

J.P.Morgan

J.P. MORGAN CHASE BANK BERHAD

(Company number: 199401030666 (316347-D))

(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

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

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

(Incorporated in Malaysia)

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

ASSETS	Note	31 Mar 2023 RM'000	31 Dec 2022 RM'000
Cash and short-term funds	a	12,765,073	13,485,341
Securities purchased under resale agreement		5,303,831	5,200,208
Financial assets held at fair value through profit and loss	b	2,464,838	1,432,671
Derivative financial instruments		1,104,123	1,242,354
Financial assets held at fair value through other comprehensive income	c	247,909	374,354
Loans and advances	d	569,668	428,047
Amount due from related parties		540,616	1,423,097
Statutory deposits with Bank Negara Malaysia		2	2
Other assets	e	398,922	158,582
Deferred tax assets		3,486	7,440
Fixed assets		6,366	7,011
Right-of-use assets		9,282	10,557
TOTAL ASSETS		23,414,116	23,769,664
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits from customers	f	12,885,325	13,093,388
Deposits and placements of banks and other financial institutions	g	1,044,372	1,035,929
Financial liabilities designated as fair value through profit and loss	h	259,211	252,343
Obligations on securities sold under repurchase agreements		75,268	101,268
Derivative financial instruments		918,941	1,272,148
Amount due to related parties		5,886,643	5,324,590
Other liabilities	i	298,722	725,824
Tax payable		28,857	18,639
Total liabilities		21,397,339	21,824,129
Share capital		437,500	437,500
Retained earnings		1,564,691	1,490,242
Reserves		14,586	17,793
Shareholders' equity		2,016,777	1,945,535
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		23,414,116	23,769,664
COMMITMENTS AND CONTINGENCIES	q	144,599,450	128,919,221

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

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

	<u>Note</u>	<u>31 Mar 2023</u> (Quarter 1 2023) RM'000	<u>31 Mar 2022</u> (Quarter 1 2022) RM'000
Interest income	j	155,677	35,441
Interest expense	k	(129,839)	(10,707)
		<hr/>	<hr/>
Net interest income		25,838	24,734
Other operating income	l	114,366	51,749
		<hr/>	<hr/>
Net income		140,204	76,483
Other operating expenses	m	(50,106)	(43,865)
		<hr/>	<hr/>
Operating profit before allowances		90,098	32,618
Expected credit losses written-back/(made) on loans and advances	n	4,154	(1,899)
		<hr/>	<hr/>
Profit before taxation		94,252	30,719
Taxation		(23,562)	(7,607)
		<hr/>	<hr/>
Net profit for the financial period		<u>70,690</u>	<u>23,112</u>

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

UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

	Share capital RM'000	Fair value reserves of OCI RM'000	Option reserve RM'000	Regulatory reserve RM'000	Distributable Retained earnings RM'000	Total RM'000
At 1 January 2023	437,500	(256)	11,953	6,096	1,490,242	1,945,535
Net profit for the financial period	-	-	-	-	70,690	70,690
Other comprehensive income (net of tax)	-	552	-	-	-	552
Net unrealised gain on revaluation of financial assets at fair value through other comprehensive income	-	726	-	-	-	726
Income tax relating to component of other comprehensive income	-	(174)	-	-	-	(174)
Total comprehensive income for the financial period	-	552	-	-	70,690	71,242
Transfer from regulatory reserve	-	-	-	(3,759)	3,759	-
At 31 March 2023	<u>437,500</u>	<u>296</u>	<u>11,953</u>	<u>2,337</u>	<u>1,564,691</u>	<u>2,016,777</u>
At 1 January 2022	437,500	317	11,953	5,893	1,340,841	1,796,504
Net profit for the financial year	-	-	-	-	149,604	149,604
Other comprehensive loss (net of tax)	-	(573)	-	-	-	(573)
Net unrealised loss on revaluation of financial assets at fair value through other comprehensive income	-	(755)	-	-	-	(755)
Income tax relating to component of other comprehensive income	-	182	-	-	-	182
Total comprehensive income for the financial year	-	(573)	-	-	149,604	149,031
Transfer to regulatory reserve	-	-	-	203	(203)	-
At 31 December 2022	<u>437,500</u>	<u>(256)</u>	<u>11,953</u>	<u>6,096</u>	<u>1,490,242</u>	<u>1,945,535</u>

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

(Incorporated in Malaysia)

UNAUDITED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

	<u>31 Mar 2023</u> RM'000	<u>31 Mar 2022</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	94,252	30,719
Adjustments for items not involving the movement of cash and cash equivalents:		
Depreciation of fixed assets	645	1,560
Depreciation of right-of-use of assets	1,275	1,293
Expected credit losses on loans and advances	(4,154)	1,899
Interest expense on lease liabilities	36	52
Net unrealised gain on revaluation of financial assets held at fair value through profit and loss	(7,082)	(7,219)
Net (gain)/loss on derivatives	(19,174)	3,766
Net unrealised loss/(gain) in revaluation on derivatives	16,229	(21,309)
Net unrealised loss in revaluation of structured deposits	6,868	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>88,895</u>	<u>10,761</u>
Increase in securities purchased under resale agreement	(103,623)	(1,350,036)
Decrease/(increase) in amount due from related parties	356,817	(448,148)
(Increase)/decrease in financial assets held at fair value through profit and loss	(1,025,085)	69
Increase in derivative financial instruments	(212,031)	(32,633)
Decrease/(increase) in financial assets held at fair value through other comprehensive income	126,997	(1,873)
Increase in loans and advances	(137,467)	(108,470)
Increase in other assets	(249,076)	(377,154)
(Decrease)/increase in deposits from customers	(208,063)	19,223
Increase in deposits and placements of banks and other financial institutions	8,443	322,965
(Decrease)/increase in other liabilities	(416,884)	357,167
(Decrease)/increase in securities sold under repurchase agreements	(26,000)	146,029
Increase in amount due to related parties	562,053	2,050,775
Cash (used in)/generated from operating activities	<u>(1,235,024)</u>	<u>588,675</u>
Income taxes paid	(9,564)	(5,646)
Net cash (used in)/generated from operating activities	<u>(1,244,588)</u>	<u>583,029</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-	(89)
Net cash used in investing activities	<u>-</u>	<u>(89)</u>

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

(Incorporated in Malaysia)

UNAUDITED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 (CONTINUED)

	<u>31 Mar 2023</u> RM'000	<u>31 Mar 2022</u> RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease rental payment	(1,344)	(1,310)
Net cash flow used in financing activities	<u>(1,344)</u>	<u>(1,310)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,245,932)	581,630
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	14,248,248	4,806,275
CASH AND CASH EQUIVALENT AT END OF FINANCIAL PERIOD	<u>13,002,316</u>	<u>5,387,905</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and short term funds	12,765,073	5,199,892
Amount due from related parties	237,243	188,013
	<u>13,002,316</u>	<u>5,387,905</u>

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

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

A Basis of preparation

The unaudited interim financial statements herein have been prepared in accordance with MFRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board.

The unaudited interim financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2022. The explanatory notes attached in the unaudited interim financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Bank since the financial year ended 31 December 2022.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2022.

B Auditor's report on preceding annual financial statements

The auditor's report on the financial statements for the financial year ended 31 December 2022 was not subject to any qualification.

C Seasonality or cyclical factors

The business operations of the Bank are not subject to material seasonal or cyclical fluctuation.

D Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Bank for the financial period ended 31 March 2023.

E Change in estimates

There were no changes in estimates of amounts reported in prior financial years that have material effect on the financial results and position of the Bank for the financial period ended 31 March 2023.

F Issuance and repayment of debts and equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial period ended 31 March 2023.

G Dividend

No dividend was paid during the financial period ended 31 March 2023.

H Subsequent events

There were no material events subsequent to the end of the reporting date that require disclosure or adjustments to the unaudited interim financial statements.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

I Review of Bank's performance

The Bank's profit before taxation for the financial period to March 2023 amounted to RM94.3 million. Net interest income for the period was RM25.8 million. Major contributor for interest income include interest income from inter-bank lending (RM147.0 million) and interest income from loans and advances (RM5.8 million). As for interest expense, amount incurred on customer deposits was RM73.4 million and interest incurred on inter-bank borrowings was RM56.4 million.

Income generated from the Bank's treasury activities comprises net gain from foreign exchange transaction of RM55.0 million, net gain from financial assets held at fair value through profit and loss of RM37.1 million, net gain on derivatives of RM2.9 million, and net unrealised loss from financial liabilities designated as fair value through profit and loss of RM6.9 million.

Total overhead expenditure incurred in the 3 months was RM50.1 million. Staff cost and benefits came up to RM18.6 million while establishment expenses amounted to RM2.1 million. Inter-company management fees and attribution fees incurred during the period was RM24.8 million while administration and general expenses amounted to RM4.1 million. Expected credit losses written back on loans and advances for the period was RM4.2 million, mainly contributed by lower expected credit losses provided.

Performance for year-to-date March 2023 was higher than that of the corresponding period in 2022. In the current period, the profit before taxation was RM94.3 million (YTD March 2022: RM30.7 million). Net interest income for the current period was higher by RM1.1 million while other operating income in the first 3 months of 2023 was RM114.4 million, higher than the amount earned in the corresponding period in 2022 by RM62.6 million. The higher net interest income recorded was attributable to higher interest income from money at call and placements with financial institutions by RM115.4 million, offset by higher interest expense arising from deposits from customers, and deposits and placements of banks and other financial institutions by RM69.6 million and RM49.5 million respectively. During the current period, there was higher foreign exchange gain by RM56.5 million. Net income from financial assets held at fair value through profit and loss for the first 3 months of 2023 amounted to RM37.1 million against a net gain of RM11.2 million recorded in the corresponding period of 2022, and the Bank made net unrealised loss from financial liabilities designated as fair value through profit and loss during the current period amounted to RM6.9 million. As for derivatives trading, a net gain of RM2.9 million was recorded in the period against a net gain of RM17.5 million recorded in first 3 months of 2022. Other operating expenses increased to RM50.1 million as compared with RM43.9 million incurred during the corresponding period of 2022, reflecting an increase of RM6.2 million.

J Business outlook for 2023

In 2023, the global economic growth is projected to be moderate as financial conditions tighten and Europe's natural gas problems persist. For equity markets, the S&P 500 may re-test the lows of 2022 in the near term, but a less-hawkish pivot by the U.S. Federal reserve could well push the index to 4,200 by the year-end.

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

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

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(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

	<u>31 Mar 2023</u>	<u>31 Dec 2022</u>
	RM '000	RM '000
a) Cash and short-term funds		
Cash and balances with banks and other financial institutions	140,715	91,743
Money at call and deposit placements maturing within one month	<u>12,624,358</u>	<u>13,393,598</u>
	<u>12,765,073</u>	<u>13,485,341</u>
b) Financial assets held at fair value through profit or loss		
<u>Money market instruments</u>		
Malaysian Government Securities	1,037,593	961,622
Negotiable Instruments of Deposits	1,002,697	-
Malaysian Treasury Bills	196,876	196,882
Malaysian Government Investment Issuance	154,887	242,642
Malaysian Government Guaranteed Bonds	24,717	24,477
Corporate Bonds	40,930	-
<u>Unquoted securities</u>		
Unquoted shares	<u>7,138</u>	<u>7,048</u>
	<u>2,464,838</u>	<u>1,432,671</u>
c) Financial assets held at fair value through other comprehensive income		
<u>Money market instruments</u>		
Malaysian Government Investment Issuance	51,069	50,545
Bank Negara Interbank Bills	-	129,033
Malaysian Treasury Bills	<u>196,840</u>	<u>194,776</u>
	<u>247,909</u>	<u>374,354</u>
d) Loans and advances		
i) Loans and advances analysed by type of loan are as follows:		
Overdrafts	92,829	140,241
Housing loans	612	702
Staff loans	350	361
Revolving credits	346,638	179,470
Trade finance	<u>140,671</u>	<u>122,583</u>
	581,100	443,357
Less: Allowance for losses on loans and advances:		
- ECL not credit impaired	(11,382)	(15,264)
- ECL credit impaired	<u>(50)</u>	<u>(46)</u>
Total net loans and advances	<u>569,668</u>	<u>428,047</u>

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

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

	<u>31 Mar 2023</u>	<u>31 Dec 2022</u>
	RM '000	RM '000
d) Loans and advances (continued)		
ii) The maturity structure of loans and advances are as follows:		
Maturity within		
- one year	580,144	442,305
- one year to three years	383	413
- three years to five years	123	146
- over five years	450	493
	<u>581,100</u>	<u>443,357</u>
iii) Loans and advances analysed by type of customers are as follows:		
Domestic business enterprises		
- Others	550,538	420,713
Individuals	962	1,063
Foreign entities	29,600	21,581
	<u>581,100</u>	<u>443,357</u>
iv) Loans and advances analysed by interest sensitivity are as follows:		
Fixed rate		
- Housing loans	962	1,063
Variable rate		
- Cost-plus	580,138	442,294
	<u>581,100</u>	<u>443,357</u>
v) Loans and advances analysed by their economic purpose are as follows:		
Purchase of landed properties	962	1,063
Working capital	580,138	442,294
	<u>581,100</u>	<u>443,357</u>
vi) Loans and advances analysed by their geographical distribution are as follows:		
In Malaysia	551,500	421,776
Other countries	29,600	21,581
	<u>581,100</u>	<u>443,357</u>
vii) Loans and advances analysed by measurement basis are as follows:		
Amortised cost	<u>581,100</u>	<u>443,357</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

	<u>31 Mar 2023</u> RM '000	<u>31 Dec 2022</u> RM '000
d) Loans and advances (continued)		
viii) Impaired loans		
a) Movement in impaired loans and advances are as follows:		
At 1 January	186	198
Classified as impaired during the financial period/year	17	61
Reclassified as performing during the financial period/year	-	(65)
Amount recovered	<u>(2)</u>	<u>(8)</u>
At end of financial period/year	201	186
ECL credit impaired	<u>(50)</u>	<u>(46)</u>
Net impaired loans and advances	<u><u>151</u></u>	<u><u>140</u></u>
b) Impaired loans analysed by their economic purpose are as follows:		
Purchase of landed property	<u>201</u>	<u>186</u>
c) Impaired loans analysed by their geographical distribution are as follows:		
In Malaysia	<u>201</u>	<u>186</u>
d) Movement in allowance for impaired loans and advances are as follows:		
<u>ECL credit impaired</u>		
At 1 January	46	46
- Allowance made during the financial period/year	<u>4</u>	<u>-</u>
Balance at end of financial period/year	<u><u>50</u></u>	<u><u>46</u></u>
<u>ECL not credit impaired</u>		
At 1 January	15,264	6,839
- Allowance (written-back)/made during the financial period/year	<u>(3,882)</u>	<u>8,425</u>
Balance at end of financial period/year	<u><u>11,382</u></u>	<u><u>15,264</u></u>
e) Other assets		
Receivable from securities sold pending settlement	388,470	87,379
Other receivable, deposits and prepayments	<u>10,452</u>	<u>71,203</u>
	<u><u>398,922</u></u>	<u><u>158,582</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

	<u>31 Mar 2023</u> RM '000	<u>31 Dec 2022</u> RM '000
f) Deposits from customers		
i) Deposits from customers analysed by type of deposits are as follows:		
Demand deposits	12,663,491	12,912,152
Fixed deposits	221,834	181,236
	<u>12,885,325</u>	<u>13,093,388</u>
Maturity structure of fixed deposits are as follows:		
Due within six months	<u>221,834</u>	<u>181,236</u>
ii) Deposits from customers analysed by type of customers are as follows:		
Business enterprises	12,884,599	13,092,667
Others	726	721
	<u>12,885,325</u>	<u>13,093,388</u>
g) Deposits and placements of banks and other financial institutions		
Licensed banks	871,868	890,600
Other financial institutions	172,504	145,329
	<u>1,044,372</u>	<u>1,035,929</u>
h) Financial liabilities designated as fair value through profit and loss		
Structured deposits	<u>259,211</u>	<u>-</u>
i) Other liabilities		
Other payables	282,368	694,462
Accruals and charges	5,512	18,936
Lease liabilities	9,780	11,088
Expected credit loss - off-balance sheet lending commitment	1,062	1,338
	<u>298,722</u>	<u>725,824</u>

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(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

	<u>31 Mar 2023</u> (Quarter 1 2023) RM '000	<u>31 Mar 2022</u> (Quarter 1 2022) RM '000
j) Interest income		
Loans and advances		
- Interest income other than recoveries from impaired loans	5,841	1,883
- Recoveries from impaired loans	1	-
Money at call and placements with financial institutions	147,002	31,615
Financial assets held at fair value through other comprehensive income	2,829	1,878
Other interest income	4	65
	<u>155,677</u>	<u>35,441</u>
k) Interest expense		
Deposits from customers	73,441	3,803
Deposits and placements of banks and other financial institutions	56,398	6,904
	<u>129,839</u>	<u>10,707</u>
l) Other operating income		
Fee income:		
Service charges and fees	1,601	1,491
Guarantee fees	520	572
	<u>2,121</u>	<u>2,063</u>
Net income from securities:		
Net gain/(loss) from sale of financial assets fair value through profit or loss	9,878	(2,245)
Unrealised gain from revaluation of financial assets fair value through profit or loss	7,082	7,219
Interest income from assets held at fair value through profit and loss	20,189	6,275
Net loss from financial liabilities designated as fair value through profit or loss	(6,868)	-
Derivatives:		
Net gain/(loss) from trading of derivatives	19,174	(3,766)
Unrealised (loss)/gain from revaluation of derivatives	(16,229)	21,309
Other income:		
Foreign exchange gain	55,035	(1,417)
Management and attribution income	23,984	22,311
	<u>114,366</u>	<u>51,749</u>
m) Other operating expenses		
Personnel expenses	18,586	17,562
Establishment expenses	2,112	2,987
Marketing expenses	484	147
Management and attribution fees paid	24,838	20,656
General administrative expenses	4,086	2,513
	<u>50,106</u>	<u>43,865</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

	<u>31 Mar 2023</u> (Quarter 1 2023) RM '000	<u>31 Mar 2022</u> (Quarter 1 2022) RM '000
n) Expected credit losses written-back/(made) on loans and advances:		
ECL - off-balance sheet lending commitment	276	(34)
ECL - loans and advances	3,878	(1,865)
	<u>4,154</u>	<u>(1,899)</u>

	<u>31 Mar 2023</u> RM '000	<u>31 Dec 2022</u> RM '000
o) Credit exposures arising from transactions with connected parties		
Outstanding credit exposures with connected parties	<u>448,785</u>	<u>318,790</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>10.20%</u>	<u>7.31%</u>
Percentage of outstanding credit exposures to connected parties which is non-performing or in default	<u>0%</u>	<u>0%</u>

p) Capital adequacy

The capital adequacy ratios of the Bank are computed in accordance with Bank Negara Malaysia's revised Risk-Weighted Capital Adequacy Framework: Standardised Approach for Credit and Market Risk, and Basic Indicator Approach for Operational Risk (Basel II).

i) The capital adequacy ratios of the Bank are as follows:	<u>31 Mar 2023</u> RM '000	<u>31 Dec 2022</u> RM '000
Tier-I capital		
Share capital	437,500	437,500
Retained earnings	1,490,242	1,490,242
Fair value reserve through other comprehensive income	296	(256)
Option reserve	11,953	11,953
	<u>1,939,991</u>	<u>1,939,439</u>
Deferred tax assets	(3,486)	(7,440)
Financial assets at fair value through other comprehensive income	(163)	-
Total Tier I capital	<u>1,936,342</u>	<u>1,931,999</u>
Tier-II capital		
Regulatory reserve	2,337	6,096
ECL not credit impaired	12,444	15,264
Total Tier-II capital	<u>14,781</u>	<u>21,360</u>
Total capital	<u>1,951,123</u>	<u>1,953,359</u>
Common Equity Tier 1 capital ratio	22.578%	21.111%
Tier 1 capital ratio	22.578%	21.111%
Total capital ratio	22.751%	21.345%

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

p) Capital adequacy (continued)

ii) Total risk weighted assets and capital requirements as at 31 March 2023 and 31 December 2022

Exposure class	31 March 2023				31 December 2022			
	Gross exposures RM'000	Net exposures RM'000	Risk weighted assets RM'000	Capital requirements RM'000	Gross exposures RM'000	Net exposures RM'000	Risk weighted assets RM'000	Capital requirements RM'000
(a) Credit risk								
On-balance sheet exposures								
Sovereigns/central banks	13,204,147	12,787,632	882,715	70,617	13,938,923	13,756,334	1,409,121	112,730
Banks, development financial institutions	5,526,439	671,350	142,318	11,386	6,544,196	1,565,019	320,624	25,649
Insurance companies, securities firms and fund managers	970,949	757,327	243,224	19,458	793,067	740,856	166,163	13,293
Corporates	581,026	581,026	581,026	46,482	442,410	442,410	442,410	35,393
Regulatory retail	350	350	350	28	361	361	361	29
Residential mortgages	331	331	138	11	397	397	167	13
Higher risk assets	4	4	6	-	4	4	6	-
Other assets	62,016	62,016	192,984	15,439	97,326	97,326	97,995	7,840
Defaulted exposures	151	151	76	6	142	142	71	6
Total on-balance sheet exposures	<u>20,345,413</u>	<u>14,860,187</u>	<u>2,042,837</u>	<u>163,427</u>	<u>21,816,826</u>	<u>16,602,849</u>	<u>2,436,918</u>	<u>194,953</u>
Off-balance sheet exposures over-the-counter ('OTC') derivatives	3,646,975	3,646,975	1,455,148	116,412	3,605,301	3,605,300	1,416,495	113,320
Off-balance sheet exposures other than OTC derivatives	172,597	172,597	165,252	13,220	312,398	312,399	305,653	24,452
Total off-balance sheet exposures	<u>3,819,572</u>	<u>3,819,572</u>	<u>1,620,400</u>	<u>129,632</u>	<u>3,917,699</u>	<u>3,917,699</u>	<u>1,722,148</u>	<u>137,772</u>
Total on and off-balance sheet exposures	<u>24,164,985</u>	<u>18,679,759</u>	<u>3,663,237</u>	<u>293,059</u>	<u>25,734,525</u>	<u>20,520,548</u>	<u>4,159,066</u>	<u>332,725</u>
(b) Market risk								
	<u>Long position</u>	<u>Short position</u>			<u>Long position</u>	<u>Short position</u>		
Interest rate risk	149,224,920	145,668,697	3,864,921	309,193	133,954,699	131,314,216	3,970,356	317,628
Foreign currency risk	90,245	191	90,245	7,220	930	43,129	43,129	3,450
Option risk			254,922	20,394			272,910	21,833
(c) Operational risk								
Total risk weighted assets and capital requirements			<u>702,733</u>	<u>56,219</u>			<u>705,970</u>	<u>56,478</u>
			<u>8,576,058</u>	<u>686,085</u>			<u>9,151,431</u>	<u>732,114</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

q) Commitments and contingencies

Total risk weighted assets and capital requirements as at 31 March 2023 and 31 December 2022

	31 March 2023			31 December 2022		
	Principal amount RM'000	Credit equivalent amount* RM'000	Risk-weighted amount RM'000	Principal amount RM'000	Credit equivalent amount* RM'000	Risk-weighted amount RM'000
Direct credit substitutes	123,010	123,012	118,173	255,826	255,826	251,109
Transaction-related contingent items	19,695	9,847	7,341	33,858	16,929	14,900
Foreign exchange related contracts:						
- less than one year	54,169,373	1,179,493	481,173	50,843,001	1,213,204	495,286
- one year to less than five years	2,159,014	195,973	116,430	1,791,304	175,510	91,983
- more than five years	207,873	51,234	23,816	185,366	47,391	21,899
Interest rate related contracts:						
- less than one year	29,073,241	105,024	38,843	24,382,683	95,118	35,344
- one year to less than five years	54,257,222	1,810,009	665,297	47,225,165	1,753,163	634,473
- more than five years	1,676,420	149,429	68,533	1,189,875	116,071	51,504
Credit derivatives contracts						
- less than one year	110,059	12,873	6,437	151,784	17,656	8,828
- one year to less than five years	347,777	69,870	22,757	336,823	70,737	22,552
- more than five years	4,100	802	160	-	-	-
Equity related contracts						
- less than one year	520,085	65,117	28,126	644,289	101,699	47,251
- one year to less than five years	47,359	7,151	3,576	67,803	14,751	7,375
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	79,476	39,738	39,738	79,287	39,644	39,644
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	1,804,746	-	-	1,732,157	-	-
	<u>144,599,450</u>	<u>3,819,572</u>	<u>1,620,400</u>	<u>128,919,221</u>	<u>3,917,699</u>	<u>1,722,148</u>

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