



J.P. MORGAN CHASE BANK BERHAD

(Company number: 316347 D)

(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

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 (316347-D)
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017

	Note	30 Sep 2017 RM'000	31 Dec 2016 RM'000
ASSETS			
Cash and short-term funds	a	3,869,639	3,918,993
Securities purchased under resale agreement		119,365	602,550
Financial assets held for trading	b	953,991	986,291
Derivative financial instruments		479,111	917,635
Financial assets available-for-sale	c	141,961	140,963
Loans and advances	d	365,187	618,262
Amount due from related parties		618,952	1,277,377
Statutory deposits with Bank Negara Malaysia		2	2
Other assets	e	123,251	273,591
Tax recoverable		22,081	10,590
Deferred tax assets		2,403	2,403
Fixed assets		6,524	10,189
TOTAL ASSETS		6,702,467	8,758,846
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits from customers	f	3,967,732	5,457,190
Deposits and placements of banks and other financial institutions	g	215,027	240,310
Obligations on securities sold under repurchase agreements		31,759	278,001
Derivative financial instruments		433,220	799,373
Amount due to related parties		857,644	613,740
Other liabilities	h	176,841	387,782
Total liabilities		5,682,223	7,776,396
Share capital		85,500	85,500
Share premium		42,000	42,000
Retained earnings		776,877	734,627
Reserves		115,867	120,323
Shareholders' equity		1,020,244	982,450
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		6,702,467	8,758,846
COMMITMENTS AND CONTINGENCIES	o	65,551,491	61,767,373

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

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

	<u>Note</u>	<u>30 Sep 2017</u> (Quarter 3 2017) RM'000	<u>30 Sep 2016</u> (Quarter 3 2016) RM'000
Interest income	i	99,833	135,838
Interest expense	j	(33,075)	(81,970)
		<hr/>	<hr/>
Net interest income		66,758	53,868
Other operating income	k	97,324	120,910
		<hr/>	<hr/>
Net income		164,082	174,778
Other operating expenses	l	(111,260)	(98,862)
		<hr/>	<hr/>
Operating profit before allowances		52,822	75,916
(Allowance for)/write back of losses on loans and advances	m	(1,149)	950
		<hr/>	<hr/>
Profit before taxation		51,673	76,866
Taxation		(13,583)	(19,518)
		<hr/>	<hr/>
Net profit for the financial period		<u>38,090</u>	<u>57,348</u>

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

	Share capital RM'000	Share premium RM'000	Statutory reserve RM'000	Fair value reserves- available-for- sale securities RM'000	Option reserve RM'000	Regulatory reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2017	85,500	42,000	97,778	252	15,914	6,379	734,627	982,450
Net profit for the financial period	-	-	-	-	-	-	38,090	38,090
Transfer from regulatory reserve	-	-	-	-	-	(4,160)	4,160	-
Other comprehensive income	-	-	-	(296)	-	-	-	(296)
At 30 September 2017	<u>85,500</u>	<u>42,000</u>	<u>97,778</u>	<u>(44)</u>	<u>15,914</u>	<u>2,219</u>	<u>776,877</u>	<u>1,020,244</u>
At 1 January 2016	85,500	42,000	97,778	1,332	11,890	2,384	660,385	901,269
Net profit for the financial year	-	-	-	-	-	-	78,237	78,237
Transfer to regulatory reserve	-	-	-	-	-	3,995	(3,995)	-
Other comprehensive income	-	-	-	(1,080)	-	-	-	(1,080)
Employee share option scheme - Options granted	-	-	-	-	4,024	-	-	4,024
At 31 December 2016	<u>85,500</u>	<u>42,000</u>	<u>97,778</u>	<u>252</u>	<u>15,914</u>	<u>6,379</u>	<u>734,627</u>	<u>982,450</u>

CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

	<u>30 Sep 2017</u> RM'000	<u>30 Sep 2016</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	51,673	76,866
Adjustments for items not involving the movement of cash and cash equivalents:		
Depreciation of fixed assets	4,242	4,326
Loss on disposal of fixed assets	-	14
Allowance for/(write back) of losses on loans and advances	1,149	(950)
Net unrealised loss/(gain) from revaluation of financial assets held for trading	2,483	(1,227)
Net loss on derivatives	2,836	26,677
Net unrealised gain on revaluation of derivatives	(6,600)	(11,074)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<hr/> 55,783	<hr/> 94,632
Increase in deposits and placements with banks and other financial institutions	-	(300,841)
Decrease/(increase) in securities purchased under resale agreement	483,185	(448,598)
Decrease/(increase) in financial assets held for trading	29,817	(528,663)
Decrease in derivative financial instruments	76,135	60,021
Increase in financial assets available-for-sale	(1,294)	(1,291)
Decrease/(increase) in loans and advances	251,926	(112,143)
Decrease/(increase) in other assets	143,252	(147,801)
Decrease in statutory deposits with Bank Negara Malaysia	-	3,044
Decrease in deposits from customers	(1,489,458)	(829,377)
Decrease in deposits and placements of banks and other financial institutions	(25,283)	(494,911)
(Decrease)/increase in securities sold under repurchase agreements	(246,242)	221,527
(Decrease)/increase in other liabilities	(210,941)	221,331
Increase/(decrease) in amount due to related parties	243,904	(2,978,803)
Cash used in operating activities	<hr/> (689,216)	<hr/> (5,241,873)
Income taxes paid	(17,986)	(13,615)
Net cash used in operating activities	<hr/> (707,202)	<hr/> (5,255,488)

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

(Incorporated in Malaysia)

CASH FLOW STATEMENT

FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017 (CONTINUED)

	<u>30 Sep 2017</u> RM'000	<u>30 Sep 2016</u> RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(577)	(817)
Net cash used in investing activities	<u>(577)</u>	<u>(817)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(707,779)	(5,256,305)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	5,196,370	8,037,314
CASH AND CASH EQUIVALENT AT END OF FINANCIAL PERIOD	<u><u>4,488,591</u></u>	<u><u>2,781,009</u></u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and short term funds	3,869,639	1,494,681
Amount due from related parties	618,952	1,286,328
	<u><u>4,488,591</u></u>	<u><u>2,781,009</u></u>

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2017

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 2016. 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 2016.

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 2016.

B Auditor's Report on preceding Annual Financial Statements

The auditor's report on the financial statements for the financial year ended 31 December 2016 was not subject to any qualification.

C Seasonality or Cyclical factors

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

D Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Bank for the financial period ended 30 September 2017.

E Change in estimates

There were no changes in estimates of amounts reported in prior financial years that have material effect on the financial results and position of the Bank for the financial period ended 30 September 2017.

F Issuance and repayment of Debts and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial period ended 30 September 2017.

G Dividend

No dividend was paid during the financial period ended 30 September 2017.

H Subsequent events

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

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2017

I Review of Bank's Performance

The Bank's profit before taxation for the financial period to September 2017 amounted to RM52.8 million. Net interest income for the period was RM66.8 million. Major contributor for interest income include inter-bank lending (RM48.6 million) and interest earned from securities (RM43.3 million). Interest income from loans and advances for the period amounted to RM7.9 million. As for interest expense, amount incurred on inter-bank borrowings was RM10.1 million and interest incurred on customer deposits was RM22.9 million.

Income generated from the Bank's treasury activities comprises net gain on foreign exchange trading of RM36.1 million as well as net gain from securities trading of RM13.6 million and net gain on derivatives of RM3.8 million. Inter-company charges, commission and fees earned by the Bank amounted to RM43.8 million.

Total overhead expenditure incurred in the 9 months was RM111.3 million. Staff cost and benefits came up to RM36.3 million while establishment expenses amounted to RM9.0 million. Inter-company fees incurred during the period was RM58.6 million, making up the bulk of general administrative expenses of RM64.8 million.

Performance for year-to-date September 2017 was lower than that of the corresponding period in 2016. In the current period, the profit before taxation was RM52.8 million (YTD September 2016: RM75.9 million). Net interest income for the current period was higher by RM12.9 million while other operating income in the first 9 months of 2017 was RM97.3 million as compared to RM120.9 million in the corresponding period in 2016. The decrease was mainly due to a lower net gain in foreign exchange and in securities trading by RM34.5 and RM17.0 million respectively. These were offset by higher other operating income of RM9.7 million and a net gain of RM3.8 million in derivatives trading versus a loss of RM15.6 million recorded during the same period in 2016. Other operating expenses came up to RM111.3 million as compared with RM98.9 million incurred during the corresponding period of 2016. The increase of RM12.4 million was mainly attributed to increase in personnel costs by RM3.4 million as well as increase in administration and general expenses by RM7.7 million.

J Business outlook for 2017

The macro-economic environment remains challenging in 2017 due to the continued volatility in currencies and asset value. Despite these conditions, we remain optimistic that the economic environment will stabilize and the economy will continue to grow. J.P. Morgan will remain focused on the quality and stability of our earnings by investing in transaction services, trade and wholesale banking businesses while also enhancing flow business.

J.P. Morgan's target clients, which consists of multi-national corporations, large domestic corporates, financial institutions and non-bank financial institutions, benefit from our significant competitive advantage in terms of our broad mix and global network. Both elements ensure we can effectively service clients that have both domestic and international presence.

With the J.P. Morgan's strong capitalization, fortress balance sheet and proven track record in meeting the needs of our clients with exceptional products, innovative solutions and best in class advice, our revenue will continue to grow. In addition, J.P. Morgan's Corporate and Investment Bank's international business are important components of J.P. Morgan's overall global strategy and remain a significant focus of the firm. They will also continue to contribute positively to our growth aspirations.

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

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2017

	<u>30 Sep 2017</u> RM '000	<u>31 Dec 2016</u> RM '000
a) Cash and short-term funds		
Cash and balances with banks and other financial institutions	27,976	31,646
Money at call and deposit placements maturing within one month	<u>3,841,663</u>	<u>3,887,347</u>
	<u>3,869,639</u>	<u>3,918,993</u>
b) Financial assets held for trading		
<u>Money market instruments</u>		
Malaysian Government Securities	639,802	362,321
Bank Negara Malaysia bills	-	145,810
Malaysian Treasury bills	99,438	5,805
Malaysian Government Investment Issuance	114,190	75,957
<u>Unquoted securities</u>		
Private debt securities	<u>100,561</u>	<u>396,398</u>
	<u>953,991</u>	<u>986,291</u>
c) Financial assets available-for-sale		
<u>Money market instruments</u>		
Malaysian Government Securities	<u>141,961</u>	<u>140,963</u>

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

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2017

	30 Sep 2017 RM '000	31 Dec 2016 RM '000
d) Loans and advances		
i) Loans and advances analysed by type of loan are as follows:		
Overdrafts	18,311	46,478
Housing loans	676	758
Staff loans	756	949
Revolving credits	191,084	511,053
Trade finance	156,607	60,122
	<u>367,434</u>	<u>619,360</u>
Less: Allowance for losses on loans and advances:		
- Individual assessment	(57)	(45)
- Collective assessment	(2,190)	(1,053)
Total net loans and advances	<u>365,187</u>	<u>618,262</u>
ii) The maturity structure of loans and advances are as follows:		
Maturity within		
- one year	366,020	617,722
- one year to three years	160	209
- three years to five years	120	104
- over five years	1,134	1,325
	<u>367,434</u>	<u>619,360</u>
iii) Loans and advances analysed by type of customers are as follows:		
Domestic business enterprises		
- Others	335,043	571,005
Individuals	1,432	1,707
Foreign entities	30,959	46,648
	<u>367,434</u>	<u>619,360</u>

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2017

	30 Sep 2017 RM '000	31 Dec 2016 RM '000
d) Loans and advances (continued)		
iv) Loans and advances analysed by interest sensitivity are as follows:		
Fixed rate		
- Housing loans	1,432	1,675
- Other fixed rate loans	-	32
Variable rate		
- Cost-plus	366,002	617,653
	<u>367,434</u>	<u>619,360</u>
v) Loans and advances analysed by their economic purpose are as follows:		
Purchase of landed properties	1,432	1,675
Purchase of transport vehicles	-	30
Personal use	-	2
Working capital	366,002	617,653
	<u>367,434</u>	<u>619,360</u>
vi) Loans and advances analysed by their geographical distribution are as follows:		
In Malaysia	336,475	572,712
Other countries	30,959	46,648
	<u>367,434</u>	<u>619,360</u>
vii) Impaired loans		
a) Movement in impaired loans and advances are as follows:		
At 1 January	123	171
Classified as impaired during the financial period/year	44	56
Reclassified as performing during the financial period/year	(53)	(91)
Amount recovered	(9)	(13)
At end of financial period/year	105	123
Individual assessment allowance	(57)	(45)
Net impaired loans and advances	<u>48</u>	<u>78</u>
Ratio of net impaired loans and advances to net loans and advances	<u>0.01%</u>	<u>0.01%</u>

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2017

	30 Sep 2017 RM '000	31 Dec 2016 RM '000
d) Loans and advances (continued)		
vii) Impaired loans (continued)		
b) Movement in allowance for impaired loans and advances are as follows:		
<u>Individual assessment allowance</u>		
At 1 January	45	48
Allowance made/(written back) during the financial period/year	12	(3)
Balance at end of financial period/year	<u>57</u>	<u>45</u>
<u>Collective assessment allowance</u>		
At 1 January	1,053	1,603
Allowance made/(written back) during the financial period/year	1,137	(550)
Balance at end of financial period/year	<u>2,190</u>	<u>1,053</u>
Collective assessment allowance (inclusive of regulatory reserve) as % of gross loans and advances, net of individual assessment allowance	<u>1.20%</u>	<u>1.20%</u>
c) Impaired loans analysed by their economic purpose are as follows:		
Purchase of landed property	<u>105</u>	<u>123</u>
d) Impaired loans analysed by their geographical distribution are as follows:		
In Malaysia	<u>105</u>	<u>123</u>
e) Other assets		
Other receivables	109,771	253,294
Deposits and prepayments	<u>13,480</u>	<u>20,297</u>
	<u>123,251</u>	<u>273,591</u>

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2017

	30 Sep 2017 RM '000	31 Dec 2016 RM '000
f) Deposits from customers		
i) Deposits from customers analysed by type of deposits are as follows:		
Demand deposits	3,936,927	5,438,611
Fixed deposits	<u>30,805</u>	<u>18,579</u>
	<u><u>3,967,732</u></u>	<u><u>5,457,190</u></u>
Maturity structure of fixed deposits are as follows:		
Due within six months	<u><u>30,805</u></u>	<u><u>18,579</u></u>
ii) Deposits from customers analysed by type of customers are as follows:		
Business enterprises	3,967,493	5,456,896
Others	<u>239</u>	<u>294</u>
	<u><u>3,967,732</u></u>	<u><u>5,457,190</u></u>
g) Deposits and placements of banks and other financial institutions		
Licensed banks	212,968	236,171
Other financial institutions	<u>2,059</u>	<u>4,139</u>
	<u><u>215,027</u></u>	<u><u>240,310</u></u>
h) Other liabilities		
Other payables	168,196	373,817
Accruals and charges	<u>8,645</u>	<u>13,965</u>
	<u><u>176,841</u></u>	<u><u>387,782</u></u>

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2017

	<u>30 Sep 2017</u> (Quarter 3 2017) RM '000	<u>30 Sep 2016</u> (Quarter 3 2016) RM '000
i) Interest income		
Loans and advances		
- Interest income other than recoveries from impaired loans	7,973	7,409
- Recoveries from impaired loans	4	6
Money at call and placements with financial institutions	48,524	119,287
Financial assets		
- Held for trading	39,719	5,523
- Available-for-sale	3,613	3,613
	<u>99,833</u>	<u>135,838</u>
j) Interest expense		
Deposits from customers	22,929	18,514
Deposits and placements of banks and other financial institutions	10,146	63,456
	<u>33,075</u>	<u>81,970</u>
k) Other operating income		
Fee income:		
Service charges and fees	3,397	4,562
Guarantee fees	2,649	2,597
	<u>6,046</u>	<u>7,159</u>
Net income from securities:		
Net gain from sale of financial assets held for trading	16,088	29,382
Unrealised (loss)/gain from revaluation of financial assets held for trading	(2,483)	1,227
Derivatives:		
Net (loss)/gain from trading of derivatives	(2,836)	(26,677)
Unrealised gain from revaluation of derivatives	6,600	11,074
Other income:		
Foreign exchange gain	36,054	70,534
Other operating income	37,779	28,146
Loss on disposal of fixed assets	-	(14)
Other non-operating income	76	79
	<u>97,324</u>	<u>120,910</u>

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2017

	<u>30 Sep 2017</u> (Quarter 3 2017) RM '000	<u>30 Sep 2016</u> (Quarter 3 2016) RM '000
l) Other operating expenses		
Personnel expenses	36,296	32,870
Establishment expenses	9,048	8,081
Marketing expenses	1,124	808
General administrative expenses	<u>64,792</u>	<u>57,103</u>
	<u>111,260</u>	<u>98,862</u>
m) Allowance for losses on loans and advances:		
(a) Individual assessment allowance - (Made)/written back	(12)	1
(b) Collective assessment allowance - (Made)/written back	(1,137)	965
Bad debts on loans and advances		
- Recovered	-	1
- Written off	-	(17)
	<u>(1,149)</u>	<u>950</u>

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2017

n) Capital adequacy

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

i) The capital adequacy ratios of the Bank are as follows:

	<u>30 Sep 2017</u>	<u>31 Dec 2016</u>
	RM '000	RM '000
Tier-I capital		
Paid-up share capital	85,500	85,500
Share premium	42,000	42,000
Retained earnings	734,627	734,627
Fair value reserve - available-for-sale securities	(44)	252
Option reserve	15,914	15,914
Statutory reserve	<u>97,778</u>	<u>97,778</u>
	975,775	976,071
Deferred tax assets	(2,403)	(2,403)
Available-for-sale securities	<u>-</u>	<u>(138)</u>
Total Tier I capital	<u>973,372</u>	<u>973,530</u>
Tier-II capital		
Regulatory reserve	2,219	6,379
Collective assessment allowance	<u>2,190</u>	<u>1,053</u>
Total Tier-II capital	<u>4,409</u>	<u>7,432</u>
Total capital	<u><u>977,781</u></u>	<u><u>980,962</u></u>
Common Equity Tier 1 capital ratio	23.891%	19.842%
Tier 1 capital ratio	23.891%	19.842%
Total capital ratio	23.999%	19.993%

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

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2017
n) Capital adequacy (continued)
ii) Total risk weighted assets and capital requirements as at 30 September 2017 and 31 December 2016

Exposure class	30 September 2017				31 December 2016			
	Gross	Net	Risk	Capital	Gross	Net	Risk	Capital
	exposures	exposures	weighted	requirements	exposures	exposures	weighted	requirements
	RM'000	RM'000	assets	RM'000	RM'000	RM'000	assets	RM'000
(a) Credit risk								
On-balance sheet exposures								
Sovereigns/central banks	4,122,863	4,122,863	185,844	14,868	4,523,241	4,523,241	89,732	7,179
Banks	723,953	723,953	153,917	12,313	1,069,456	1,069,456	213,891	17,111
Insurance companies, securities firms and fund managers	43,892	43,892	21,970	1,758	622,541	622,541	314,902	25,192
Corporates	366,002	366,002	366,002	29,280	619,312	619,312	618,570	49,486
Residential mortgages	1,322	1,322	507	41	1,229	1,229	434	35
Higher risk assets	4	4	6	-	17	17	26	2
Other assets	20,626	20,626	20,168	1,613	27,989	27,989	27,357	2,189
Defaulted exposures	105	105	105	8	123	123	123	10
Total on-balance sheet exposures	<u>5,278,767</u>	<u>5,278,767</u>	<u>748,519</u>	<u>59,883</u>	<u>6,863,908</u>	<u>6,863,908</u>	<u>1,265,035</u>	<u>101,204</u>
Off-balance sheet exposures								
over-the-counter ('OTC') derivatives	2,259,276	2,259,276	848,866	67,909	2,717,421	2,717,421	1,266,361	101,309
Off-balance sheet exposures other than OTC derivatives	417,733	417,733	403,442	32,275	396,105	396,105	381,145	30,492
Total off-balance sheet exposures	<u>2,677,009</u>	<u>2,677,009</u>	<u>1,252,308</u>	<u>100,184</u>	<u>3,113,526</u>	<u>3,113,526</u>	<u>1,647,506</u>	<u>131,801</u>
Total on and off-balance sheet exposures	<u>7,955,776</u>	<u>7,955,776</u>	<u>2,000,827</u>	<u>160,066</u>	<u>9,977,434</u>	<u>9,977,434</u>	<u>2,912,541</u>	<u>233,005</u>
(b) Market risk								
	<u>Long</u>	<u>Short</u>			<u>Long</u>	<u>Short</u>		
	<u>position</u>	<u>position</u>			<u>position</u>	<u>position</u>		
Interest rate risk	85,263,490	84,177,386	1,322,217	105,778	81,390,360	81,613,133	1,453,306	116,265
Equity position risk			938	75			1,000	80
Foreign currency risk	12,195	52,760	52,763	4,221	6,214	11	6,213	497
Option risk			281,938	22,555			150,900	12,072
(c) Operational risk								
			415,559	33,245			382,539	30,603
Total risk weighted assets and capital requirements			<u>4,074,242</u>	<u>325,940</u>			<u>4,906,499</u>	<u>392,522</u>

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2017

o) Commitments and contingencies

	30 September 2017			31 December 2016		
	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	312,600	312,600	301,833	298,477	298,477	287,625
Transaction-related contingent items	39,983	19,991	16,468	55,796	27,898	23,791
Short-term self-liquidating trade related contingencies	33,993	6,799	6,799	125,042	25,008	25,008
Foreign exchange related contracts:						
- less than one year	19,621,012	519,329	270,697	18,985,033	948,484	597,791
- one year to less than five years	1,876,303	214,201	74,307	2,596,930	338,171	148,128
- more than five years	1,062,127	185,757	44,247	1,038,420	205,961	51,392
Interest rate related contracts:						
- less than one year	9,263,916	43,170	19,895	7,119,002	36,408	14,912
- one year to less than five years	27,768,964	923,954	294,081	27,298,029	853,890	315,059
- more than five years	2,239,123	160,465	60,704	1,466,299	122,397	49,329
Credit derivatives contracts						
- one year to less than five years	-	-	-	282,082	55,394	21,811
Equity related contracts						
- less than one year	1,642,369	165,617	61,296	903,647	90,326	37,950
- one year to less than five years	263,702	46,783	23,638	373,558	66,390	29,988
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	156,685	78,343	78,343	89,444	44,722	44,722
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	1,270,714	-	-	1,135,614	-	-
	<u>65,551,491</u>	<u>2,677,009</u>	<u>1,252,308</u>	<u>61,767,373</u>	<u>3,113,526</u>	<u>1,647,506</u>

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