

# J.P.Morgan

**J.P. MORGAN CHASE BANK BERHAD**

(Company number: 199401030666 (316347-D))

(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

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

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

(Incorporated in Malaysia)

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

ASSETS	<u>Note</u>	<u>30 Jun 2024</u> RM'000	<u>31 Dec 2023</u> RM'000
Cash and short-term funds	a	9,634,230	15,515,001
Securities purchased under resale agreement	b	14,203,752	10,810,789
Financial assets held at fair value through profit and loss ("FVTPL")	c	1,006,685	1,196,665
Derivative financial instruments		959,602	1,009,845
Financial assets held at fair value through other comprehensive income ("FVOCI")	d	334,248	137,604
Loans and advances	e	656,930	555,775
Amount due from related parties		1,018,397	353,623
Statutory deposits with Bank Negara Malaysia		2	2
Other assets	f	218,799	345,006
Deferred tax assets		3,452	8,178
Fixed assets		6,526	7,048
Right-of-use assets		4,255	6,790
<b>TOTAL ASSETS</b>		<b><u>28,046,878</u></b>	<b><u>29,946,326</u></b>
 <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Deposits from customers	g	10,406,875	14,186,490
Deposits and placements of banks and other financial institutions	h	874,374	2,271,026
Financial liabilities designated as fair value through profit and loss	j	255,256	248,959
Obligations on securities sold under repurchase agreements		287,236	229,925
Derivative financial instruments		836,177	1,139,614
Amount due to related parties	i	12,543,967	9,377,428
Other liabilities	k	487,128	256,982
Tax payable		6,296	7,465
<b>Total liabilities</b>		<b><u>25,697,309</u></b>	<b><u>27,717,889</u></b>
Share capital		437,500	437,500
Retained earnings		1,884,642	1,778,922
Reserves		27,427	12,015
<b>Shareholders' equity</b>		<b><u>2,349,569</u></b>	<b><u>2,228,437</u></b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b><u>28,046,878</u></b>	<b><u>29,946,326</u></b>
 <b>COMMITMENTS AND CONTINGENCIES</b>	 s	 <b><u>179,590,246</u></b>	 <b><u>153,205,128</u></b>

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

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

	<u>Note</u>	<u>30 Jun 2024</u> (Quarter 2 2024) RM'000	<u>30 Jun 2023</u> (Quarter 2 2023) RM'000
Interest income *	l	249,757	214,068
Interest income from financial assets held at fair value through profit and loss	l	231,075	156,803
Interest expense	m	(462,447)	(301,518)
		<hr/>	<hr/>
Net interest income		18,385	69,353
Other operating income	n	254,689	232,762
		<hr/>	<hr/>
Net income		273,074	302,115
Other operating expenses	o	(122,849)	(102,222)
		<hr/>	<hr/>
Operating profit before allowances		150,225	199,893
Expected credit losses written-back/(provided) on loans and advances	p	11,807	(1,743)
		<hr/>	<hr/>
Profit before taxation		162,032	198,150
Taxation		(40,946)	(49,052)
		<hr/>	<hr/>
Net profit for the financial period		<u>121,086</u>	<u>149,098</u>

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

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

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

	Share capital RM'000	Fair value reserves of OCI RM'000	Option reserve RM'000	Regulatory reserve RM'000	Distributable Retained earnings RM'000	Total RM'000
At 1 January 2024	437,500	62	11,953	-	1,778,922	2,228,437
Net profit for the financial period	-	-	-	-	121,086	121,086
Other comprehensive loss (net of tax)	-	46	-	-	-	46
Net unrealised gain on revaluation of financial assets at fair value through other comprehensive income	-	60	-	-	-	60
Income tax relating to component of other comprehensive income	-	(14)	-	-	-	(14)
Total comprehensive income for the financial period	-	46	-	-	121,086	121,132
Transfer to regulatory reserve	-	-	-	15,366	(15,366)	-
At 30 June 2024	<u>437,500</u>	<u>108</u>	<u>11,953</u>	<u>15,366</u>	<u>1,884,642</u>	<u>2,349,569</u>
At 1 January 2023	437,500	(256)	11,953	6,096	1,490,242	1,945,535
Net profit for the financial year	-	-	-	-	282,584	282,584
Other comprehensive income (net of tax)	-	318	-	-	-	318
Net unrealised gain on revaluation of financial assets at fair value through other comprehensive income	-	419	-	-	-	419
Income tax relating to component of other comprehensive income	-	(101)	-	-	-	(101)
Total comprehensive income for the financial year	-	318	-	-	282,584	282,902
Transfer from regulatory reserve	-	-	-	(6,096)	6,096	-
At 31 December 2023	<u>437,500</u>	<u>62</u>	<u>11,953</u>	<u>-</u>	<u>1,778,922</u>	<u>2,228,437</u>

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

(Incorporated in Malaysia)

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

	<u>30 Jun 2024</u> RM'000	<u>30 Jun 2023</u> RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	162,032	198,150
Adjustments for items not involving the movement of cash and cash equivalents:		
Depreciation of fixed assets	1,563	1,356
Depreciation of right-of-use of assets	2,534	2,550
Expected credit losses written-back on loans and advances	(11,807)	1,743
Interest expense on lease liabilities	65	67
Net unrealised gain on revaluation of financial assets held at fair value through profit and loss	(355)	(7,200)
Net loss/(gain) on derivatives	5,547	(20,830)
Net unrealised (gain)/loss in revaluation on derivatives	(12,052)	8,761
Net unrealised loss in revaluation of structured deposits	6,297	2,333
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<u>153,824</u>	<u>186,930</u>
Increase in securities purchased under resale agreement	(3,392,963)	(3,476,709)
Decrease/(Increase) in amount due from related parties	29,003	(77,777)
Decrease/(Increase) in financial assets held at fair value through profit and loss	190,335	(2,963,889)
Increase in derivative financial instruments	(246,689)	(658,323)
(Increase)/Decrease in financial assets held at fair value through other comprehensive income	(196,598)	126,195
Increase in loans and advances	(89,348)	(125,484)
Decrease/(Increase) in other assets	92,642	(565,618)
Decrease in deposits from customers	(3,779,615)	(291,423)
(Decrease)/increase in deposits and placements of banks and other financial institutions	(1,396,652)	46,920
Increase/(Decrease) in other liabilities	266,381	(179,173)
Increase in securities sold under repurchase agreements	57,311	395,398
Increase in amount due to related parties	3,166,539	4,562,049
	<u>(5,145,830)</u>	<u>(3,020,904)</u>
Cash used in operating activities	(5,145,830)	(3,020,904)
Income taxes paid	(37,404)	(19,128)
<b>Net cash used in operating activities</b>	<u>(5,183,234)</u>	<u>(3,040,032)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(1,041)	(1,006)
<b>Net cash used in investing activities</b>	<u>(1,041)</u>	<u>(1,006)</u>

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

(Incorporated in Malaysia)

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

	<u>30 Jun 2024</u> RM'000	<u>30 Jun 2023</u> RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease rental payment	(2,719)	(2,687)
Net cash flow used in financing activities	<u>(2,719)</u>	<u>(2,687)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(5,186,994)	(3,043,725)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	15,699,614	14,248,248
CASH AND CASH EQUIVALENT AT END OF FINANCIAL PERIOD	<u>10,512,620</u>	<u>11,204,523</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and short term funds	9,634,230	11,068,770
Amount due from related parties	878,390	135,753
	<u>10,512,620</u>	<u>11,204,523</u>

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(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2024

A Basis of preparation

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

The unaudited interim financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2023. The explanatory notes attached in the unaudited interim financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Bank since the financial year ended 31 December 2023.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2023.

B Auditor's report on preceding annual financial statements

The auditor's report on the financial statements for the financial year ended 31 December 2023 was not subject to any qualification.

C Seasonality or cyclical factors

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

D Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Bank for the financial period ended 30 June 2024.

E Change in estimates

There were no changes in estimates of amounts reported in prior financial years that have material effect on the financial results and position of the Bank for the financial period ended 30 June 2024.

F Issuance and repayment of debts and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial period ended 30 June 2024.

G Dividend

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

H Subsequent events

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

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2024

I Review of Bank's performance

The Bank's profit before taxation for the financial period to June 2024 amounted to RM162 million. Net interest income for the period was RM18.4 million. Major contributors for interest income include interest income from inter-bank lending (RM230.3 million), interest income from financial assets held at fair value through profit and loss (RM231.1 million) and interest income from loans and advances (RM16.3 million). As for interest expense, amount incurred on customer deposits was RM206.2 million and interest incurred on inter-bank borrowings was RM256.2 million.

Income generated from the Bank's treasury activities comprises net gain from foreign exchange transaction of RM202.7 million, management and attribution income of RM51.4 million, and net gain on derivatives of RM6.5 million.

Total overhead expenditure incurred in the 6 months was RM122.8 million. Staff cost and benefits came up to RM41.8 million while establishment expenses amounted to RM4.8 million. Inter-company management fees and attribution fees incurred during the period was RM67.3 million while administration and general expenses amounted to RM7.6 million. Expected credit losses written back on loans and advances for the period was RM11.8 million, mainly contributed by lower expected credit losses provided.

Performance for year-to-date June 2024 was lower than that of the corresponding period in 2023. In the current period, the profit before taxation was RM162 million (YTD June 2023: RM198.2 million). Net interest income for the current period was lower by RM51 million while other operating income in the first 6 months of 2024 was RM254.7 million, higher than the amount earned in the corresponding period in 2023 by RM21.9 million. The lower net interest income recorded was attributable to higher interest expense arising from deposits from customers, and deposits and placements of banks and other financial institutions by RM51.8 million and RM109.2 million respectively, offset by higher interest income from money at call and placements with financial institutions by RM35 million. During the current period, there was higher foreign exchange gain by RM55.1 million. Net loss from financial assets held at fair value through profit and loss for the first 6 months of 2024 amounted to RM4.5 million against a net gain of RM16.6 million recorded in the corresponding period of 2023, and the Bank made net loss from financial liabilities designated as fair value through profit and loss during the current period amounted to RM6.3 million. As for derivatives trading, a net gain of RM6.5 million was recorded in the period against a net gain of RM12.1 million recorded in first 6 months of 2023. Other operating expenses increased to RM122.8 million as compared with RM102.2 million incurred during the corresponding period of 2023, reflecting an increase of RM20.6 million.

J Business outlook for 2024

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

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



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NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2024

	<u>30 Jun 2024</u> RM '000	<u>31 Dec 2023</u> RM '000
a) Cash and short-term funds		
Cash and balances with banks and other financial institutions	212,964	194,458
Money at call and deposit placements maturing within one month	<u>9,421,266</u>	<u>15,320,543</u>
	<u>9,634,230</u>	<u>15,515,001</u>
b) Securities purchased under resale agreement		
Securities purchased under resale agreement measured at fair value through profit or loss	<u>14,203,752</u>	<u>10,810,789</u>
c) Financial assets held at fair value through profit or loss		
<u>Money market instruments</u>		
Malaysian Government Securities	871,078	859,106
Negotiable Instruments of Deposits	-	100,809
Malaysian Treasury Bills	-	12,232
Malaysian Government Investment Issuance	128,251	216,918
<u>Unquoted securities</u>		
Unquoted shares	<u>7,356</u>	<u>7,600</u>
	<u>1,006,685</u>	<u>1,196,665</u>
d) Financial assets held at fair value through other comprehensive income		
<u>Money market instruments</u>		
Malaysian Treasury Bills	<u>334,248</u>	<u>137,604</u>
e) Loans and advances		
i) Loans and advances analysed by type of loan are as follows:		
Overdrafts	103,462	116,823
Housing loans	398	523
Staff loans	321	331
Revolving credits	487,870	380,030
Trade finance	<u>68,797</u>	<u>73,506</u>
	660,848	571,213
Less: Allowance for losses on loans and advances:		
- ECL not credit impaired	(3,878)	(15,384)
- ECL credit impaired	<u>(40)</u>	<u>(54)</u>
Total net loans and advances	<u>656,930</u>	<u>555,775</u>

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(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2024

	<u>30 Jun 2024</u>	<u>31 Dec 2023</u>
	RM '000	RM '000
e) Loans and advances (continued)		
ii) The maturity structure of loans and advances are as follows:		
Maturity within		
- one year	660,333	570,663
- one year to three years	58	51
- three years to five years	136	84
- over five years	321	415
	<u>660,848</u>	<u>571,213</u>
iii) Loans and advances analysed by type of customers are as follows:		
Domestic business enterprises		
- Others	659,463	560,120
Individuals	719	854
Foreign entities	666	10,239
	<u>660,848</u>	<u>571,213</u>
iv) Loans and advances analysed by interest sensitivity are as follows:		
Fixed rate		
- Housing loans	719	854
Variable rate		
- Cost-plus	660,129	570,359
	<u>660,848</u>	<u>571,213</u>
v) Loans and advances analysed by their economic purpose are as follows:		
Purchase of landed properties	719	854
Working capital	660,129	570,359
	<u>660,848</u>	<u>571,213</u>
vi) Loans and advances analysed by their geographical distribution are as follows:		
In Malaysia	660,182	560,974
Other countries	666	10,239
	<u>660,848</u>	<u>571,213</u>
vii) Loans and advances analysed by measurement basis are as follows:		
Amortised cost	<u>660,848</u>	<u>571,213</u>

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NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2024

	<u>30 Jun 2024</u> RM '000	<u>31 Dec 2023</u> RM '000
e) Loans and advances (continued)		
viii) Impaired loans		
a) Movement in impaired loans and advances are as follows:		
At 1 January	222	186
Classified as impaired during the financial period/year	37	62
Reclassified as performing during the financial period/year	(54)	(19)
Amount recovered	<u>(37)</u>	<u>(7)</u>
At end of financial period/year	168	222
ECL credit impaired	<u>(40)</u>	<u>(54)</u>
Net impaired loans and advances	<u><u>128</u></u>	<u><u>168</u></u>
b) Impaired loans analysed by their economic purpose are as follows:		
Purchase of landed property	<u><u>168</u></u>	<u><u>222</u></u>
c) Impaired loans analysed by their geographical distribution are as follows:		
In Malaysia	<u><u>168</u></u>	<u><u>222</u></u>
d) Movement in allowance for impaired loans and advances are as follows:		
<u>ECL credit impaired</u>		
At 1 January	54	46
- Allowance (written-back)/made during the financial period/year	<u>(14)</u>	<u>8</u>
Balance at end of financial period/year	<u><u>40</u></u>	<u><u>54</u></u>
<u>ECL not credit impaired</u>		
At 1 January	15,384	15,264
- Allowance (written-back)/made during the financial period/year	<u>(11,506)</u>	<u>120</u>
Balance at end of financial period/year	<u><u>3,878</u></u>	<u><u>15,384</u></u>
f) Other assets		
Receivable from securities sold pending settlement	155,781	340,669
Other receivable, deposits and prepayments	<u>63,018</u>	<u>4,337</u>
	<u><u>218,799</u></u>	<u><u>345,006</u></u>

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NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2024

	<u>30 Jun 2024</u>	<u>31 Dec 2023</u>
	RM '000	RM '000
g) Deposits from customers		
i) Deposits from customers analysed by type of deposits are as follows:		
Demand deposits	10,278,840	14,082,264
Fixed deposits	128,035	104,226
	<u>10,406,875</u>	<u>14,186,490</u>
Maturity structure of fixed deposits are as follows:		
Due within six months	<u>128,035</u>	<u>104,226</u>
ii) Deposits from customers analysed by type of customers are as follows:		
Business enterprises	10,405,545	14,185,826
Others	1,330	664
	<u>10,406,875</u>	<u>14,186,490</u>
h) Deposits and placements of banks and other financial institutions		
Licensed banks	598,916	616,421
Other financial institutions	275,458	1,654,605
	<u>874,374</u>	<u>2,271,026</u>
i) Amounts due to related parties		
Current deposits	1,046,442	265,347
Interbank taking	2,360,550	458,956
Fixed deposits	28,063	27,721
Securities sold under repurchase agreement	9,095,817	8,471,458
Other payables	13,095	153,946
	<u>12,543,967</u>	<u>9,377,428</u>
j) Financial liabilities designated as fair value through profit and loss		
Structured deposits	<u>255,256</u>	<u>248,959</u>
k) Other liabilities		
Other payables	471,361	227,787
Accruals and charges	9,974	20,462
Lease liabilities	4,514	7,168
Expected credit loss - off-balance sheet lending commitment	1,279	1,565
	<u>487,128</u>	<u>256,982</u>

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NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2024

	<u>30 Jun 2024</u> (Quarter 2 2024) RM '000	<u>30 Jun 2023</u> (Quarter 2 2023) RM '000
l) Interest income		
Loans and advances		
- Interest income other than recoveries from impaired loans	16,333	14,002
- Recoveries from impaired loans	6	5
Money at call and placements with financial institutions	230,315	195,292
Financial assets held at fair value through other comprehensive income	3,097	4,761
Other interest income	6	8
	<u>249,757</u>	<u>214,068</u>
Interest income from financial assets at fair value through profit or loss		
Financial assets at fair value through profit or loss	<u>231,075</u>	<u>156,803</u>
m) Interest expense		
Deposits from customers	206,237	154,474
Deposits and placements of banks and other financial institutions	<u>256,210</u>	<u>147,044</u>
	<u>462,447</u>	<u>301,518</u>
n) Other operating income		
Fee income:		
Service charges and fees	3,955	3,231
Guarantee fees	924	1,021
	<u>4,879</u>	<u>4,252</u>
Net income from securities:		
Net (loss)/gain from sale of financial assets fair value through profit or loss	(4,892)	9,360
Unrealised gain from revaluation of financial assets fair value through profit or loss	355	7,200
Net loss from financial liabilities designated as fair value through profit or loss	(6,297)	(2,333)
Derivatives:		
Net (loss)/gain from trading of derivatives	(5,547)	20,830
Unrealised gain/(loss) from revaluation of derivatives	12,052	(8,761)
Other income:		
Foreign exchange gain	202,698	147,580
Management and attribution income	51,441	54,634
	<u>254,689</u>	<u>232,762</u>
o) Other operating expenses		
Personnel expenses	41,752	37,115
Establishment expenses	4,761	4,763
Marketing expenses	1,369	1,211
Management and attribution fees paid	67,323	51,970
General administrative expenses	7,644	7,163
	<u>122,849</u>	<u>102,222</u>

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2024

	<u>30 Jun 2024</u> (Quarter 2 2024) RM '000	<u>30 Jun 2023</u> (Quarter 2 2023) RM '000
p) Expected credit losses made on loans and advances:		
ECL - off-balance sheet lending commitment	287	(592)
ECL - loans and advances	11,520	(1,153)
	<u>11,807</u>	<u>(1,743)</u>

	<u>30 Jun 2024</u> RM '000	<u>31 Dec 2023</u> RM '000
q) Credit exposures arising from transactions with connected parties		
Outstanding credit exposures with connected parties	<u>1,279,408</u>	<u>773,275</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>24.11%</u>	<u>17.23%</u>
Percentage of outstanding credit exposures to connected parties which is non-performing or in default	<u>0%</u>	<u>0%</u>

r) Capital adequacy

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

i) The capital adequacy ratios of the Bank are as follows:	<u>30 Jun 2024</u> RM '000	<u>31 Dec 2023</u> RM '000
<b>Tier-I capital</b>		
Paid-up share capital	437,500	437,500
Retained earnings	1,778,922	1,778,922
Fair value reserve through other comprehensive income	108	62
Option reserve	11,953	11,953
	<u>2,228,483</u>	<u>2,228,437</u>
Deferred tax assets	(3,452)	(8,178)
Financial assets at fair value through other comprehensive income	(59)	(34)
Total Tier I capital	<u>2,224,972</u>	<u>2,220,225</u>
<b>Tier-II capital</b>		
Regulatory reserve	15,366	-
ECL not credit impaired	5,157	16,949
Total Tier-II capital	<u>20,523</u>	<u>16,949</u>
<b>Total capital</b>	<u>2,245,495</u>	<u>2,237,174</u>
Common Equity Tier 1 capital ratio	28.330%	27.283%
Tier 1 capital ratio	28.330%	27.283%
Total capital ratio	28.591%	27.492%

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2024

s) Capital adequacy (continued)

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

Exposure class	30 June 2024				31 December 2023			
	Gross exposures	Net exposures	Risk weighted assets	Capital requirements	Gross exposures	Net exposures	Risk weighted assets	Capital requirements
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
(a) Credit risk								
On-balance sheet exposures								
Sovereigns/central banks	10,219,914	9,816,388	-	-	15,552,877	15,397,723	458,945	36,716
Banks, development financial institutions	14,912,954	1,173,082	234,648	18,773	11,273,943	678,905	135,799	10,864
Insurance companies, securities firms and fund managers	857,348	782,935	258,870	20,710	1,238,633	1,132,648	375,810	30,065
Corporates	660,237	660,237	660,084	52,807	577,513	577,513	575,084	46,007
Regulatory retail	321	321	321	26	331	331	331	26
Residential mortgages	230	230	102	8	302	302	127	10
Other assets	39,261	39,261	32,983	2,639	32,328	32,328	25,853	2,068
Defaulted exposures	128	128	64	5	169	169	101	8
Total on-balance sheet exposures	<u>26,690,394</u>	<u>12,472,583</u>	<u>1,187,072</u>	<u>94,968</u>	<u>28,676,096</u>	<u>17,819,919</u>	<u>1,572,050</u>	<u>125,764</u>
Off-balance sheet exposures								
over-the-counter ('OTC') derivatives	4,455,572	4,455,572	1,870,460	149,637	3,635,362	3,635,362	1,460,493	116,840
Off-balance sheet exposures other than OTC derivatives	190,751	190,751	182,291	14,583	282,410	282,410	273,355	21,868
Total off-balance sheet exposures	<u>4,646,323</u>	<u>4,646,323</u>	<u>2,052,751</u>	<u>164,220</u>	<u>3,917,772</u>	<u>3,917,772</u>	<u>1,733,848</u>	<u>138,708</u>
Total on and off-balance sheet exposures	<u>31,336,717</u>	<u>17,118,906</u>	<u>3,239,823</u>	<u>259,188</u>	<u>32,593,868</u>	<u>21,737,691</u>	<u>3,305,898</u>	<u>264,472</u>
(b) Market risk								
	<u>Long position</u>	<u>Short position</u>			<u>Long position</u>	<u>Short position</u>		
Interest rate risk	192,297,126	186,471,647	3,303,111	264,249	152,937,639	149,022,369	3,687,568	295,006
Foreign currency risk	16,131	214,427	214,427	17,154	114,824	2	114,825	9,186
Option risk			183,250	14,660			213,931	17,114
(c) Operational risk								
Total risk weighted assets and capital requirements			<u>7,853,779</u>	<u>628,304</u>			<u>8,137,622</u>	<u>651,010</u>

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2024

t) Commitments and contingencies

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

	30 June 2024			31 December 2023		
	Principal amount	Credit equivalent amount*	Risk-weighted amount	Principal amount	Credit equivalent amount*	Risk-weighted amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Direct credit substitutes	151,218	151,218	145,983	223,888	223,888	219,108
Transaction-related contingent items	37,505	18,753	15,528	50,353	25,176	20,901
Foreign exchange related contracts:						
- less than one year	84,299,310	1,459,979	678,120	63,714,605	1,007,983	404,323
- one year to less than five years	2,113,255	209,500	121,157	1,744,021	174,987	111,513
- more than five years	188,740	35,141	15,636	193,155	39,365	18,031
Interest rate related contracts:						
- less than one year	23,703,373	100,235	40,052	25,488,551	84,093	36,622
- one year to less than five years	60,181,246	1,842,119	690,209	55,087,764	1,765,216	657,328
- more than five years	4,882,127	465,048	229,151	3,449,158	342,769	166,181
Equity related contracts						
- less than one year	1,127,517	127,348	37,684	1,126,918	153,293	43,922
- one year to less than five years	753,384	159,634	40,813	54,059	6,951	2,299
Credit derivatives contracts						
- less than one year	70,785	12,671	6,335	22,938	2,666	1,333
- one year to less than five years	260,080	43,897	11,303	348,239	58,039	18,941
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	41,559	20,780	20,780	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	1,780,147	-	-	1,634,787	-	-
	<u>179,590,246</u>	<u>4,646,323</u>	<u>2,052,751</u>	<u>153,205,128</u>	<u>3,917,772</u>	<u>1,733,848</u>

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