5 DERIVATIVE FINANCIAL INSTRUMENTS

	Notional amount RM'000	Fair values Assets RM'000	Fair values Liabilities RM'000
At 31 December 2024			
Foreign exchange derivatives			
Currency forwards	71,331,532	860,048	(597,369)
Cross-currency interest rate swaps	1,113,931	37,773	(22,798)
Currency options	790,661	11,753	(8,421)
Interest rate derivatives			
Interest rate swaps	103,268,936	371,841	(307,445)
Interest rate options	588,548	22,728	(2,539)
Credit related derivatives			
Credit default swaps	528,376	27,460	(821)
Equity related derivatives			
Equity options	2,254,934	52,325	(93,119)
Total derivative assets/(liabilities)	179,876,918	1,383,928	(1,032,512)

5 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

	Notional amount	Fair values	
		Assets	Liabilities
	RM'000	RM'000	RM'000
At 31 December 2023			
Foreign exchange derivatives			
Currency forwards	63,923,498	340,197	(551,646)
Cross-currency interest rate swaps	1,451,198	35,145	(65,259)
Currency options	277,085	2,811	(2,123)
Interest rate derivatives			
Interest rate swaps	83,738,087	520,785	(452,464)
Interest rate options	287,386	33,819	-
Credit related derivatives			
Credit default swaps	371,177	8,228	(1,809)
Equity related derivatives			
Equity options	1,180,977	68,860	(66,313)
Total derivative assets/(liabilities)	151,229,408	1,009,845	(1,139,614)

6 FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2024 RM'000	2023 RM'000
Money market instruments		
Malaysian Treasury Bills	197,650	137,604
	197,650	137,604

7 LOANS AND ADVANCES

	2024 RM'000	2023 RM'000
(i) Loans and advances analysed by type of loan are as follows:		
Overdrafts	144,359	116,823
Housing loans	367	523
Staff loans	311	331
Revolving credits	383,783	380,030
Trade finance	57,340	73,506
	586,160	571,213
Less: Expected credit losses ("ECL") on loans and advances:		
- Credit-impaired	(34)	(54)
- Not credit-impaired	(6,621)	(15,384)
Total net loans and advances	579,505	555,775

7 LOANS AND ADVANCES (CONTINUED)

		2024 RM'000	2023 RM'000
(ii)	The maturity structure of loans and advances are as follows:		
	Maturity within		
	- one year	585,635	570,663
	- one year to three years	102	51
	- three years to five years	212	84
	- over five years	211	415
		586,160	571,213
(iii)	Loans and advances analysed by type of customers are as follows:		
	Domestic business enterprises	583,948	560,120
	Individuals	678	854
	Foreign entities	1,534	10,239
		586,160	571,213
(iv)	Loans and advances analysed by interest sensitivity are as follows:		
	Fixed rate		
	- Housing loans	678	854
	Variable rate		
	- Cost-plus	585,482	570,359
		586,160	571,213
(v)	Loans and advances analysed by their economic purpose are as follows:		
	Purchase of landed properties	678	854
	Working capital	585,482	570,359
		586,160	571,213

7 LOANS AND ADVANCES (CONTINUED)

	2024 RM'000	2023 RM'000
(vi) Loans and advances analysed by their geographical distribution are as follows:		
In Malaysia	584,626	560,974
Other countries	1,534	10,239
	586,160	571,213
(vii) Loans and advances analysed by measurement basis are as follows:		
Amortised cost	586,160	571,213

(viii) Impaired loans

(a) Movements in impaired loans and advances are as follows:

	2024 RM'000	2023 RM'000
At 1 January	222	186
Classified as impaired during the financial year	-	62
Reclassified as performing during the financial year	(41)	(19)
Amount recovered	(37)	(7)
At 31 December	144	222
ECL – credit-impaired	(34)	(54)
Net impaired loans and advances	110	168
Ratio of net impaired loans and advances to net loans and advances	0.02%	0.03%

(b) Impaired loans analysed by their economic purpose are as follows:

	2024 RM'000	2023 RM'000
Purchase of landed property	144	222

(c) Impaired loans analysed by their geographical distribution are as follows:

	2024 RM'000	2023 RM'000
Malaysia	144	222

8 AMOUNTS DUE FROM RELATED PARTIES

	2024 RM'000	2023 RM'000
Current deposits	242,546	184,613
Securities purchased under resale agreements measured at FVTPL	-	106,349
Other receivables	380,602	62,661
	623,148	353,623

9 STATUTORY DEPOSITS WITH BNM

The non-interest bearing statutory deposits are maintained with BNM in compliance with Section 26(2)(c) of the Central Bank of Malaysia Act, 2009, the amount of which is determined at set percentages of total eligible liabilities.

As of 31 December 2024, the Bank has RM2,000 (2023: RM2,000) statutory deposits with BNM.

10 OTHER ASSETS

	2024 RM'000	2023 RM'000
Receivable from securities sold pending settlement	176,015	340,669
Other receivable, deposits and prepayments	11,014	4,337
	187,029	345,006

11 DEFERRED TAX ASSETS

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the Statement of Financial Position.

	2024 RM'000	2023 RM'000
Excess of depreciation over capital allowances	(358)	(396)
Financial assets held at fair value through other comprehensive income	(20)	(20)
Other liabilities	6,257	8,594
Deferred tax assets	5,879	8,178

11 DEFERRED TAX ASSETS (CONTINUED)

The movements in deferred tax assets and liabilities during the financial year comprise the following:

	Excess of depreciation over capital allowances RM'000	Fair value through other comprehensive income RM'000	Other liabilities RM'000	Total RM'000
2024				
At 1 January	(396)	(20)	8,594	8,178
Credited/(charged) to Income Statement (Note 27)	38	-	(2,337)	(2,299)
At 31 December	(358)	(20)	6,257	5,879
2023				
At 1 January	(508)	81	7,867	7,440
Credited to Income Statement (Note 27)	112	-	727	839
Charge to reserve	-	(101)	-	(101)
At 31 December	(396)	(20)	8,594	8,178

12 FIXED ASSETS

	Bank premises RM'000	Computers RM'000	Total RM'000
2024			
Cost			
At 1 January	22,792	26,308	49,100
Additions	972	1,100	2,072
Write-off	-	(1,227)	(1,227)
At 31 December	23,764	26,181	49,945
Accumulated depreciation			
At 1 January	20,032	22,020	42,052
Charge for the financial year	1,816	1,445	3,261
Write-off	-	(1,227)	(1,227)
At 31 December	21,848	22,238	44,086
Net book value			
At 31 December	1,916	3,943	5,859
2023			
Cost			
At 1 January	22,461	24,454	46,915
Additions	353	2,488	2,841
Write-off	(22)	(634)	(656)
At 31 December	22,792	26,308	49,100
Accumulated depreciation			
At 1 January	18,646	21,258	39,904
Charge for the financial year	1,406	1,396	2,802
Write-off	(20)	(634)	(654)
At 31 December	20,032	22,020	42,052
Net book value			
At 31 December	2,760	4,288	7,048

13 RIGHTS-OF-USE ASSETS

	2024 RM'000	2023 RM'000
Balance as at 1 January, by class of underlying assets:		
Properties	6,790	10,557
Additions to the ROU assets during the financial year	6,058	1,326
Depreciation charge of ROU assets by class of underlying assets:		
Properties	(5,131)	(5,093)
Balance as at 31 December	7,717	6,790

Lease Liabilities Maturity Analysis

	2024 RM'000	2023 RM'000
Lease liabilities – Maturity Analysis – Contractual Undiscounted Cash Flows		
Less than one year	4,283	5,385
One to five years	3,971	1,910
Total undiscounted lease liabilities at 31 December	8,254	7,295

14 DEPOSITS FROM CUSTOMERS

		2024 RM'000	2023 RM'000
(i)	Deposits from customers analysed by type of deposits are as follows:		
	Demand deposits	12,825,346	14,082,264
	Fixed deposits	183,660	104,226
		13,009,006	14,186,490
	Maturity structure of fixed deposits is as follows:		
	Due within six months	183,660	104,226
(ii)	Deposits from customers analysed by type of customers are as follows:		
	Business enterprises	13,008,534	14,185,826
	Others	472	664
		13,009,006	14,186,490

15 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	2024 RM'000	2023 RM'000
Licensed banks	676,459	616,421
Other financial institutions and business entities	429,715	1,654,605
	1,106,174	2,271,026

16 FINANCIAL LIABILITIES DESIGNATED AS FAIR VALUE THROUGH PROFIT AND LOSS

	2024 RM'000	2023 RM'000
Structured deposits	246,328	248,959

17 AMOUNTS DUE TO RELATED PARTIES

	2024 RM'000	2023 RM'000
Current deposits	969,550	265,347
Interbank taking	-	458,956
Fixed deposits	28,416	27,721
Securities sold under repurchase agreements measured at FVTPL	7,836,657	8,471,458
Other payables	9,024	153,946
	8,843,647	9,377,428

18 OTHER LIABILITIES

	2024 RM'000	2023 RM'000
Other payables	365,665	227,787
Accruals and charges	21,288	20,462
Lease liabilities	7,930	7,168
Expected credit losses – off-balance sheet lending commitment	743	1,565
	395,626	256,982

19 RESERVES

	2024 RM'000	2023 RM'000
Option reserve	11,953	11,953
Regulatory reserve	7,665	-
Fair value reserve – Financial assets through other comprehensive income	64	62
	19,682	12,015

(i) The option reserve is maintained in compliance with MFRS 2 – 'Share based payments'.

(ii) Regulatory reserve of the Bank is maintained as an additional credit risk absorbent to ensure robustness on the loan impairment assessment methodology.

19 RESERVES (CONTINUED)

(iii) Movement of the fair value reserve of financial assets held at fair value through other comprehensive income is as follows:

	2024 RM'000	2023 RM'000
At 1 January	62	(256)
- Net unrealised gain on revaluation of financial assets measured at fair value through other comprehensive income debt instruments	2	419
- Income tax relating to component of other comprehensive income	-	(101)
At 31 December	64	62

20 INTEREST INCOME

	2024 RM'000	2023 RM'000
Loans and advances		
- Interest income other than recoveries from impaired loans	30,495	31,376
- Recoveries from impaired loans	7	8
Money at call and placements with financial institutions	409,691	475,619
Financial assets held at fair value through other comprehensive income	6,558	13,946
Other interest income	6	18
	446,757	520,967

21 INTEREST INCOME FOR FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 RM'000	2023 RM'000
Financial assets at fair value through profit or loss	479,257	380,511

22 INTEREST EXPENSE

	2024 RM'000	2023 RM'000
Deposits from customers	370,176	368,305
Deposits and placements of banks and other financial institutions	492,169	452,411
	862,345	820,716

23 OTHER OPERATING INCOME

	2024 RM'000	2023 RM'000
Fee income:		
- Service charges and fees	8,272	6,661
- Guarantee fees	1,366	2,127
	9,638	8,788
Net income from securities:		
- Net (loss)/gain from sale of financial assets held at fair value through profit and loss	(7,651)	13,679
- Net unrealised (loss)/gain from revaluation of financial assets held at fair value through profit and loss	(2,688)	4,712
Net gain from financial liabilities designated as fair value through profit and loss:		
- Unrealised gain from revaluation of structured deposits	2,631	3,384
Derivatives:		
- Net (loss)/gain on derivatives	(22,029)	38,370
- Unrealised gain/(loss) from revaluation of derivatives	1,119	(51,675)
Other income:		
- Foreign exchange gain	412,608	398,837
- Management and attribution income	108,193	105,479
	501,821	521,574

24 OPERATING EXPENSES

	2024 RM'000	2023 RM'000
(a) Operating expenses		
Personnel costs:		
- Wages, salaries and bonuses	64,468	60,305
- Defined contribution retirement plan	9,194	8,685
- Other employee benefits	10,255	8,801
	83,917	77,791
Establishment costs:		
- Equipment and fittings repairs, maintenance and rental	758	817
- Depreciation of right-of-use assets	5,131	5,093
- Depreciation of fixed assets	3,261	2,802
- Utilities and others	997	1,191
	10,147	9,903
Marketing expenses	2,711	2,325
Administration and general expenses:		
- Management and attribution fees paid	129,419	118,668
- Banking and corporate expenses	8,415	7,168
- Office supplies, communication expenses and insurance	5,301	4,784
- Other general expenses	3,471	2,767
	146,606	133,387
	243,381	223,406

The above expenditure includes the following statutory disclosures:

	2024 RM'000	2023 RM'000
Directors' remuneration (Note 26)	5,507	4,686
Auditors' remuneration:		
- audit fees	459	445
- non-audit fees	37	200

24 OPERATING EXPENSES (CONTINUED)

	2024 RM'000	2023 RM'000
(b) Management and attribution fees breakdown by geographical location		
United States of America ("USA")	58,326	48,125
Singapore	25,811	24,944
Hong Kong	16,884	15,848
United Kingdom	12,691	10,784
Japan	3,241	2,645
Australia	2,723	2,869
China	1,742	1,933
Malaysia	1,403	6,637
Others	6,598	4,883
	129,419	118,668
Management and attribution fees breakdown by type of services		
Technology Support	65,691	49,011
Operational Services Support	28,549	29,314
Sales and Marketing Attribution	18,053	21,492
Corporate Finance	7,415	7,928
Risk Management	2,877	2,957
Human Resources	1,979	2,246
Others	4,855	5,720
	129,419	118,668

25 EXPECTED CREDIT LOSSES ON LOANS AND ADVANCES

	2024 RM'000	2023 RM'000
Expected credit losses write-back/(made) on loans and advances:		
ECL – off-balance sheet lending commitment	822	(227)
ECL – loans and advances	8,783	(128)
Loans and advances recovered	1	3
	9,606	(352)

26 DIRECTORS' REMUNERATION

Chief Executive Officer:		
- Salary, bonuses and other remuneration	4,256	3,609
- Defined contribution retirement plan	511	433
- Benefits-in-kind	65	42
	4,832	4,084
Executive Director:		
- Fees/allowances		
Gail Koh De Josselin	-	-
	-	-
Non-executive Directors:		
- Fees/allowances		
Robert Armor Morris	213	194
Osman Tarique Morad	249	215
Mahani binti Amat	213	193
	675	602

27 TAXATION

	2024 RM'000	2023 RM'000
(a) Tax expense for the financial year		
Current year tax		
- Malaysian income tax	82,546	95,466
- Under provision in respect of prior year	324	1,367
Deferred tax		
- Origination and reversal of temporary differences	2,056	(948)
- Under provision in respect of prior year	243	109
	85,169	95,994

(b) Numerical reconciliation of income tax expense

The explanation on the relationship between tax expense and profit before tax is as follows:

	2024 RM'000	2023 RM'000
Profit before taxation	331,715	378,578
Tax calculated at a tax rate of 24%	79,612	90,859
Expenses not deductible for tax purposes	4,990	3,659
Under provision in respect of prior year	324	1,367
Under provision of temporary differences in prior year	243	109
Tax expense	85,169	95,994

28 COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Bank makes various commitments and incurs certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions.

The commitments and contingencies constitute the following:

	2024 Principal amount RM'000	2023 Principal amount RM'000
Credit-related		
Direct credit substitutes	167,976	223,888
Transaction-related contingent items	40,342	50,353
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:		
- over one year	123,924	66,692
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	1,555,736	1,634,787
Treasury-related		
Foreign exchange related contracts:		
- less than one year	71,614,465	63,714,605
- one year to less than five years	1,500,880	1,744,021
- more than five years	120,779	193,155
Interest rate related contracts:		
- less than one year	35,931,940	25,488,551
- one year to less than five years	65,484,839	55,087,764
- more than five years	2,440,705	3,449,158
Credit related contracts:		
- less than one year	74,460	22,938
- one year to less than five years	452,316	348,239
- more than five years	1,600	-
Equity related contracts:		
- less than one year	1,437,076	1,126,918
- one year to less than five years	817,858	54,059
Debt security contracts:		
- one year to less than five years	201	-
- more than five years	3,222	-
	181,768,319	153,205,128

29 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

The related parties of, and their relationship with the Bank, are as follows:

Name of related parties	Relationship
JPMorgan Chase & Co.	Ultimate holding corporation
JPMorgan Chase Bank, N.A., New York ("the Head Office")	Subsidiary of ultimate holding corporation
JPMorgan Chase Bank, N.A., Hong Kong	Branch of the Head Office
JPMorgan Chase Bank, N.A., Labuan	Branch of the Head Office
JPMorgan Chase Bank, N.A., Frankfurt	Branch of the Head Office
JPMorgan Chase Bank, N.A., London	Branch of the Head Office
JPMorgan Chase Bank, N.A., Singapore	Branch of the Head Office
JPMorgan Chase Bank, N.A., Chicago	Branch of the Head Office
JPMorgan Chase Bank, N.A., Tokyo	Branch of the Head Office
JPMorgan Chase Bank, N.A., Australia	Branch of the Head Office
JPMorgan Chase Bank, N.A., Korea	Branch of the Head Office
JPMorgan Chase Bank, N.A., Philippines	Branch of the Head Office
JPMorgan Chase Bank, N.A., Bangkok	Branch of the Head Office
JPMorgan Chase Bank, N.A., Indonesia	Branch of the Head Office
JPMorgan Chase Bank, N.A., India	Branch of the Head Office
JPMorgan Chase Bank, N.A., China	Branch of the Head Office
JPMorgan Chase Bank, N.A., Dubai	Branch of the Head Office
JPMorgan Chase Bank, N.A., Vietnam	Branch of the Head Office
J.P. Morgan Securities LLC	Subsidiary of ultimate holding corporation
J.P. Morgan Securities Asia Private Limited	Subsidiary of ultimate holding corporation
JPMorgan Securities (Malaysia) Sdn Bhd	Subsidiary of ultimate holding corporation
J.P. Morgan Services (Malaysia) Sdn Bhd	Subsidiary of ultimate holding corporation
J.P. Morgan Securities (Asia Pacific) Limited	Subsidiary of ultimate holding corporation
JPMorgan Securities Japan Co., Ltd.	Subsidiary of ultimate holding corporation
JPMorgan Securities Plc	Subsidiary of ultimate holding corporation
JPMorgan Securities (Thailand) Limited	Subsidiary of ultimate holding corporation
J.P. Morgan (S.E.A.) Limited	Subsidiary of ultimate holding corporation
J.P. Morgan Ventures Energy Corporation	Subsidiary of ultimate holding corporation

Key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Bank either directly or indirectly. The key management personnel of the Bank includes all the Directors and senior officers of the Bank.

29 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Set out below are other significant related party transactions and balances.

	2024		2023	
	Related entities	Key management personnel	Related entities	Key management personnel
	RM'000	RM'000	RM'000	RM'000
Significant related party transactions of the Bank:				
Income				
Interest on current deposit	7,120	-	2,910	-
Interest on money at call and placements with financial institutions	33,738	-	38,885	-
Management and attribution fees received	108,193	-	105,479	-
Expense				
Interest on deposits and taking	45,518	-	9,952	-
Interest on repurchase agreements	423,205	-	420,609	-
Rental recovery	(2,834)	-	(2,538)	-
Management and attribution fees paid	129,419	-	118,668	-
Personnel expenses		15,553	-	14,195
Related party balances of the Bank:				
Assets				
Current deposits	242,546	-	184,613	-
Securities purchased under resale agreements	-	-	106,349	-
Derivative assets	277,268	-	358,843	-
Other receivables	380,603	-	62,661	-
	900,417	-	712,466	-
Liabilities				
Current deposits	969,550	-	265,347	-
Interbank taking	-	-	458,956	-
Fixed deposits	28,416	-	27,721	-
Securities sold under repurchase agreements	7,836,657	-	8,471,458	-
Derivatives liabilities	392,487	-	320,128	-
Other payables	9,024	-	153,946	-
	9,236,134	-	9,697,556	-

29 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Transactions with related parties are aggregated because these transactions are similar in nature and no single transaction with these parties is significant enough to warrant separate disclosure.

Interest rates on deposits were at normal commercial rates.

Key management compensation:

	2024	2023
	RM'000	RM'000
Short-term employee benefits	15,553	14,195
	Unit	Unit
Shares, restricted stock units and share options balance of ultimate holding corporation	31,710	28,644

Included in the above is the Executive Directors' compensation which is disclosed in Note 26. The shares, restricted stock units and share options are granted on the same terms and conditions as those offered to other employees of the Bank.

Credit exposures arising from transactions with connected parties

Credit exposures with connected parties as per BNM's revised "Guidelines on Credit Transactions and Exposures with Connected Parties" are as follows:

	2024	2023
	RM'000	RM'000
Outstanding credit exposures with connected parties	662,386	773,275
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	11.92%	17.23%
Percentage of outstanding credit exposures with connected parties which is non-performing or in default	0%	0%

30 NON-CANCELLABLE OPERATING LEASE COMMITMENTS

The Bank has lease commitments in respect of vehicles, which is classified as operating leases. A summary of the non-cancellable long-term commitments representing minimum rentals which the Bank is obliged to pay are as follows:

	2024 RM'000	2023 RM'000
Payable within one year	156	9
Payable between one and five years	778	-
	934	9

31 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).

The capital adequacy ratios of the Bank are as follows:

	2024 RM'000	2023 RM'000
Tier-I capital		
Paid-up share capital	437,500	437,500
Retained earnings	2,017,803	1,778,922
Fair value reserve through other comprehensive income	64	62
Option reserve	11,953	11,953
	2,467,320	2,228,437
Deferred tax assets	(5,879)	(8,178)
Financial assets at fair value through other comprehensive income	(35)	(34)
Total Tier I capital	2,461,406	2,220,225
Tier-II capital		
Regulatory reserve	7,665	-
ECL not credit-impaired	7,364	16,949
Total Tier II capital	15,029	16,949
Total capital	2,476,435	2,237,174
Common Equity Tier 1 capital ratio	28.009%	27.283%
Tier 1 capital ratio	28.009%	27.283%
Total capital ratio	28.180%	27.492%

31 CAPITAL ADEQUACY (CONTINUED)

Total risk weighted assets and capital requirements as at 31 December 2024:

	Exposure Class	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	9,432,326	9,200,458	554,840	44,387
	Banks	11,842,093	1,112,198	225,131	18,010
	Insurance companies, securities firms and fund managers	635,954	635,954	145,025	11,602
	Corporates	585,529	585,529	585,005	46,800
	Regulatory retail	311	311	311	25
	Residential mortgages	221	221	94	8
	Other assets	21,617	21,617	18,066	1,445
	Defaulted exposures	111	111	55	4
	Total on-balance sheet exposures	22,518,162	11,556,399	1,528,527	122,281
	Off-balance sheet exposures				
	Over-the-counter ('OTC') derivatives	4,719,523	4,719,523	1,838,538	147,083
	Off balance sheet exposures other than OTC derivatives	250,109	250,109	234,008	18,721
	Total off-balance sheet exposures	4,969,632	4,969,632	2,072,546	165,804
	Total on and off-balance sheet exposures	27,487,794	16,526,031	3,601,073	288,085
		Long position	Short position		
(b)	Market risk				
	Interest rate risk	194,376,808	187,632,356	3,778,338	302,267
	Foreign currency risk	43,857	48,946	48,946	3,916
	Options risk			349,838	27,987
(c)	Operational risk			1,009,568	80,765
	Total risk weighted assets and capital requirements			8,787,763	703,020

31 CAPITAL ADEQUACY (CONTINUED)

Total risk weighted assets and capital requirements as at 31 December 2023:

Exposure Class	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	15,552,877	15,397,723	458,945	36,716
Banks	11,273,943	678,905	135,799	10,864
Insurance companies, securities firms and fund managers	1,238,633	1,132,648	375,810	30,065
Corporates	577,513	577,513	575,084	46,007
Regulatory retail	331	331	331	26
Residential mortgages	302	302	127	10
Other assets	32,328	32,328	25,853	2,068
Defaulted exposures	169	169	101	8
Total on-balance sheet exposures	28,676,096	17,819,919	1,572,050	125,764
Off-balance sheet exposures				
Over-the-counter ('OTC') derivatives	3,635,362	3,635,362	1,460,493	116,840
Off balance sheet exposures other than OTC derivatives	282,410	282,410	273,355	21,868
Total off-balance sheet exposures	3,917,772	3,917,772	1,733,848	138,708
Total on and off-balance sheet exposures	32,593,868	21,737,691	3,305,898	264,472
	Long position	Short position		
(b) Market risk				
Interest rate risk	152,937,639	149,022,369	3,687,568	295,006
Foreign currency risk	114,824	2	114,825	9,186
Options risk			213,931	17,114
(c) Operational risk			815,400	65,232
Total risk weighted assets and capital requirements			8,137,622	651,010

31 CAPITAL ADEQUACY (CONTINUED)

Off balance sheet counterparty risk as at 31 December 2024:

	Principal amount RM'000	Credit equivalent amount* RM'000	Risk weighted amount RM'000
Direct credit substitutes	167,976	167,976	156,793
Transaction-related contingent items	40,342	20,171	15,253
Foreign exchange related contracts:			
- less than one year	71,614,465	1,924,485	852,717
- one year to less than five years	1,500,880	148,642	68,886
- more than five years	120,779	28,070	14,035
Interest rate related contracts:			
- less than one year	35,931,940	86,936	30,394
- one year to less than five years	65,484,839	1,908,006	653,455
- more than five years	2,440,705	212,541	100,468
Credit derivative contracts			
- less than one year	74,460	10,121	4,829
- one year to less than five years	452,316	103,104	40,403
- more than five years	1,600	296	59
Equity related contracts			
- less than one year	1,437,076	164,560	38,375
- one year to less than five years	817,858	132,354	34,917
Debt security contracts			
- one year to less than five years	201	2	-
- more than five years	3,222	406	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	123,924	61,962	61,962
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	1,555,736	-	-
	181,768,319	4,969,632	2,072,546

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

31 CAPITAL ADEQUACY (CONTINUED)

Off balance sheet counterparty risk as at 31 December 2023:

	Principal amount RM'000	Credit equivalent amount* RM'000	Risk weighted amount RM'000
Direct credit substitutes	223,888	223,888	219,108
Transaction-related contingent items	50,353	25,176	20,901
Foreign exchange related contracts:			
- less than one year	63,714,605	1,007,983	404,323
- one year to less than five years	1,744,021	174,987	111,513
- more than five years	193,155	39,365	18,031
Interest rate related contracts:			
- less than one year	25,488,551	84,093	36,622
- one year to less than five years	55,087,764	1,765,216	657,328
- more than five years	3,449,158	342,769	166,181
Credit derivative contracts			
- less than one year	22,938	2,666	1,333
- one year to less than five years	348,239	58,039	18,941
Equity related contracts			
- less than one year	1,126,918	153,293	43,922
- one year to less than five years	54,059	6,951	2,299
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	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	1,634,787	-	-
	153,205,128	3,917,772	1,733,848

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

32 FINANCIAL RISK MANAGEMENT

The Bank has developed and implemented comprehensive policies and procedures to identify, mitigate and monitor risk across the entity which are based on the Firm's policies. These practices rely on constant communications, judgement and knowledge of products and markets by the people closest to them, combined with regular oversight by a central risk management group and senior management.

(i) Credit risk

Approach to measuring expected credit losses

The Bank estimates credit impairment through an allowance for expected credit losses ("ECLs"). ECLs are recognised for financial assets that are measured at amortised cost or FVOCI and for specified lending-related commitments, such as loan commitments and financial guarantee contracts. The measurement of ECLs must reflect:

(a) An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
(b) The time value of money; and
(c) Reasonable and evidence-based information about past events, current economic conditions, and forecasts of future economic conditions.

The measurement of ECL also reflects how the Bank manages the financial instruments it uses for credit risk purposes such as Traditional Credit Products ("TCP"), debt securities measured at FVOCI, and non-traditional credit products ("Non-TCP"). TCP are wholesale loans and lending-related commitments from extensions of credit to borrowers (including intercompany and affiliated entities); debt securities which are debt instruments such as government bonds; whereas Non-TCP are all other debt financial assets measured at amortised cost which include, but are not limited, to reverse repurchase agreements, margin loans, fee receivables, and inter-company receivables (such as cash and deposits).

The following table sets out the balances of the Bank's financial assets that are measured at amortised cost or FVOCI by the respective TCP, Non-TCP and debt securities categories.

	31 December 2024		
Balance sheet categories	TCP RM'000	Non-TCP RM'000	Debt securities RM'000
Assets			
Cash and short-term funds	-	9,044,675	-
Financial assets at fair value through other comprehensive income ("FVOCI")	-	-	197,650
Loans and advances	579,505	-	-
Amount due from related parties	-	623,148	-
Other assets	-	186,262	-

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Expected credit loss measurement (continued)

Approach to measuring expected credit losses (continued)

The following table sets out the balances of the Bank's financial assets that are measured at amortised cost or FVOCI by the respective TCP, Non-TCP and debt securities categories. (continued)

	31 December 2023		
Balance sheet categories	TCP RM'000	Non-TCP RM'000	Debt securities RM'000
Assets			
Cash and short-term funds	-	15,515,001	-
Financial assets at fair value through other comprehensive income ("FVOCI")	-	-	137,604
Loans and advances	555,775		
Amount due from related parties	-	247,274	-
Other assets	-	344,111	-

Off-balance sheet lending-related commitments which are categorised as TCP with an ECL allowance of RM743,000 (2023: RM1,565,000) and is reported in other liabilities are not included in the table above.

Impact of staging on measuring expected credit losses

ECLs are measured using a three stage model based on changes in credit quality of the financial instrument since it was initially recognised ("initial recognition"):

- Stage 1 – performing financial instruments that have not had a significant increase in credit risk since initial recognition;
- Stage 2 – performing financial instruments that have experienced a significant increase in credit risk; and
- Stage 3 – non-performing financial instruments that have been determined to be credit-impaired.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Impact of staging on measuring expected credit losses (continued)

Stage 3 - Default and credit-impairment

Financial instruments are included in Stage 3 when there is objective evidence of impairment at the reporting date. For Stage 3 instruments, ECL is calculated considering the probability of default over the remaining life of each instrument ("lifetime ECL") on an individual asset basis and interest income is calculated on the net carrying amount (that is, net of the allowance for expected credit losses). All financial assets, regardless of their category as TCP, Non-TCP or debt security, are considered to be credit-impaired and included in Stage 3 when one or more of the following events that has a detrimental impact on the estimated future cash flows of that financial asset has occurred:

(a) Significant financial difficulty of the issuer or the borrower;
(b) A default or past due event;
(c) The Bank has granted a concession to the borrower for economic or contractual reasons relating to the borrower's financial difficulty;
(d) It has become probable the borrower will enter bankruptcy or other financial reorganisation;
(e) An active market for that financial asset no longer exists because of the borrower's financial difficulties; or
(f) A financial asset is purchased or originated at a deep discount that reflects a credit loss has been incurred.

The criteria above are consistent with how the Bank defines 'default' for internal credit risk management purposes.

A financial asset is considered to no longer be in default (i.e. the default has been cured) when the borrower has made payments for a minimum of six months and there is other objective evidence of credit improvement.

Stage 2 - Significant increase in credit risk

Financial instruments that have experienced a significant increase in credit risk ("SICR") since initial recognition for which there is no objective evidence of impairment are included in Stage 2. For Stage 2 instruments, ECL is calculated considering the probability of default over the remaining life of the instrument ("lifetime ECL") on a collective basis and interest income is calculated on the gross carrying amount of the asset (that is, without deduction for the expected credit loss allowance).

The Bank assesses for evidence of a SICR by considering whether there has been a change in the risk of a default occurring since the financial instrument was initially recognised.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Stage 2 - Significant increase in credit risk (continued)

For TCP, the Bank assesses SICR based on a combination of qualitative and quantitative assessments, as described in more detail below:

- Quantitative criteria

  The Bank determines whether the probability of a default ("PD") occurring has changed between a financial instruments initial recognition and the reporting date of a financial instrument. If the change in PD exceeds certain relative and thresholds, the instrument has experienced a SICR. The assessment of the PD takes into account reasonable and supportable information, including information about past events, current and future economic conditions.

- Qualitative criteria

  The Bank monitors borrowers that may become impaired by including them on its watch list. Obligors that are on the watch list are considered to have experienced SICR. The Bank also monitors changes in internal credit risk ratings (relative to the credit rating on initial recognition) and delinquency triggers to determine if a borrower has experienced SICR.

  The Bank's TCP portfolio is mostly comprised of large, international, wholesale borrowers. For these borrowers, short-term delinquencies alone are not considered to be a meaningful credit quality indicator as the Bank's experience has shown that other internal credit quality indicators generally identifies increases in credit risk well before delinquency. As such, the Bank has determined that using the quantitative and qualitative criteria described above are most appropriate for capturing SICR for TCP.

  Financial instruments that are in Stage 2 are moved to Stage 1 in the period that the quantitative and qualitative criteria for a SICR no longer exist.

  The approach for determining whether there has been a SICR for Non-TCP portfolios depends on the type of instrument. The Bank presumes on-TCP financial assets that are 30 days past due have experienced a SICR and are included in Stage 2. Non-TCP intercompany assets with material legal entities that are covered by the Firm's resolution and recovery plans are considered to be investment grade and therefore these are included in Stage 1 with no SICR. Finally, the remainder of the Bank's Non-TCP are mostly short-term and generally no SICR has arisen prior to the maturity of that instrument.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Stage 1 – Instruments without significant increase in credit risk

Financial instruments that have not had a SICR since initial recognition are included in Stage 1. For Stage 1 instruments, ECL is calculated by considering the probability of default within 12 months after the reporting date on a collective basis and interest income is calculated on the gross carrying amount of the asset (that is, without deduction for the expected credit loss allowance).

Sensitivity analysis of ECL due to staging

The following table shows the impact of staging on the Bank's ECL recognised on balance sheet, by comparing the allowance if all performing financial assets were in Stage 1 or if all such assets were in Stage 2 to the actual ECL recorded on these assets as at 31 December 2024:

	Gross loans and advances RM'000	ECL- All performing loans in Stage 1 RM'000	Impact of change in staging on the Statement of Comprehensive Income RM'000
Stage 1	400,165	1,631	-
Stage 2	185,851	4,835	155

	Gross loans and advances RM'000	ECL- All performing loans in Stage 2 RM'000	Impact of change in staging on the Statement of Comprehensive Income RM'000
Stage 1	400,165	1,636	(5)
Stage 2	185,851	4,990	-

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Sensitivity analysis of ECL due to staging (continued)

The following table shows the impact of staging on the Bank's ECL recognised on balance sheet, by comparing the allowance if all performing financial assets were in Stage 1 or if all such assets were in Stage 2 to the actual ECL recorded on these assets as at 31 December 2023:

	Gross loans and advances RM'000	ECL- All performing loans in Stage 1 RM'000	Impact of change in staging on the Statement of Comprehensive Income RM'000
Stage 1	506,733	10,654	-
Stage 2	64,258	4,730	-

	Gross loans and advances RM'000	ECL- All performing loans in Stage 2 RM'000	Impact of change in staging on the Statement of Comprehensive Income RM'000
Stage 1	506,733	10,697	(43)
Stage 2	64,258	4,730	-

ECL measurement for TCP Portfolios

Key Inputs

ECL for Stage 1 and Stage 2 assets is determined using a collective assessment model that estimates losses expected on the portfolio from possible defaults in the next 12 months for stage 1 assets or lifetime for stage 2 assets. The 12-month ECL are calculated by multiplying the 12-month Probability of Default, Exposure at Default and Loss Given Default. Lifetime ECL are calculated using the lifetime PD instead. These inputs are collectively known as the modeled estimate and are described in further detail below:

Probability of Default ("PD"): The PD model estimates the probability of a borrower defaulting given certain macroeconomic scenarios and the probability of a borrower moving from one risk rating to another during the reasonable and supportable period. The 12-month and lifetime PDs represent the probability of default occurring over the next 12 months and the remaining maturity of the instrument respectively.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

ECL measurement for TCP Portfolios (continued)

Key Inputs (continued)

Exposure at Default ("EAD"): Exposure at Default represents the gross exposure of the Bank upon the obligor's default and is characterised, as follows:

- Term Loans - EAD is 100% of exposure, net of amortisation.
- Revolving commitments - EAD is a model-based estimate that considers the expectation of future utilisation at the facility level in the case of a default under a given macroeconomic environment. After the Reasonable and Supportable ("R&S") forecast period, a long run EAD is determined based on the facility's risk characteristics.
- All other unfunded committed facilities - EAD is determined judgmentally and where appropriate, empirically, based on the type of credit facility, line of business, underlying risk characteristics, and utilisation.

Loss Given Default ("LGD"): LGD, also known as loss severity, represents the amount of loss, expressed as a percentage, in the event the facility defaults under a given certain macroeconomic scenarios during the reasonable and supportable period. Beyond the reasonable and supportable period long run historical average LGD is used based on the instrument's risk characteristics (e.g., secured type, region, line of business).

Forward-looking information

ECL estimates are derived from Bank's historical experience and future forecasted economic conditions. To incorporate forward-looking information into the ECL calculation, the Bank develops five forecasted economics scenarios (base, relative upside, extreme upside, relative downside and extreme downside). Each of these scenarios contains a set of Macroeconomic Variables ("MEVs") that reflect forward-looking economic and financial conditions. MEVs include, but are not limited to GDP per country or country block (group of countries that have similar economic circumstances). MEVs for each scenario are projected over a reasonable and supportable forecast period of two years. After the forecast period, the losses revert to historical averages over a one-year transition period.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Forward-looking information (continued)

On a quarterly basis, the five economic scenarios are updated and probability weighted. Judgement is involved to develop the scenarios and assign probability weightings. The most likely economic scenario in management's view is the base case which would generally be expected to be weighted more heavily than the other four scenarios.

The PD, LGD and EAD models are designed to forecast the credit quality and performance of a TCP portfolio based on industry, geography, rating and size of obligors, among other attributes of the portfolio. PD, LGD and EAD models are calibrated based on historical MEVs and use forecasted macroeconomic scenarios for projecting PD, LGD and EAD values.

ECL calculation

ECL calculation is based on the forward-looking PD, LGD, and EAD values for each of the scenarios to produce the scenario credit losses ("SCLs"). The modelled ECL estimate is a probability-weighted calculation of the five SCLs discounted using the original effective interest rate or an approximation thereof. The weightings are periodically reviewed and approved centrally by a risk governance committee within the Firm.

The modelled ECL results are reviewed by management and adjustments ('management overlays') are considered to ensure final results reflect the Bank's best estimate of ECLs on its exposures. Management overlays are only applied if necessary to account for significant idiosyncratic risks which are not yet reflected in underlying risk ratings, LGD, exposure profile or scenario weights used and which are expected to have a high probability of occurrence.

The Bank follows the policies and practices established by the Firm's Credit Risk Policy Group and BNM's Best Practices for the Management of Credit Risk and the Assessment of the Allowance for Credit Losses, to preserve the independence and integrity of the of the approval and decision-making process.

For Multinational Corporations ("MNC") exposures which are not supported by legally enforceable guarantee, management makes judgement based of local standalone risk grading for ECL measurement.

There have not been any significant changes in estimation techniques or assumptions made during the reporting period.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Stage 3 portfolio estimation techniques

In estimating ECL for Stage 3 assets using an individual discounted cash flow assessment, broad economic conditions affecting a borrower are less relevant as they may not have a direct impact on the specific borrower and its ability to service its debts. Consequently, the Bank believes that borrower specific scenarios are the most relevant in estimating expected credit losses in an individual discounted cash flow assessment. When applying the discounted cash flow methodology, the Bank projects cash flows under three borrower-specific forecast scenarios that are reviewed, adjusted and ultimately blended into one-probability weighted calculation of ECL.

ECL measurement for Non-TCP portfolio

The Bank's approach to measuring ECLs for Non-TCP portfolios depends on the type of instrument.

Fee receivables

For fee receivables arising from contracts with customers (e.g. brokerage fee receivables), the Bank applies a provision matrix as a practical expedient for calculating expected credit losses. The matrix provides that in the case of institutional customers, a receivable is considered to have experienced SICR (i.e. Stage 2) if it is 90 days past due and credit-impaired (i.e. Stage 3) if it is 180 days past due at which point an ECL for 100% of the amount owned is recognised. In the case of non-institutional customers, a receivable is considered to have experienced SICR (i.e. Stage 2) if it is 30 days past due and credit-impaired (i.e. Stage 3) if it is 90 days past due at which point an ECL for 100% of the amount owned is recognised. The Bank has not had significant losses on its fee receivable portfolios and the ECL impact is considered to be immaterial.

Other Non-TCP

The Bank has determined that ECLs on all other Non-TCP portfolios are immaterial due to: the existence of credit risk mitigants such as the existence of the collateral; the credit quality of the borrower (e.g. investment-grade); and/or the short-term nature of the instrument. Similarly, the Bank has determined that these Non-TCP portfolios are without SICR (i.e Stage 1) due to the credit quality of the borrower and/or the short-term nature of the instrument.

For inter-company loans and receivables, the Bank evaluates the counterparty based on the consolidated Firm's resolution and recovery plan, tenor of the loan/receivable, and any collateral received. The Bank has not experienced any losses on inter-company loans and receivables.

The Bank continues to monitor its Non-TCP portfolios to ensure the described framework is appropriate and its exposure to credit risk and ECLs on these portfolios is adequately reflected in the allowance for credit losses.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

ECL and gross carrying amount reconciliation

The following tables provide an explanation of the change in the loss allowance during the year by respective product classes. The tables also set out how significant changes in the gross carrying amount of financial instruments contributed to the changes in the loss allowance:

(a) Loans and advances to customers at amortised cost

	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL non credit-impaired RM'000	Stage 3 Lifetime ECL credit-impaired RM'000	Total RM'000
Expected credit losses				
As at 1 January 2024	10,654	4,730	54	15,438
Loans derecognised or repaid	(445)	(21)	(9)	(475)
New originated	762	-	-	762
Changes due to change in credit risk	(4,974)	(4,095)	(1)	(9,070)
Transfers from Stage 1 to Stage 2	(4,366)	4,366	-	-
Transfers from Stage 3 to Stage 2		10	(10)	-
As at 31 December 2024	1,631	4,990	34	6,655
Expected credit losses				
As at 1 January 2023	8,074	7,190	46	15,310
Loans derecognised or repaid	(1,651)	(35)	-	(1,686)
New originated	568	-	-	568
Changes due to change in credit risk	3,663	(2,413)	(4)	1,246
Transfers from Stage 2 to Stage 3	-	(17)	17	-
Transfers from Stage 3 to Stage 2	-	5	(5)	-
As at 31 December 2023	10,654	4,730	54	15,438

The allowance on ECL recognised in the period is impacted by the following judgement criteria:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

ECL and gross carrying amount reconciliation (continued)

(a) Loans and advances to customers at amortised cost (continued)

Decrease in ECL in 2024 as compared to 2023 mainly attributed to the decrease in credit risk for the existing loans and advances offset by ECL for new loans during the year.

(b) Lending related commitments and financial guarantee contracts

	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL non credit-impaired	Lifetime ECL credit-impaired	Total
	RM'000	RM'000	RM'000	RM'000
Expected credit losses				
As at 1 January 2024	692	873	-	1,565
Loans derecognised or repaid	(5)	(229)	-	(234)
New originated	11	-	-	11
Changes due to change in credit risk	(637)	38	-	(599)
Transfers from Stage 1 to Stage 2	(13)	13	-	-
Transfers from Stage 2 to Stage 1	635	(635)	-	-
As at 31 December 2024	683	60	-	743

	Stage 1	Stage 2	Stage 3	Total
Expected credit losses				
As at 1 January 2023	608	730	-	1,338
Loans derecognised or repaid	(1)	-	-	(1)
New originated	21	-	-	21
Changes due to change in credit risk	65	142	-	207
Transfers from Stage 1 to Stage 2	(1)	1	-	-
As at 31 December 2023	692	873	-	1,565

Decrease in ECL in 2024 as compared to 2023 for lending related commitments and financial guarantee contracts mainly attributable to the decrease in credit risk.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

(b) Lending related commitments and financial guarantee contracts (continued)

Debt securities at FVOCI

For the year ended 31 December 2024 and 31 December 2023, debt securities at FVOCI were only Malaysia Government-related securities, in which the ECL is immaterial.

Loan modifications

There were no financial assets and loan commitments that were modified for the year ended 31 December 2024 and 31 December 2023.

Maximum exposure to credit risk

The table below shows the maximum exposure to credit risk for the components of the Statement of Financial Position, including derivative financial instruments.

The maximum exposure is shown gross, without taking account of any collateral held or other credit enhancements.

	Note	2024 RM'000	2023 RM'000
Assets			
Cash and short-term funds	2	9,044,282	15,514,604
Securities purchased under resale agreements	3	11,535,887	10,810,789
Financial assets held at fair value through profit and loss ("FVTPL")	4	3,559,021	1,189,065
Derivative financial instruments	5	1,383,928	1,009,845
Financial assets at fair value through other comprehensive income ("FVOCI")	6	197,650	137,604
Loans and advances	7	579,505	555,775
Amount due from related parties	8	623,148	353,623
Statutory deposits with BNM	9	2	2
Other assets	10	186,262	344,111
Total assets*		27,109,685	29,915,418
Commitments and contingencies		1,887,978	1,975,720

* Excludes cash in hand, prepayment, deferred tax assets, right-of-use assets, tax recoverable and fixed assets.
# Includes ECL allowance of RM6,655,000 (2023: RM15,438,000).

Where financial instruments are recorded by fair value, the amounts shown above represent the current credit risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in values.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Concentration risk by geographical sectors

Credit risk exposure analysed by country in respect of the Bank's financial assets, including off-balance sheet financial instruments, are set out in the following table.

The country exposure analysis is based on the residency of the borrowers and counterparties. In respect of derivatives financial instruments, the amount subject to, and hence disclosed as, credit risk is limited to the current fair value of the instruments that are favourable to the Bank (i.e. assets).

31.12.2024	Short-term funds and placements RM'000	Securities purchased under resale agreements RM'000	Financial assets held at fair value through profit and loss RM'000	Derivative financial instruments RM'000	Financial assets held at other comprehensive income RM'000	Loans and advances RM'000	Amount due from related parties RM'000	Other assets* RM'000	On balance sheet total RM'000	Commitments and contingencies RM'000
Malaysia	9,024,650	11,535,887	3,559,021	1,093,622	197,650	584,626	8,371	163,792	26,167,619	3,766,598
United Kingdom	-	-	-	121,672	-	-	390,147	-	511,819	620,615
USA	-	-	-	25,331	-	1,046	152,714	376	179,467	176,261
Hong Kong	-	-	-	23,427	-	-	15,528	-	38,955	53,240
Singapore	6,052	-	-	81,115	-	487	550	22,086	110,290	266,831
Others	13,580	-	-	38,761	-	1	55,838	8	108,188	86,087
	9,044,282	11,535,887	3,559,021	1,383,928	197,650	586,160	623,148	186,262	27,116,338	4,969,632
Assets not subject to credit risk	393	-	6,420	-	-	(6,655)	-	22,677	22,835	-
	9,044,675	11,535,887	3,565,441	1,383,928	197,650	579,505	623,148	208,939	27,139,173	4,969,632

* Other assets include statutory deposits with Bank Negara Malaysia, tax recoverable, deferred tax assets, right-of-use assets, fixed assets and other assets. Risk concentrations for commitments and contingencies are based on the credit equivalent balances in Note 31.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Concentration risk by geographical sectors (continued)

31.12.2023

	Short-term funds and placements RM'000	Securities purchased under resale agreements RM'000	Financial assets held at fair value through profit and loss RM'000	Derivative financial instruments RM'000	Financial assets held at other comprehensive income RM'000	Loans and advances RM'000	Amount due from related parties RM'000	Other assets** RM'000	On balance sheet total RM'000	Commitments and contingencies RM'000
Malaysia	15,385,226	10,810,789	1,189,065	648,068	137,604	560,974	8,140	156,971	28,896,837	2,748,103
United Kingdom	-	-	-	166,885	-	-	244,176	107	411,168	609,613
USA	-	-	-	66,014	-	4,858	37,772	-	108,644	213,840
Hong Kong	-	-	-	44,106	-	-	8,956	-	53,062	109,210
Singapore	5,917	-	-	75,482	-	252	594	186,428	268,673	202,447
Others	123,461	-	-	9,290	-	5,129	53,985	9	191,874	34,559
	15,514,604	10,810,789	1,189,065	1,009,845	137,604	571,213	353,623	343,515	29,930,258	3,917,772
Assets not subject to credit risk	397	-	7,600	-	-	(15,438)	-	23,509	16,068	-
	15,515,001	10,810,789	1,196,665	1,009,845	137,604	555,775	353,623	367,024	29,946,326	3,917,772

** Other assets include statutory deposits with Bank Negara Malaysia, deferred tax assets, right-of-use assets, fixed assets and other assets. Risk concentrations for commitments and contingencies are based on the credit equivalent balances in Note 31.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Concentration risk by industry sectors

Credit risk exposure analysed by industry in respect of the Bank's financial assets, including off-balance sheet financial instruments, are set out in the following table.

The industry sector exposure analysis is based on the industry sector of the borrowers and counterparties. In respect of derivatives financial instruments, the amount subject to, and hence disclosed as, credit risk is limited to the current fair value of the instruments that are favourable to the Bank (i.e. assets).

	31.12.2024									
	Short-term funds and placements RM'000	Securities purchased under resale agreements RM'000	Financial assets held at fair value through profit and loss RM'000	Derivative financial instruments RM'000	Financial assets held at other comprehensive income RM'000	Loans and advances RM'000	Amount due from related parties RM'000	Other assets** RM'000	On balance sheet total RM'000	Commitments and contingencies RM'000
Manufacturing	-	-	-	80,236	-	373,991	-	117	454,344	345,341
Wholesale and retail	46	-	-	49,894	-	136,327	-	-	186,267	176,422
Finance, insurance and business services	62,304	11,303,763	2,392,113	1,025,068	-	44,599	623,148	176,427	15,627,422	3,977,909
Government and Government Agencies	8,981,932	232,124	1,166,908	205,092	197,650	-	-	8,401	10,792,107	365,739
Electricity, gas and water	-	-	-	7,706	-	1	-	1	7,708	28,995
Mining and Quarrying	-	-	-	4,875	-	-	-	-	4,875	38,957
Information and Communication	-	-	-	-	-	1,050	-	-	1,050	-
Accommodation and food service activities	-	-	-	-	-	27,561	-	-	27,561	-

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Concentration risk by industry sectors (continued)

	31.12.2024									
	Short-term funds and placements RM'000	Securities purchased under resale agreements RM'000	Financial assets held at fair value through profit and loss RM'000	Derivative financial instruments RM'000	Financial assets held at other comprehensive income RM'000	Loans and advances RM'000	Amount due from related parties RM'000	Other assets** RM'000	On balance sheet total RM'000	Commitments and contingencies RM'000
Individual/Purchase of landed property - residential	-	-	-	-	-	678	-	13	691	21
Others	-	-	-	11,057	-	1,953	-	1,303	14,313	36,248
	9,044,282	11,535,887	3,559,021	1,383,928	197,650	586,160	623,148	186,262	27,116,338	4,969,632
Assets not subject to credit risk	393	-	6,420	-	-	(6,655)	-	22,677	22,835	-
	9,044,675	11,535,887	3,565,441	1,383,928	197,650	579,505	623,148	208,939	27,139,173	4,969,632

** Other assets include deferred tax assets, tax recoverable, right-of-use assets, fixed assets, statutory deposits with Bank Negara Malaysia and other assets. Risk concentrations for commitments and contingencies are based on the credit equivalent balances in Note 31.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Concentration risk by industry sectors (continued)

	31.12.2023									
	Short-term funds and placements RM'000	Securities purchased under resale agreements RM'000	Financial assets held at fair value through profit and loss RM'000	Derivative financial instruments RM'000	Financial assets held at other comprehensive income RM'000	Loans and advances RM'000	Amount due from related parties RM'000	Other assets** RM'000	On balance sheet total RM'000	Commitments and contingencies RM'000
Manufacturing	-	-	-	37,391	-	424,560	-	654	462,605	287,213
Wholesale and retail	7,107	-	-	13,963	-	65,286	-	2	86,358	50,029
Finance, insurance and business services	266,267	10,655,241	100,809	915,470	-	45,796	353,623	340,789	12,677,995	3,285,278
Government and Government Agencies	15,241,230	155,548	1,088,256	29,721	137,604	-	-	-	16,652,359	114,569
Electricity, gas and water	-	-	-	1,568	-	-	-	206	1,774	102,373
Mining and Quarrying	-	-	-	6,063	-	2,299	-	-	8,362	43,647
Information and Communication	-	-	-	-	-	4,859	-	-	4,859	-
Accommodation and food service activities	-	-	-	-	-	27,556	-	-	27,556	-

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Concentration risk by industry sectors (continued)

31.12.2023

	Short-term funds and placements RM'000	Securities purchased under resale agreements RM'000	Financial assets held at fair value through profit and loss RM'000	Derivative financial instruments RM'000	Financial assets held at other comprehensive income RM'000	Loans and advances RM'000	Amount due from related parties RM'000	Other assets** RM'000	On balance sheet total RM'000	Commitments and contingencies RM'000
Individual/purchase of landed property - residential	-	-	-	-	-	854	-	-	854	21
Others	-	-	-	5,669	-	3	-	1,864	7,536	34,642
	15,514,604	10,810,789	1,189,065	1,009,845	137,604	571,213	353,623	343,515	29,930,258	3,917,772
Assets not subject to credit risk	397	-	7,600	-	-	(15,438)	-	23,509	16,068	-
	15,515,001	10,810,789	1,196,665	1,009,845	137,604	555,775	353,623	367,024	29,946,326	3,917,772

** Other assets include deferred tax assets, right-of-use assets, fixed assets, statutory deposits with Bank Negara Malaysia and other assets. Risk concentrations for commitments and contingencies are based on the credit equivalent balances in Note 31.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Analysis of Loans and Advances

(a) The Bank's loans and advances to customers is comprised of wholesale loans and individual loan. The table below presents the Bank's non-impaired and impaired loans.

	Corporates RM'000	Individuals RM'000	Total RM'000
2024			
Gross amount			
- Non credit-impaired	585,482	534	586,016
- Credit-impaired	-	144	144
Provision for expected credit losses	(6,521)	(134)	(6,655)
	578,961	544	579,505
2023			
Gross amount			
- Non credit-impaired	570,359	632	570,991
- Credit-impaired	-	222	222
Provision for expected credit losses	(15,307)	(131)	(15,438)
	555,052	723	555,775

(b) Loans and advances individually impaired

The individual impaired loans and advances to customers before taking into consideration the cash flows from collateral held is RM144,000 (2023: RM222,000).

The breakdown of the gross amount of individually impaired loans and advances by class, along with the fair value of related collateral held by the Bank as security, are as follows:

	Individuals RM'000	Total RM'000
2024		
Gross amount	144	144
Fair value of collateral	1,526	1,526
2023		
Gross amount	222	222
Fair value of collateral	1,615	1,615

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Credit quality of financial assets

The table below presents the Bank's credit exposure to gross loans and advances, loan commitments and financial guarantee contracts before any allowance for ECL. The credit quality and credit concentration are managed within the JPMorgan Chase's Credit Risk Management function. The ratings scale is based on the JPMorgan Chase's internal risk ratings, which generally correspond to the ratings as defined by S&P and Moody's Investors Service.

Loans and advances

			Stages	MFRS 9 2024
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	RM'000	RM'000	RM'000	RM'000
Rating grades				
Investment-grade				
AAA/Aaa to BBB-Baa3	125,216	-	-	125,216
Non-investment-grade				
BB+/Ba1 -> B-/B3	261,418	185,851	144	447,413
CCC+/Caa1 and below	13,531	-	-	13,531
Gross carrying amount	400,165	185,851	144	586,160
Loss allowance	(1,631)	(4,990)	(34)	(6,655)
Net carrying amount	398,534	180,861	110	579,505

Loan commitments and financial guarantees contract

			Stages	MFRS 9 2024
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	RM'000	RM'000	RM'000	RM'000
Rating grades				
Investment-grade				
AAA/Aaa to BBB-Baa3	210,972	1,275	-	212,247
Non-investment-grade				
BB+/Ba1 -> B-/B3	108,106	8,324	-	116,430
CCC+/Caa1 and below	3,523	-	-	3,523
Gross carrying amount	322,601	9,599	-	332,200
Loss allowance	(683)	(60)	-	(743)
Net carrying amount	321,918	9,539	-	331,457

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Credit quality of financial assets (continued)

Loans and advances

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stages Stage 3 Lifetime ECL	MFRS 9 2023 Total
	RM'000	RM'000	RM'000	RM'000
Rating grades				
Investment-grade				
AAA/Aaa to BBB-Baa3	180,559	-	-	180,559
Non-investment-grade				
BB+/Ba1 -> B-/B3	322,714	301	222	323,237
CCC+/Caa1 and below	3,460	63,957	-	67,417
Gross carrying amount	506,733	64,258	222	571,213
Loss allowance	(10,654)	(4,730)	(54)	(15,438)
Net carrying amount	496,079	59,528	168	555,775

Loan commitments and financial guarantees contract

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stages Stage 3 Lifetime ECL	MFRS 9 2023 Total
	RM'000	RM'000	RM'000	RM'000
Rating grades				
Investment-grade				
AAA/Aaa to BBB-Baa3	127,937	12,771	-	140,708
Non-investment-grade				
BB+/Ba1 -> B-/B3	79,557	113,735	-	193,292
CCC+/Caa1 and below	-	6,890	-	6,890
Gross carrying amount	207,494	133,396	-	340,890
Loss allowance	(692)	(873)	-	(1,565)
Net carrying amount	206,802	132,523	-	339,325

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Credit quality of financial assets (continued)

The table below presents an analysis of the credit quality of securities for the Bank by rating:

Fair value through other comprehensive income

	AAA RM'000	Unrated RM'000	Total RM'000
2024			
Malaysia Treasury Bills	197,650	-	197,650
2023			
Malaysia Treasury Bills	137,604	-	137,604

Fair value through profit or loss

	AAA RM'000	Unrated RM'000	Total RM'000
2024			
Malaysia Government Securities	1,042,898	-	1,042,898
Malaysia Government Investment Issuance	124,010	-	124,010
Negotiable Instruments of Deposits	-	2,392,113	2,392,113
	1,166,908	2,392,113	3,559,021
2023			
Malaysia Government Securities	859,106	-	859,106
Malaysia Government Investment Issuance	216,918	-	216,918
Malaysia Treasury Bills	12,232	-	12,232
Negotiable Instruments of Deposits	-	100,809	100,809
	1,088,256	100,809	1,189,065

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Market risk

Market risk is the risk associated with the effect of changes in market factors such as interest and foreign exchange rates, equity and commodity prices, credit spreads or implied volatilities, on the value of assets and liabilities held for both the short and long term.

Market Risk Management monitors market risks throughout the Firm and defines market risk policies, procedures and frameworks. The Market Risk Management function seeks to manage risk, facilitate risk/return decisions, reduce volatility in operating performance and provide transparency into the Firm's market risk profile.

Risk Governance & Policy Framework

The Bank's approach to market risk governance mirrors the Firmwide approach and is outlined in the Bank's Market Risk Management Framework ('Framework'), which includes the following:

- Responsibilities of the CRO and Market Risk Officer ("MRO")
- Market Risk measures utilised such as Value-at-Risk ("VaR"), stress and non-statistical measures
- Controls such as the Bank's market risk limit framework (limit levels, limit signatories, limit reviews and escalation)

The Bank's Board of Directors approves substantive changes to the Framework and approves this Framework annually.

Risk Measurement

There is no single measure to capture market risk and therefore the Bank uses various metrics both statistical and non-statistical to assess risk. The appropriate set of risk measures utilised for a given business activity is tailored based on business mandate, risk horizon, materiality, market volatility and other factors.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Market risk (continued)

VaR

The Bank utilises Value-at-Risk ("VaR"), a statistical risk measure used to estimate the potential loss from adverse market moves in the current market environment.

The VaR framework is employed across the Firm using historical simulation based on data for the previous 12 months.

VaR is calculated assuming a one-day holding period and an expected tail-loss methodology which approximates a 99% confidence level.

The table below shows the result of the Bank's VaR:

	2024 RM'000	2023 RM'000
99% VaR	2,183	2,794

The Bank's market risk profile is driven by Credit, Equities, Foreign Exchange, interest rate market related exposures.

Stress Testing

Along with VaR, stress testing is an important tool to assess risk. While VaR reflects the risk of loss due to adverse changes in markets using recent historical market behaviour, stress testing reflects the risk of loss from hypothetical changes in the value of market risk sensitive positions applied simultaneously. The Bank runs weekly stress tests on market-related risks across the lines of business using multiple scenarios that assume significant changes in risk factors such as credit spreads, equity prices, interest rates, currency rates or commodity prices.

The Bank uses a number of standard scenarios that capture different risk factors across asset classes including geographical factors, specific idiosyncratic factors and extreme tail events. The stress testing framework calculates multiple magnitudes of potential stress for both market rallies and market sell-offs for each risk factor and combines them in multiple ways to capture different market scenarios. The flexibility of the stress testing framework allows risk managers to construct new, specific scenarios that can be used to form decisions about future possible stress events.

Stress testing complements VaR by allowing risk managers to shock current market prices to more extreme levels relative to those historically realised, and to stress test the relationships between market prices under extreme scenarios.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Market risk (continued)

Stress Testing (continued)

Stress-test results, trends and qualitative explanations based on current market risk positions are reported to the Bank's RALCO to allow them to better understand the sensitivity of positions to certain defined events and to enable them to manage their risks with more transparency. In addition, results are reported to the Board of Directors.

Stress scenarios are defined and reviewed by Market Risk, and significant changes are reviewed by the relevant line of business's risk committees and may be redefined on a periodic basis to reflect current market conditions.

Non-Statistical Risk Measures

Measures such as, but not limited to, credit spread sensitivities, option sensitivities, net open positions, basis point values are utilised within specific market context and aggregated across businesses.

Limits

Market risk limits are employed as the primary control to align the Bank's market risk with certain quantitative parameters within the Bank's Risk Appetite framework.

Market Risk sets market risk limits and these are subject to the RALCO approval who confirms compliance with local regulatory requirements.

As part of its holistic analysis of the Bank's market risk, Market Risk must review market risk limits for the Bank at least semi-annually. Limit reviews must consider the underlying trading, investing and hedging strategies of the business as well as capital or regulatory requirements where applicable.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Market risk (continued)

Risk Reporting

The Firm and the Bank have their own set of regular market risk reports, which include daily notifications of limit utilisations and limit breaches and where applicable, granular market risk metrics which provide transparency into potential risk concentrations.

Models used to measure market risk are inherently imprecise and may be limited in their ability to measure certain risks or to predict losses. This imprecision may be heightened when sudden or severe shifts in market conditions occur.

Market Risk Management periodically reviews the Bank's existing market risk measures to identify opportunities for enhancement, and to the extent appropriate, will calibrate those measures accordingly over time. This is increasingly important in periods of sustained, heightened market volatility.

(iii) Operational risk

Operational risk is the risk of an adverse outcome resulting from inadequate or failed internal processes or systems; human factors; or external events impacting the Firm's and Bank's processes or systems. Operational Risk includes compliance, conduct, legal, and estimations and model risk. Operational risk is inherent in the Bank's activities and can manifest itself in various ways, including fraudulent acts, business disruptions (including those caused by extraordinary events beyond the Firm's and the Bank's control), cyber-attacks, inappropriate employee behavior, failure to comply with applicable laws, rules and regulations or failure of vendors to perform in accordance with their agreements. Operational Risk Management attempts to manage operational risk at appropriate levels in light of the Firm's and the Bank's financial position, the characteristics of its businesses, and the markets and regulatory environment in which it operates.

The Firm's Compliance, Conduct, and Operational Risk ("CCOR") Management Framework is designed to enable the Firm and the Bank to govern, identify, measure, monitor and test, manage and report on the Firm's and the Bank's operational risk.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Operational risk (continued)

Operational Risk Governance

The Lines of Business ("LOB") and Corporate are responsible for the management of operational risk. The Control Management Organisation, which consists of control managers within each LOB and Corporate, is responsible for the day-to-day execution of the CCOR Management Framework.

The Bank maintains a system of comprehensive policies and control framework designed to provide a sound and well-controlled operational environment. Primary responsibility for managing operating risk rests with the business managers. These individuals, with the support of their staff, are responsible for establishing and maintaining internal control procedures that are appropriate for their operating environments. To this end, the objectives of each business activities are identified and the risks associated with those objectives are assessed. The business managers institute a series of standards and procedures to manage these risks and to comply with the Bank's operational risk related policies, considering their nature and magnitude.

Internal Audit conducts annual audits and reviews on key operation areas. The focus of the audit is to provide assurance to management on the compliance with statutory requirements, law, corporate policies and internal guidelines.

Operational Risk Identification

The Firm, including the Bank utilises a structured risk and control self-assessment process that is executed by the LOBs and Corporate. As part of this process, the LOBs and Corporate evaluate the effectiveness of their respective control environment to assess where controls have failed, and to determine where remediation efforts may be required. The Firm's Operational Risk and Compliance organisation ("Operational Risk and Compliance") provides oversight of and challenge to these evaluations activities and may also perform independent assessments of significant operational risk events and area of concentrated or emerging risk.

Operational Risk Measurement

Operational Risk and Compliance performs an independent assessment of the operational risks inherent within the LOBs and Corporate, which includes evaluating the effectiveness of the control environment and reporting the results to senior management.

In addition, Operational Risk and Compliance assesses operational risks through quantitative means, including operational risk-based capital and estimation of operational risk losses under both baseline and stressed conditions.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Operational risk (continued)

Operational Risk Monitoring and Testing

The results of risk assessments performed by Operational Risk and Compliance are used in connection with their independent monitoring and testing compliance of the LOBs and Corporate with laws, rules and regulations. Through monitoring and testing, Operational Risk and Compliance independently identify areas of heightened operational risk and tests the effectiveness of controls within the LOBs and Corporate.

Management of Operational Risk

The operational risk areas or issues identified through monitoring and testing are escalated to the LOBs and Corporate to be remediated through action plans, as needed, to mitigate operational risk. Operational Risk and Compliance may advise the LOBs and corporate functions in the development and implementation of action plans.

Operational Risk Reporting

All employees are expected to escalate risks appropriately. Risks identified by Operational Risk and Compliance are escalated to the appropriate LOB and Corporate Control Committees, as needed. Operational Risk and Compliance has established standards designed to ensure that consistent operational risk reporting and operational risk reports are produced on a Firmwide basis as well as by the LOBs and Corporate. Reporting includes the evaluation of key risk and performance indicators against established thresholds as well as the assessment of different types of operational risk against stated risk appetite. The standards reinforce escalation protocols to senior management and to the Board of Directors.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(iv) Interest rate risk

Interest Rate Risk in the Banking Book ("IRRBB") is defined as interest rate risk resulting from the Bank's traditional banking activities as a result of movements in interest rates. IRRBB can occur due to a variety of factors, including but not limited to:

- Differences between the timing of rate changes and the timing of cash flows (repricing risk);
- Changing rate relationships among yield curves that affect bank activities (basis risk);
- Changing rate relationships across the spectrum of maturities (yield curve risk); and
- Interest-rate-related options embedded in banking products (option risk).

Treasury/ Chief Investment Office ("T/CIO") manages IRRBB exposure on behalf of the Bank by identifying, measuring, modelling, and monitoring IRR across the Bank's balance sheet. T/CIO works with the Lines of Businesses in defining methodologies for measuring IRRBB. T/CIO identifies and understands material balance sheet impact of new initiatives and products, and executes market transactions to manage IRRBB.

The Bank's IRRBB exposure originates from the traditional banking activities that include the extension of loans, taking client deposits. T/CIO is managing the exposure through placements/takings, and the purchase of securities under T/CIO investment portfolio. The majority of the Bank's deposits are Non-Maturity Deposits ("NMD") that is modelled as longer dated liabilities by considering deposits run-off profile and analysing deposits' sensitivity to rate changes. Loans, Placements, Term Deposits, Placements, and Investment Securities under T/CIO investment portfolio are assumed to have contractual maturity with fixed or adjustable rate.

IRRBB is evaluated using two primary metrics, impact to the Bank's earnings through Earnings at Risk ("EaR") metric, and impact to the Bank's equity through Economic Value Sensitivity ("EVS") metric:

- EaR measures the extent to which changes in interest rates will affect the Bank's net interest income ("NII") over the following 12 months period under four parallel shift scenarios in interest rate curve.

- EVS determines changes in Economic Value of Equity ("EVE") due to changes in interest rates under two parallel and four non-parallel shift scenarios in interest rate curve.

The IRRBB metrics are regularly monitored, reported on a regular basis and presented in the Bank's RALCO Meeting.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(iv) Interest rate risk (continued)

The following table represents the Bank's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates as at balance sheet date.

	31.12.2024							
	Non trading book							
	Up to 1 month RM'000	1 - 3 months RM'000	3 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000	Trading book RM'000	Non-interest sensitive RM'000	Total RM'000
Assets								
Cash and short-term funds	8,892,040	-	-	-	-	-	152,635	9,044,675
Securities purchased under resale agreements	-	-	-	-	-	11,476,340	59,547	11,535,887
Financial assets held at fair value through profit and loss ("FVTPL")	-	-	-	-	-	3,529,680	35,761	3,565,441
Derivative financial instruments	-	-	-	-	-	1,383,928	-	1,383,928
Financial assets held at fair value through other comprehensive income ("FVOCI")	-	-	197,666	-	-	-	(16)	197,650
Loans and advances								
- Non credit-impaired	342,498	180,000	58,522	75	310	-	(2,010)	579,395
- Credit-impaired	-	-	-	-	-	-	110	110
Amount due from related parties	362,721	-	-	-	-	-	260,427	623,148
Statutory deposits with BNM	-	-	-	-	-	-	2	2
Other assets #	-	-	-	-	-	-	208,937	208,937
Total assets	9,597,259	180,000	256,188	75	310	16,389,948	715,393	27,139,173

Includes deferred tax assets, right-of-use assets, fixed assets and other assets.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(iv) Interest rate risk (continued)

	Non trading book							31.12.2024
	Up to 1 month RM'000	1 - 3 months RM'000	3 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000	Trading book RM'000	Non-interest sensitive RM'000	Total RM'000
Liabilities								
Deposits from customers	12,075,170	-	-	-	-	-	933,836	13,009,006
Deposits and placements of banks and other financial institutions	498,964	-	-	-	-	-	607,210	1,106,174
Financial liabilities designated as fair value through profit and loss ("FVTPL")	-	-	-	-	-	246,328	-	246,328
Obligations on securities sold	-	-	-	-	-	30,160	735	30,895
Derivative financial instruments	-	-	-	-	-	1,032,512	-	1,032,512
Amount due to related parties	831,081	-	28,049	-	-	7,775,702	208,815	8,843,647
Other liabilities#	-	-	-	-	-	-	395,626	395,626
Total liabilities	13,405,215	-	28,049	-	-	9,084,702	2,146,222	24,664,188
Interest rate gap	(3,807,956)	180,000	228,139	75	310			

Includes tax payable and other liabilities.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(iv) Interest rate risk (continued)

	Non trading book							31.12.2023
	Up to 1 month RM'000	1 - 3 months RM'000	3 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000	Trading book RM'000	Non-interest sensitive RM'000	Total RM'000
Assets								
Cash and short-term funds	15,314,736	-	-	-	-	-	200,265	15,515,001
Securities purchased under resale agreements	-	-	-	-	-	10,750,192	60,597	10,810,789
Financial assets held at fair value through profit and loss ("FVTPL")	-	-	-	-	-	1,180,159	16,506	1,196,665
Derivative financial instruments	-	-	-	-	-	1,009,845	-	1,009,845
Financial assets held at fair value through other comprehensive income ("FVOCI")	-	-	137,622	-	-	-	(18)	137,604
Loans and advances								
- Non credit-impaired	323,018	164,540	77,789	60	414	-	(10,214)	555,607
- Credit-impaired	-	-	-	-	-	-	168	168
Amount due from related parties	47,985	-	-	-	-	105,985	199,653	353,623
Statutory deposits with BNM	-	-	-	-	-	-	2	2
Other assets #	-	-	-	-	-	-	367,022	367,022
Total assets	15,685,739	164,540	215,411	60	414	13,046,181	833,981	29,946,326

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(iv) Interest rate risk (continued)

	Non trading book							31.12.2023
	Up to 1 month RM'000	1 - 3 months RM'000	3 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000	Trading book RM'000	Non-interest sensitive RM'000	Total RM'000
Liabilities								
Deposits from customers	12,170,660	-	-	-	-	-	2,015,830	14,186,490
Deposits and placements of banks and other financial institutions	1,834,559	-	-	-	-	-	436,467	2,271,026
Financial liabilities designated as fair value through profit and loss ("FVTPL")	-	-	-	-	-	248,959	-	248,959
Obligations on securities sold	-	-	-	-	-	228,549	1,376	229,925
Derivative financial instruments	-	-	-	-	-	1,139,614	-	1,139,614
Amount due to related parties	703,615	-	27,362	-	-	8,389,135	257,316	9,377,428
Other liabilities#	-	-	-	-	-	-	264,447	264,447
Total liabilities	14,708,834	-	27,362	-	-	10,006,257	2,975,436	27,717,889
Interest rate gap	976,905	164,540	188,049	60	414			

Includes tax payable and other liabilities.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(iv) Interest rate risk (continued)

The tables below summarises the effective average interest rate by major currencies for each class of financial assets and financial liabilities. The calculation of effective average interest rate excludes non-interest bearing financial assets and financial liabilities.

	2024		2023	
	RM	USD	RM	USD
	%	%	%	%
Financial assets				
Cash and short-term funds	3.00	4.15	3.01	5.11
Securities purchased under resale agreements	3.39	-	3.46	-
Financial assets held at fair value through profit and loss ("FVTPL")	3.71	-	4.12	-
Amount due from related parties	-	4.33	-	4.97
Loans and advances	3.77	5.67	3.77	6.52
Financial liabilities				
Deposits from customers	2.41	4.12	1.53	4.11
Deposits and placements of banks and other financial institutions	2.57	4.27	2.30	2.91
Obligations on securities sold	4.41	-	4.02	-
Amount due to related parties	2.78	4.57	1.63	5.39

(v) Currency risk

Currency risk is the risk to earnings and value of financial instruments caused by the fluctuations in foreign exchange rates. It is managed in conjunction with market risk.

The table at the following page sets out the Bank's exposure to currency risk. Included in the table are the Bank's financial assets and liabilities at carrying amounts, categorised by currency.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(v) Currency risk (continued)

	MYR RM'000	USD RM'000	GBP RM'000	Others RM'000	Total RM'000
2024					
Assets					
Cash and short-term funds	6,226,642	2,798,423	-	19,610	9,044,675
Securities purchased under resale agreements	11,535,887	-	-	-	11,535,887
Financial assets held at fair value through profit and loss	3,565,441	-	-	-	3,565,441
Derivative financial instruments	350,657	979,499	3,187	50,585	1,383,928
Financial assets held at fair value through other comprehensive income	197,650	-	-	-	197,650
Loans and advances	282,190	297,315	-	-	579,505
Amount due from related parties	-	481,202	75,523	66,423	623,148
Other assets#	208,467	465	-	7	208,939
	22,366,934	4,556,904	78,710	136,625	27,139,173
Liabilities					
Deposits from customers	3,588,168	8,795,143	170,955	454,740	13,009,006
Deposits and placements of banks and other financial institutions	775,780	327,861	7	2,526	1,106,174
Financial liabilities designated as fair value through profit and loss	246,328	-	-	-	246,328
Obligations on securities sold	30,895	-	-	-	30,895
Derivative financial instruments	255,169	519,187	88,228	169,928	1,032,512
Amount due to related parties	997,967	7,845,680	-	-	8,843,647
Other liabilities*	389,528	6,002	-	96	395,626
	6,283,835	17,493,873	259,190	627,290	24,664,188
Currency gap	16,083,099	(12,936,969)	(180,480)	(490,665)	

Includes statutory deposits with BNM, deferred tax assets, right-of-use assets, fixed assets and other assets.

* Includes tax payable and other liabilities.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(v) Currency risk (continued)

	MYR RM'000	USD RM'000	GBP RM'000	Others RM'000	Total RM'000
2023					
Assets					
Cash and short-term funds	13,019,314	2,366,332	-	129,355	15,515,001
Securities purchased under resale agreements	10,513,978	296,811	-	-	10,810,789
Financial assets held at fair value through profit and loss	1,196,665	-	-	-	1,196,665
Derivative financial instruments	438,431	454,776	38,513	78,125	1,009,845
Financial assets held at fair value through other comprehensive income	137,604	-	-	-	137,604
Loans and advances	195,398	360,377	-	-	555,775
Amount due from related parties	34	203,461	88,575	61,553	353,623
Other assets#	363,114	3,901	1	8	367,024
	25,864,538	3,685,658	127,089	269,041	29,946,326
Liabilities					
Deposits from customers	3,866,874	8,839,587	897,499	582,530	14,186,490
Deposits and placements of banks and other financial institutions	623,711	1,641,475	7	5,833	2,271,026
Financial liabilities designated as fair value through profit and loss	248,959	-	-	-	248,959
Obligations on securities sold	229,925	-	-	-	229,925
Derivative financial instruments	287,862	814,866	397	36,489	1,139,614
Amount due to related parties	292,364	9,085,059	-	5	9,377,428
Other liabilities*	262,860	1,587	-	-	264,447
	5,812,555	20,382,574	897,903	624,857	27,717,889
Currency gap	20,051,983	(16,696,916)	(770,814)	(355,816)	

Includes statutory deposits with BNM, deferred tax assets, right-of-use assets, fixed assets and other assets.

* Includes tax payable and other liabilities.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(vi) Liquidity risk

Liquidity risk is the risk that the Bank will be unable to meet its contractual and contingent financial obligations as they arise or that it does not have the appropriate amount, composition and tenor of funding and liquidity to support its assets and liabilities.

The Bank has established limits and indicators framework; and runs stress testing to manage liquidity risk.

Liquidity risk management

The Liquidity Risk management ("LRM") group is part of CIO Treasury and Corporate ("CTC") Risk, an Independent Risk Management function, reporting to the CTC Chief Risk Officer ("CRO") who also serves as the Firmwide Risk Executive of Liquidity Risk. LRM is responsible for the independent assessment, measuring, monitoring, and control of liquidity risk across the firm. LRM responsibilities include, but are not limited to:

- Defining, monitoring and reporting liquidity risk metrics;
- Independently establishing and monitoring limits and indicators including liquidity risk appetite;
- Developing a process to classify, monitor and report limit breaches;
- Performing an independent review of liquidity risk management processes;
- Monitoring and reporting internal Firmwide and legal entity liquidity stress tests as well as regulatory defined metrics, as well as liquidity positions, balance sheet variances, and funding activities; and
- Approving or escalating for review new or updated liquidity stress assumptions.

Liquidity management

Treasury/ Chief Investment Office ("TCIO") are responsible for liquidity management. The primary objectives of Firm's liquidity management are to:

- Ensure that the Firm's core businesses and material legal entities are able to operate in support of client needs and meet contractual and contingent financial obligations through normal economic cycles as well as during stress events, and
- Manage an optimal funding mix, and availability of liquidity sources.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(vi) Liquidity risk (continued)

Risk governance and measurement

The Board of Directors of the Bank has delegated oversight of liquidity risk to Malaysia Risk/ Assets and Liabilities Committee ("RALCO"). Liquidity risk management is governed by Malaysia RALCO, co-chaired by the Senior Country Officer and Legal Entity Risk Manager.

As governed by the Malaysia RALCO Terms of Reference, where required, matters will be escalated from Malaysia RALCO to the Malaysia Location Management Committee, Asia Pacific Risk Committee or the Board of Directors. In addition, the Board Risk Committee reviews and recommends to the Board of Directors, for formal approval, the Bank's liquidity risk tolerances, liquidity strategy, and liquidity policy.

Contingency funding plan

The Firm's contingency funding plan ("CFP") is approved by the Firmwide ALCO and the Board risk Committee. The Bank's addendum to the CFP is approved by the Bank's Board of Directors. The CFP and the addendum is a compilation of procedures and action plans for managing liquidity through stress events. The CFP and the addendum incorporate the limits and indicators set by the Liquidity Risk Management group. These limits and indicators are reviewed regularly to identify emerging risks or vulnerabilities in the Bank's liquidity position. The CFP identifies the alternative contingent funding and liquidity resources available to the Bank in a period of stress.

Limits and Indicators

The Bank has established internal liquidity risk limits and indicators which are monitored on a daily basis.

Stress Testing

Liquidity risk stress testing is established to ensure that the Bank has sufficient liquidity under a variety of adverse scenarios. The results of the liquidity stress tests are significant inputs into the formulation of funding and balance sheet planning.

The table at the following page analyses the Bank's non-derivative financial assets and financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(vi) Liquidity risk (continued)

2024	Up to 1 month RM'000	1 – 3 months RM'000	3 – 12 months RM'000	1 – 5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
Liabilities							
Deposits from customers	13,009,055	-	-	-	-	-	13,009,055
Deposits and placements of banks and other financial institutions	1,106,174	-	-	-	-	-	1,106,174
Amount due to related parties	4,739,081	4,166,218	233,213	6,548	-	-	9,145,060
Obligations on securities sold	30,292	-	-	-	-	-	30,292
Other liabilities	380,798	1,506	3,415	3,971	-	5,300	394,990
Total financial liabilities	19,265,400	4,167,724	236,628	10,519	-	5,300	23,685,571

2023	Up to 1 month RM'000	1 – 3 months RM'000	3 – 12 months RM'000	1 – 5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
Liabilities							
Deposits from customers	14,186,521	-	-	-	-	-	14,186,521
Deposits and placements of banks and other financial institutions	2,271,026	-	-	-	-	-	2,271,026
Amount due to related parties	6,818,169	3,380,455	28,051	7,678	-	-	10,234,353
Obligations on securities sold	56,306	174,663	-	-	-	-	230,969
Other liabilities	239,562	1,896	4,129	1,909	-	6,164	253,660
Total financial liabilities	23,571,584	3,557,014	32,180	9,587	-	6,164	27,176,529

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(vi) Liquidity risk (continued)

The table below analyses the Bank's derivative financial instruments based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Up to 1 month RM'000	1 – 3 months RM'000	3 – 12 months RM'000	1 – 5 years RM'000	Over 5 years RM'000	Total RM'000
2024						
Net-settled derivatives	5,957	24,069	(17,793)	(53,126)	(5,261)	(46,154)
Gross-settled derivatives						
- Receipts	24,315,617	22,886,760	19,186,011	1,654,456	39,082	68,081,926
- Payments	(24,266,000)	(22,858,819)	(19,180,999)	(1,632,271)	(36,909)	(67,974,998)
	55,574	52,010	(12,781)	(30,941)	(3,088)	60,774
2023						
Net-settled derivatives	5,448	19,550	(36,505)	(46,146)	(3,306)	(60,959)
Gross-settled derivatives						
- Receipts	17,636,506	20,252,037	10,205,922	1,812,770	122,674	50,029,909
- Payments	(17,595,696)	(20,239,828)	(10,208,071)	(1,811,885)	(121,824)	(49,977,304)
	46,258	31,759	(38,654)	(45,261)	(2,456)	(8,354)

33 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

(a) Financial instruments not measured at fair value

(i) Certain financial instruments

For cash and short-term funds, amount due from/to related parties, statutory deposits with BNM, deposits from customers, deposits and placements of banks and other financial institutions with maturities of less than one year, the carrying value is a reasonable estimate of fair value.

For balances relating to the above classes of financial instruments with maturities of more than one year, the carrying value approximates the fair value as these balances are subject to variable interest rate.

(ii) Loans and advances

For non-impaired fixed rate loans, fair values have been estimated by discounting the estimated cash flows using the prevailing market rates of loans and advances with similar credit ratings and maturities. For floating-rate loans, the carrying amount is generally a reasonable estimate of fair value.

The fair value of impaired loans, fixed or floating are based on the carrying value less allowances for ECL, being the expected recoverable amount. In arriving at the fair values for loans on the above bases, the total fair value of the entire loan portfolio has been reduced by RM6,655,000 (2023: RM15,438,000), being the carrying value of the allowance for ECL which covers unidentified losses inherent in the portfolio.

(iii) Credit commitments

The estimated fair values are not readily ascertainable as these financial instruments are generally not traded. In addition, the quantum of fees collected under these arrangements, upon which a fair value could be based, is not material.

(b) Financial instruments measured at fair value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is based on quoted market prices or inputs, where available. If listed prices or quotes are not available, fair value is based on valuation models and other valuation techniques that consider relevant transaction characteristics (such as maturity) and use as inputs observable or unobservable market parameters, including yield curves, interest rates, volatilities, prices (such as commodity, equity or debt prices), correlations, foreign exchange rates and credit curves.

33 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(b) Financial instruments measured at fair value (continued)

The level of precision in estimating unobservable inputs or other factors can affect the amount of gain or loss recorded for a particular position. Furthermore, while the Bank believes its valuation methods are appropriate and consistent with those of other market participants, the methods and assumptions used reflect management judgement and may vary across the Bank's businesses and portfolios. The use of different methodologies or assumptions to those used by the Bank could result in a different estimate of fair value at the reporting date.

Risk-taking functions are responsible for providing fair value estimates for assets and liabilities carried on the balance sheet at fair value. The Firm's valuation control function, which is part of the Firm's Finance function and independent of the risk-taking functions, is responsible for verifying these estimates and determining any fair value adjustments that may be required to ensure that the Bank's positions are recorded at fair value. The valuation control function verifies fair value estimates provided by the risk-taking functions by leveraging independently derived prices, valuation inputs and other market data, where available.

In determining the fair value of a derivative portfolio, valuation adjustments may be appropriate to reflect the credit quality of the counterparty, the credit quality of the Bank, and the funding risk inherent in certain derivatives. The credit and funding risks of the derivative portfolio are generally mitigated by arrangements provided to the Bank by JPMorgan Chase Bank, N.A. and therefore the Bank takes account of these arrangements in estimating the fair value of its derivative portfolio.

Valuation model review and approval
If prices or quotes are not available for an instrument or a similar instrument, fair value is generally determined using valuation models that consider relevant transaction terms such as maturity and use as inputs market-based or independently sourced parameters. The Model Risk function is independent of the model owners and reviews and approves valuation models used by the Bank.

33 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(b) Financial instruments measured at fair value (continued)

Fair value hierarchy

The Bank classifies its assets and liabilities according to a valuation hierarchy that reflects the observability of significant market inputs. The three levels are defined as follows:

(a) Level 1: inputs to the valuation methodology include quoted prices (unadjusted) for identical assets or liabilities in active market;
(b) Level 2: inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument;
(c) Level 3: one or more inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's categorisation within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The following table represents the Bank's financial assets and liabilities measured at fair value as at financial year ended:

2024	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets				
Securities purchased under resale agreements	-	11,535,887	-	11,535,887
Financial assets held at fair value through profit and loss				
- Securities	-	3,559,021	-	3,559,021
- Unquoted shares	-	-	6,420	6,420
Derivative financial instruments	-	1,383,928	-	1,383,928
Financial assets held at fair value through other comprehensive income	-	197,650	-	197,650
Financial liabilities				
Obligations on securities sold	-	7,867,552	-	7,867,552
Derivative financial instruments	-	1,032,512	-	1,032,512
Financial liabilities designated as fair value through profit and loss	-	-	246,328	246,328

33 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(b) Financial instruments measured at fair value (continued)

The following table represents the Bank's financial assets and liabilities measured at fair value as at financial year ended: (continued)

2023	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets				
Securities purchased under resale agreements	-	10,917,138	-	10,917,138
Financial assets held at fair value through profit and loss				
- Securities	-	1,189,065	-	1,189,065
- Unquoted shares	-	-	7,600	7,600
Derivative financial instruments	-	1,009,845	-	1,009,845
Financial assets held at fair value through other comprehensive income	-	137,604	-	137,604
Financial liabilities				
Obligations on securities sold	-	8,701,383	-	8,701,383
Derivative financial instruments	-	1,139,614	-	1,139,614
Financial liabilities designated as fair value through profit and loss	-	-	248,959	248,959

33 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(b) Financial instruments measured at fair value (continued)

Reconciliation of fair value measurements in Level 3 of the fair value hierarchy, is as below:

	Financial assets held at fair value through profit and loss RM'000	Financial liabilities designated as fair value through profit and loss RM'000
2024		
At 1 January	7,600	248,959
Fair value changes recognised in Statement of Comprehensive Income	(1,180)	(2,631)
At 31 December	6,420	246,328
Fair value changes recognised in other operating income in Statement of Comprehensive Income relating to assets held on 31 December 2024	(1,180)	(2,631)
2023		
At 1 January	7,048	252,343
Fair value changes recognised in Statement of Comprehensive Income	552	(3,384)
At 31 December	7,600	248,959
Fair value changes recognised in other operating income in Statement of Comprehensive Income relating to assets held on 31 December 2023	552	(3,384)

33 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(b) Financial instruments measured at fair value (continued)

Valuation methodologies

The following table describes the valuation methodologies used by the Bank to measure its more significant products/ instruments at fair value, including the general classification of such instruments pursuant to the valuation hierarchy.

Product/ instrument	Valuation methodology, inputs and assumptions	Classifications in the valuation hierarchy
Equity, debt, and other securities	Quoted market prices	Level 1
	In the absence of quoted market prices, securities are valued based on: • Observable market prices for similar securities • Relevant broker quotes • Discounted cash flows	Level 2 or 3
Derivatives, fully funded OTC instruments, and structured deposits	Exchange-traded derivatives that are actively traded and valued using the exchange price	Level 1
	Derivatives and structured deposits that are valued using models that use observable or unobservable valuation inputs as well as considering the contractual terms. The key valuation inputs used will depend on the type of derivative and the nature of the underlying instruments and may include equity prices, commodity prices, interest rate yield curves, foreign exchange rates, volatilities, correlations, credit default swaps ("CDS") spreads and recovery rates.	Level 2 or 3

In infrequent circumstances where the valuation technique for these instruments is based on significant unobservable inputs, such instruments are included in Level 3. This category includes unquoted shares and structured deposits. The fair values of unquoted shares are based on the net tangible assets of the affected companies or sales price for pending sales transactions, while the fair values of structured deposits are based on Quanto and Volatility element.

33 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(b) Financial instruments measured at fair value (continued)

Changes in and ranges of unobservable inputs

The following discussion provides a description of the impact on a fair value measurement of a change in each unobservable input in isolation, and the interrelationship between unobservable inputs, where relevant and significant. The impact of changes in inputs may not be independent as a change in one unobservable input may give rise to a change in another unobservable input; where relationships exist between two unobservable inputs, those relationships are discussed below. Relationships may also exist between observable and unobservable inputs (for example, as observable interest rates rise, unobservable prepayment rates decline); such relationships have not been included in the discussion below. In addition, for each of the individual relationships described below, the inverse relationship would also generally apply.

Correlation - Correlation is a measure of the relationship between the movements of two variables. Correlation is a pricing input for a derivative product where the payoff is driven by one or more underlying risks.

Correlation inputs are related to the type of derivative (e.g., interest rate, credit, equity and foreign exchange) due to the nature of the underlying risks. When parameters are positively correlated, an increase in one parameter will result in an increase in the other parameter. When parameters are negatively correlated, an increase in one parameter will result in a decrease in the other parameter. An increase in correlation can result in an increase or a decrease in a fair value measurement. Given a short correlation position, an increase in correlation, in isolation, would generally result in a decrease in a fair value measurement.

Volatility - Volatility is a measure of the variability in possible returns for an instrument, parameter or market index given how much the particular instrument, parameter or index changes in value over time. Volatility is a pricing input for options, including equity options, commodity options, and interest rate options. Generally, the higher the volatility of the underlying, the riskier the instrument. Given a long position in an option, an increase in volatility, in isolation, would generally result in an increase in a fair value measurement.

34 EMPLOYEE BENEFITS

Share-based payment awards

The incentive compensation benefits are determined by the ultimate holding corporation, the Firm. The following schemes are applicable to the employees of the Firm:

Long-Term Incentive Plan ("LTIP")

Under the LTIP, common stock-based awards, including stock options, restricted stock, and restricted stock units ("RSU") are granted to certain key employees employed by the Firm and its subsidiaries.

Restricted stock units ("RSUs") are awarded at no cost to the recipient upon their grant. RSUs are generally granted annually and generally vest at a rate of 50% after two years, 50% after three years, and convert into shares of common stock at the vesting date. In addition, RSUs typically include full-career eligibility provisions, which allow employees to continue to vest upon voluntary termination, subject to post-employment and other restrictions based on age or service-related requirements. All of these awards are subject to forfeiture until vested and contain clawback provisions that may result in cancellation prior to vesting under certain specified circumstances. RSUs entitle the recipient to receive cash payments equivalent to any dividends paid on the underlying common stock during the period the RSUs are outstanding.

(a) Restricted Stock and RSUs

The movements and weighted average fair value of restricted stock and RSUs are as follows:

	2024		2023	
	Number of restricted stock/RSU	Weighted average fair value at grant date USD	Number of restricted stock/RSU	Weighted average fair value at grant date USD
Outstanding at 1 January	12,779	145.80	13,703	145.24
Granted during the year	4,247	166.20	4,965	140.38
Vested during the year	(5,334)	(146.60)	(5,113)	(139.25)
Cancelled during the year	(1,903)	(153.20)	(896)	(145.00)
Transferred during the year	-	-	120	145.76
Outstanding at 31 December	9,789	152.80	12,779	145.76

35 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILIITIES

(a) Financial assets

The following financial assets are subject to offsetting, enforceable master netting arrangements and similar arrangements.

	Gross amount of recognised financial assets RM'000	Gross amount of recognised financial liabilities set off in the Statement of Financial Position RM'000	Net amount of financial assets presented in the Statement of Financial Position RM'000	Related amounts not set off in the Statement of Financial Position: Financial instruments RM'000	Related amounts not set off in the Statement of Financial Position: Cash collateral received RM'000	Net amount RM'000
2024						
Derivative financial instruments	1,383,928	-	1,383,928	-	341,863	1,042,065
Securities purchased under resale agreements	11,535,887	-	11,535,887	-	65,349	11,470,538
	12,919,815	-	12,919,815	-	407,212	12,512,603
2023						
Derivative financial instruments	1,009,845	-	1,009,845	-	275,190	734,655
Securities purchased under resale agreements	10,917,138	-	10,917,138	-	139,416	10,777,722
	11,926,983	-	11,926,983	-	414,606	11,512,377

35 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILIITIES (CONTINUED)

(b) Financial liabilities

The following financial assets are subject to offsetting, enforceable master netting arrangements and similar arrangements

				Related amounts not set off in the Statement of Financial Position		
	Gross amount of recognised financial liabilities RM'000	Gross amount of recognised *financial* assets set off in the Statement of Financial Position RM'000	*Net amount of* financial liabilities presented in the Statement of Financial Position RM'000	Financial instruments RM'000	Cash collateral placed RM'000	Net amount RM'000
2024						
Derivative financial instruments	1,032,512	-	1,032,512	-	155,096	877,416
Obligations on securities sold	7,867,552	-	7,867,552	-	249,534	7,618,018
	8,900,064	-	8,900,064	-	404,630	8,495,434
2023						
Derivative financial instruments	1,139,614	-	1,139,614	-	175,456	964,158
Obligations on securities sold	8,701,383	-	8,701,383	-	23,755	8,677,628
	9,840,997	-	9,840,997	-	199,211	9,641,786

For the financial assets and liabilities subject to enforceable master netting arrangements or similar arrangements above, each agreement between the Bank and the counterparty allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities will be settled on a gross basis, however, each party to the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

36 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 20 March 2025.

Registration No.

199401030666 (316347-D)

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

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Robert Armor Morris and Wong Hooi Ching, being two of the Directors of J.P. Morgan Chase Bank Berhad, state that, in the opinion of the Directors, the accompanying financial statements set out on pages 7 to 105 are drawn up so as to give a true and fair view of the financial position of the Bank as at 31 December 2024 and the financial performance of the Bank for the financial year ended 31 December 2024 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards, Bank Negara Malaysia Guidelines and the requirements of the Companies Act, 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with their resolution.

ROBERT ARMOR MORRIS
DIRECTOR

WONG HOOI CHING
DIRECTOR

Kuala Lumpur
6 May 2025

STATUTORY DECLARATION PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, Yee Mei Yan, being the Officer primarily responsible for the financial management of J.P. Morgan Chase Bank Berhad, do solemnly and sincerely declare that the financial statements set out on pages 7 to 105 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

YEE MEI YAN

Subscribed and solemnly declared by the above named Yee Mei Yan at Kuala Lumpur in Malaysia on 6 May 2025.

Before me:

PESURUHJAYA SUMPAH
W 1056
SARASWATHI
A/P MANIKAM AMN
01.08.2024-31.12.2026
MALAYSIA

COMMISSIONER FOR OATH

NO 43, LEBUH AMPANG
50100 KUALA LUMPUR

pwc

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF J.P. MORGAN CHASE BANK BERHAD

(Incorporated in Malaysia)
Registration No. 199401030666 (316347-D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of J.P. Morgan Chase Bank Berhad ("the Bank") give a true and fair view of the financial position of the Bank as at 31 December 2024, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Bank, which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 7 to 105.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Bank in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

The Directors of the Bank are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the Bank and our auditors' report thereon.

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), Chartered Accountants, Level 10, Menara TH 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF J.P. MORGAN CHASE BANK BERHAD (CONTINUED)
(Incorporated in Malaysia)
Registration No. 199401030666 (316347-D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Our opinion on the financial statements of the Bank does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Bank, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Bank or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Bank are responsible for the preparation of the financial statements of the Bank that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Bank that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Bank, the Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Bank or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Bank as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF J.P. MORGAN CHASE BANK BERHAD (CONTINUED)
(Incorporated in Malaysia)
Registration No. 199401030666 (316347-D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Bank, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Bank or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Bank, including the disclosures, and whether the financial statements of the Bank represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF J.P. MORGAN CHASE BANK BERHAD (CONTINUED)
(Incorporated in Malaysia)
Registration No. 199401030666 (316347-D)

OTHER MATTERS

This report is made solely to the member of the Bank, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT	LEE TZE WOON KELVIN
LLP0014401-LCA & AF 1146	03482/01/2026 J
Chartered Accountants	Chartered Accountant

Kuala Lumpur
6 May 2025