

Registration No.

199401030666 (316347-D)

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

BASEL 2 PILLAR 3 DISCLOSURES

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

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Registration No.

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J.P. MORGAN CHASE BANK BERHAD

(Incorporated in Malaysia)

BASEL 2 PILLAR 3 DISCLOSURES

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

1 CAPITAL STRUCTURE AND 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:

	<u>30.06.2024</u>	<u>31.12.2023</u>
	RM'000	RM'000
<u>Tier-I capital</u>		
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>
<u>Tier-II capital</u>		
Regulatory reserve	15,366	-
ECL not credit impaired	5,157	16,949
Total Tier II capital	<u>20,523</u>	<u>16,949</u>
Total capital	<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	<u>28.591%</u>	<u>27.492%</u>

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

1 CAPITAL STRUCTURE AND ADEQUACY (CONTINUED)

Total risk weighted assets and capital requirements as at 30 June 2024:

<u>Exposure Class</u>	<u>Gross exposures</u> RM'000	<u>Net exposures</u> RM'000	<u>Risk weighted assets</u> RM'000	<u>Capital requirements</u> RM'000
(a) <u>Credit Risk</u>				
On-balance sheet exposures				
Sovereigns/central banks	10,219,914	9,816,388	-	-
Banks	14,912,954	1,173,082	234,648	18,773
Insurance companies, securities firms and fund managers	857,348	782,935	258,870	20,710
Corporates	660,237	660,237	660,084	52,807
Regulatory retail	321	321	321	26
Residential mortgages	230	230	102	8
Other assets	39,261	39,261	32,983	2,639
Defaulted exposures	128	128	64	5
Total on-balance sheet exposures	26,690,393	12,472,582	1,187,072	94,968
Off-balance sheet exposures				
Over-the-counter ('OTC') derivatives	4,455,572	4,455,572	1,870,460	149,637
Off balance sheet exposures other than OTC derivatives	190,751	190,751	182,291	14,583
Total off-balance sheet exposures	4,646,323	4,646,323	2,052,751	164,220
Total on and off-balance sheet exposures	31,336,716	17,118,905	3,239,823	259,188
	<u>Long position</u>	<u>Short position</u>		
(b) <u>Market Risk</u>				
Interest rate risk	192,297,126	186,471,647	3,303,111	264,249
Foreign currency risk	16,131	214,427	214,427	17,154
Options risk			183,250	14,660
(c) <u>Operational Risk</u>			913,168	73,053
Total risk weighted assets and capital requirements			7,853,779	628,304

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

1 CAPITAL STRUCTURE AND ADEQUACY (CONTINUED)

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

<u>Exposure Class</u>	<u>Gross exposures</u> RM'000	<u>Net exposures</u> RM'000	<u>Risk weighted assets</u> RM'000	<u>Capital requirements</u> RM'000
(a) <u>Credit Risk</u>				
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
	<u>Long position</u>	<u>Short position</u>		
(b) <u>Market Risk</u>				
Interest rate risk	152,937,639	149,022,369	3,687,568	295,006
Foreign currency risk	114,824	2	114,825	9,186
Option risk			213,931	17,114
(c) <u>Operational Risk</u>			815,400	65,232
Total risk weighted assets and capital requirements			8,137,622	651,010

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

2 CREDIT RISK

2.1 Distribution of Credit Exposures

(i) Geographical Distribution

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).

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

2 CREDIT RISK (CONTINUED)

2.1 Distribution of Credit Exposures (continued)

(i) Geographical Distribution (continued)

30.06.2024

	Short-term funds and placements	Securities purchased under resale agreement	Financial assets held at fair value through profit and loss	Derivative financial instruments	Financial assets held at fair value through other comprehensive income	Loans and advances	Amount due from related parties	Other assets*	On balance sheet total	Commitments and contingencies
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Malaysia	9,561,823	14,203,752	999,329	626,974	334,248	660,182	11	39,740	26,426,059	3,065,798
United Kingdom	-	-	-	185,804	-	-	148,077	42,801	376,682	917,091
USA	-	-	-	34,897	-	307	798,931	12,181	846,316	243,694
Hong Kong	-	-	-	2,690	-	-	3,563	-	6,253	35,872
Singapore	3,912	-	-	81,789	-	359	519	127,694	214,273	322,753
Others	68,101	-	-	27,448	-	-	67,296	11	162,856	61,115
	<u>9,633,836</u>	<u>14,203,752</u>	<u>999,329</u>	<u>959,602</u>	<u>334,248</u>	<u>660,848</u>	<u>1,018,397</u>	<u>222,427</u>	<u>28,032,439</u>	<u>4,646,323</u>
Assets not subject to credit risk	394	-	7,356	-	-	(3,918)	-	10,607	14,439	-
	<u>9,634,230</u>	<u>14,203,752</u>	<u>1,006,685</u>	<u>959,602</u>	<u>334,248</u>	<u>656,930</u>	<u>1,018,397</u>	<u>233,034</u>	<u>28,046,878</u>	<u>4,646,323</u>

*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.

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2 CREDIT RISK (CONTINUED)

2.1 Distribution of Credit Exposures (continued)

(i) Geographical Distribution (continued)

31.12.2023

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

*Other assets include statutory deposits with Bank Negara Malaysia, deferred tax assets, right-of-use assets, fixed assets and other assets.

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2 CREDIT RISK (CONTINUED)

2.1 Distribution of Credit Exposures (continued)

(ii) Industry Distribution

Credit risk exposure analysed by industry sectors 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).

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2 CREDIT RISK (CONTINUED)

2.1 Distribution of Credit Exposures (continued)

(ii) Industry Distribution (continued)

30.06.2024

	<u>Short-term funds and placements</u>	<u>Securities purchased under resale agreement</u>	<u>Financial assets held at fair value through profit and loss</u>	<u>Derivative financial instruments</u>	<u>Financial assets held at fair value through other comprehensive income</u>	<u>Loans and advances</u>	<u>Amount due from related parties</u>	<u>Other assets*</u>	<u>On balance sheet total</u>	<u>Commitments and contingencies</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Manufacturing	-	-	-	46,665	-	415,766	-	672	463,103	259,488
Wholesale and retail	-	-	-	42,053	-	161,581	-	100	203,734	238,985
Finance, insurance and business services	165,208	13,799,839	-	817,132	-	47,082	1,018,397	210,774	16,058,432	3,811,439
Government and Government Agencies	9,468,628	403,913	999,329	32,132	334,248	-	-	-	11,238,250	239,501
Electricity, gas and water	-	-	-	4,031	-	-	-	-	4,031	11,701
Mining and Quarrying	-	-	-	3,145	-	7,837	-	-	10,982	-
Information and Communication	-	-	-	-	-	308	-	3	311	-
Accommodation and food service activities	-	-	-	-	-	27,555	-	-	27,555	-

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2 CREDIT RISK (CONTINUED)

2.1 Distribution of Credit Exposures (continued)

(ii) Industry Distribution (continued)

30.06.2024

	Short-term funds and placements	Securities purchased under resale agreement	Financial assets held at fair value through profit and loss	Derivative financial instruments	Financial assets held at fair value through other comprehensive income	Loans and advances	Amount due from related parties	Other assets*	On balance sheet total	Commitments and contingencies
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Individual/Purchase of landed property										
- residential	-	-	-	-	-	719	-	-	719	21
Others	-	-	-	14,444	-	-	-	10,878	25,322	85,188
	9,633,836	14,203,752	999,329	959,602	334,248	660,848	1,018,397	222,427	28,032,439	4,646,323
Assets not subject to credit risk	394	-	7,356	-	-	(3,918)	-	10,607	14,439	-
	9,634,230	14,203,752	1,006,685	959,602	334,248	656,930	1,018,397	233,034	28,046,878	4,646,323

* Other assets include deferred tax assets, fixed assets, right-of-use assets, statutory deposits with Bank Negara Malaysia and other assets.

Risk concentrations for commitments and contingencies are based on the credit equivalent balances.

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2 CREDIT RISK (CONTINUED)

2.1 Distribution of Credit Exposures (continued)

(ii) Industry Distribution (continued)

31.12.2023

	Short-term funds and placements	Securities purchased under resale agreement	Financial assets held at fair value through profit and loss	Derivative financial instruments	Financial assets held at fair value through other comprehensive income	Loans and advances	Amount due from related parties	Other assets*	On balance sheet total	Commitments and contingencies
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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	-

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2 CREDIT RISK (CONTINUED)

2.1 Distribution of Credit Exposures (continued)

(ii) Industry Distribution (continued)

31.12.2023

	Short-term funds and placements	Securities purchased under resale agreement	Financial assets held at fair value through profit and loss	Derivative financial instruments	Financial assets held at fair value through other comprehensive income	Loans and advances	Amount due from related parties	Other assets*	On balance sheet total	Commitments and contingencies
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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, fixed assets, right-of-use assets, statutory deposits with Bank Negara Malaysia and other assets.

Risk concentrations for commitments and contingencies are based on the credit equivalent balances.

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

2 CREDIT RISK (CONTINUED)

2.1 Distribution of Credit Exposures (continued)

(iii) Residual Contractual Maturity

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

	Less than <u>1 year</u> RM'000	1 – 5 <u>years</u> RM'000	Over 5 <u>years</u> RM'000	<u>Total</u> RM'000
<u>30.06.2024</u>				
<i>On-balance sheet exposures</i>				
Cash and short-term funds	9,634,230	-	-	9,634,230
Securities purchased under resale agreement	14,203,752	-	-	14,203,752
Financial assets held at fair value through profit and loss ("FVTPL")	104,891	511,889	389,905	1,006,685
Derivative financial instruments	389,405	493,939	76,258	959,602
Financial assets held at fair value through other comprehensive income ("FVOCI")	334,248	-	-	334,248
Loans and advances	656,415	194	321	656,930
Amount due from related parties	1,018,397	-	-	1,018,397
Other Assets*	233,034	-	-	233,034
	<hr/>	<hr/>	<hr/>	<hr/>
Total on-balance sheet exposures	26,574,372	1,006,022	466,484	28,046,878
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Off-balance sheet exposures</i>				
Over-the-counter ('OTC') derivatives	1,700,233	2,255,150	500,189	4,455,572
Off balance sheet exposures other than OTC derivatives	176,692	14,059	-	190,751
	<hr/>	<hr/>	<hr/>	<hr/>
Total off-balance sheet exposures	1,876,925	2,269,209	500,189	4,646,323
	<hr/>	<hr/>	<hr/>	<hr/>
Total on and off-balance sheet exposure	<u>28,451,297</u>	<u>3,275,231</u>	<u>966,673</u>	<u>32,693,201</u>

*Other assets include statutory deposits with Bank Negara Malaysia, deferred tax assets, right-of-use assets, fixed assets and other assets.

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2 CREDIT RISK (CONTINUED)

2.1 Distribution of Credit Exposures (continued)

(iii) Residual Contractual Maturity (continued)

	Less than <u>1 year</u> RM'000	1 – 5 <u>years</u> RM'000	Over 5 <u>years</u> RM'000	<u>Total</u> RM'000
<u>31.12.2023</u>				
<i>On-balance sheet exposures</i>				
Cash and short-term funds	15,515,001	-	-	15,515,001
Securities purchased under resale agreement	10,810,789	-	-	10,810,789
Financial assets held at fair value through profit and loss ("FVTPL")	200,593	439,300	556,772	1,196,665
Derivative financial instruments	447,767	497,163	64,915	1,009,845
Financial assets held at fair value through other comprehensive income ("FVOCI")	137,604	-	-	137,604
Loans and advances	555,225	135	415	555,775
Amount due from related parties	353,623	-	-	353,623
Other Assets*	367,024	-	-	367,024
	<hr/>	<hr/>	<hr/>	<hr/>
Total on-balance sheet exposures	28,387,626	936,598	622,102	29,946,326
<i>Off-balance sheet exposures</i>				
Over-the-counter ("OTC") derivatives	1,248,035	2,005,193	382,134	3,635,362
Off balance sheet exposures other than OTC derivatives	214,967	67,443	-	282,410
	<hr/>	<hr/>	<hr/>	<hr/>
Total off-balance sheet exposures	1,463,002	2,072,636	382,134	3,917,772
	<hr/>	<hr/>	<hr/>	<hr/>
Total on and off-balance sheet exposure	29,850,628	3,009,234	1,004,236	33,864,098
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

*Other assets include statutory deposits with Bank Negara Malaysia, deferred tax assets, right-of-use assets, fixed assets and other assets.

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

2 CREDIT RISK (CONTINUED)

2.2 Past Due and Impaired Loans and Advances

(i) Industry Distribution

The sectoral analysis of past due and impaired loans and advances and the ECL allowance by sectors are set out in the following table:

	Stage 2 credit not impaired loans and advances RM'000	Stage 3 credit impaired loans and advances RM'000	ECL credit impaired allowance RM'000	ECL not credit impaired allowance RM'000	ECL credit impaired written-back during the year RM'000	Write offs during the year RM'000
<u>30 Jun 2024</u>						
Individual/Purchase of landed property - residential	-	168	40	-	(14)	-
	<u>-</u>	<u>168</u>	<u>40</u>	<u>-</u>	<u>(14)</u>	<u>-</u>
<u>31 Dec 2023</u>						
Individual/Purchase of landed property - residential	-	222	54	-	8	-
	<u>-</u>	<u>222</u>	<u>54</u>	<u>-</u>	<u>8</u>	<u>-</u>

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

2 CREDIT RISK (CONTINUED)

2.2 Past Due and Impaired Loans and Advances (continued)

(ii) Geographical Distribution

The geographical analysis of past due and impaired loans and advances and the ECL allowance are set out in the following table:

	Stage 2 credit not impaired loans and advances RM'000	Stage 3 credit impaired loans and advances RM'000	ECL credit impaired allowance RM'000	ECL not credit impaired allowance RM'000
<u>30 Jun 2024</u>				
Malaysia	-	168	40	-
	=====	=====	=====	=====
	Stage 2 credit not impaired loans and advances RM'000	Stage 3 credit impaired loans and advances RM'000	ECL credit impaired allowance RM'000	ECL not credit impaired allowance RM'000
<u>31 Dec 2023</u>				
Malaysia	-	222	54	-
	=====	=====	=====	=====

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J.P. MORGAN CHASE BANK BERHAD

(Incorporated in Malaysia)

BASEL 2 PILLAR 3 DISCLOSURES

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

2 CREDIT RISK (CONTINUED)

2.2 Past Due and Impaired Loans and Advances (continued)

(iii) Movement in expected credit losses for loans and advances

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	
	12 months ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
As at 1 January 2024	10,654	4,730	54	15,438
Loans derecognised or repaid	(629)	(14)	(9)	(652)
New originated or purchased	2	-	-	2
Changes due to change in credit risk	(6,985)	(3,884)	(1)	(10,870)
Transfer:				-
Transfer from Stage 1 to Stage 2	(264)	264	-	-
Transfer from Stage 2 to Stage 3	-	(9)	9	-
Transfer from Stage 3 to Stage 2	-	13	(13)	-
As at 30 June 2024	<u>2,778</u>	<u>1,100</u>	<u>40</u>	<u>3,918</u>

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	
	12 months ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
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:				-
Transfers from Stage 2 to Stage 3	-	(17)	17	-
Transfers from Stage 3 to Stage 2	-	5	(5)	-
As at 31 December 2023	<u>10,654</u>	<u>4,730</u>	<u>54</u>	<u>15,438</u>

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BASEL 2 PILLAR 3 DISCLOSURES

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

2 CREDIT RISK (CONTINUED)

2.3 Credit Risk Exposures under Standardised Approach

The Bank applies external ratings assigned by recognised External Credit Assessment Institutions (“ECAIs”) in determining risk weight for credit exposure classes and are recognised by BNM in RWCAF. The Bank uses ratings assigned by Standard & Poor’s (“S&P”), Moody’s Investors Service (“Moody’s”) and Fitch Ratings (“Fitch”).

The following tables set out the credit exposures by risk weights and after credit risk mitigation (CRM):

Risk weight as at 30 June 2024 for credit risk exposures :

<u>Weighted</u>	<u>Sovereigns & Central bank</u> RM'000	<u>PSE</u> RM'000	<u>Banks</u> RM'000	<u>Insurance companies, securities firms and funds managers</u> RM'000	<u>Corporates</u> RM'000	<u>Regulatory Retail</u> RM'000	<u>Residential mortgages</u> RM'000	<u>Other assets</u> RM'000	<u>Total exposures after CRM</u> RM'000	<u>Total risk weighted assets</u> RM'000
0%	9,816,388	-	-	-	-	-	-	396	9,816,785	-
20%	101,224	138,277	2,686,169	849,231	-	-	-	7,353	3,782,254	756,451
35%	-	-	-	-	-	-	88	-	88	31
50%	-	-	2,063,051	416	9,141	-	270	-	2,072,878	1,036,441
100%	-	-	-	165,987	1,249,079	321	-	31,513	1,446,900	1,446,900
Total	<u>9,917,613</u>	<u>138,277</u>	<u>4,749,220</u>	<u>1,015,634</u>	<u>1,258,220</u>	<u>321</u>	<u>359</u>	<u>39,262</u>	<u>17,118,905</u>	<u>3,239,823</u>

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

2 CREDIT RISK (CONTINUED)

2.3 Credit Risk Exposures under Standardised Approach (continued)

Risk weight as at 31 December 2023 for credit risk exposures:

<u>Weighted</u>	<u>Sovereigns & Central bank</u> RM'000	<u>PSE</u> RM'000	<u>Banks</u> RM'000	<u>Insurance companies, securities firms and funds managers</u> RM'000	<u>Corporates</u> RM'000	<u>Regulatory Retail</u> RM'000	<u>Residential mortgages</u> RM'000	<u>Other assets</u> RM'000	<u>Total exposures after CRM</u> RM'000	<u>Total risk weighted assets</u> RM'000
0%	13,102,998	-	-	-	-	-	-	399	13,103,397	-
20%	2,294,725	117,505	2,116,673	1,031,720	-	-	-	7,596	5,568,219	1,113,644
35%	-	-	-	-	-	-	157	-	157	55
50%	-	-	1,734,192	423	12,543	-	280	-	1,747,438	873,719
100%	-	-	-	222,385	1,071,397	331	34	24,333	1,318,480	1,318,480
Total	15,397,723	117,505	3,850,865	1,254,528	1,083,940	331	471	32,328	21,737,691	3,305,898

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

2 CREDIT RISK (CONTINUED)

2.3 Credit Risk Exposures under Standardised Approach (continued)

The following tables set out the rated exposures according to rating by ECAls:

(i) Ratings of corporate by approved ECAls

	Moody	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B1 to C	Unrated
	S & P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	RAM	AAA to AA3	A1 to A-	BBB1 to BB3	B to D	Unrated
	<u>MARC</u>	<u>AAA to AA-</u>	<u>A+ to A-</u>	<u>BBB+ to BB-</u>	<u>B+ to D</u>	<u>Unrated</u>
<u>Exposure class</u>		RM'000	RM'000	RM'000	RM'000	RM'000

30.06.2024

On and Off:

Balance Sheet

Exposures

Public Sector Entities	-	-	-	138,277	-	-
Insurance companies, securities firms and fund managers	840,989	136,376	-	38,243	-	26
Corporates	1,951	493,919	-	544,441	217,908	1
	<u>842,940</u>	<u>630,295</u>	<u>-</u>	<u>720,961</u>	<u>217,908</u>	<u>27</u>

31.12.2023

On and Off:

Balance Sheet

Exposures

Public Sector Entities	-	-	-	117,505	-	-
Insurance companies, securities firms and fund managers	1,107,772	111,106	-	34,673	-	976
Corporates	3,801	222,142	-	705,884	152,109	4
	<u>1,111,573</u>	<u>333,248</u>	<u>-</u>	<u>858,062</u>	<u>152,109</u>	<u>980</u>

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BASEL 2 PILLAR 3 DISCLOSURES

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

2 CREDIT RISK (CONTINUED)

2.3 Credit Risk Exposures under Standardised Approach (continued)

(ii) Ratings of Sovereigns/Central Banks and Banking Institutions by approved ECAs

	Moody	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B1 to C	Unrated
	S & P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	RAM	AAA to AA3	A1 to A-	BBB1 to BB3	B to D	Unrated
	<u>MARC</u>	<u>AAA to AA-</u>	<u>A+ to A-</u>	<u>BBB+ to BB-</u>	<u>B+ to D</u>	<u>Unrated</u>
<u>Exposure class</u>		RM'000	RM'000	RM'000	RM'000	RM'000

30.06.2024

On and Off:

Balance Sheet

Exposures

Sovereigns/Central

Banks	-	9,917,613	-	-	-
Banks	66,401	4,419,085	263,633	101	-
	<u>66,401</u>	<u>14,336,698</u>	<u>263,633</u>	<u>101</u>	<u>-</u>

31.12.2023

On and Off:

Balance Sheet

Exposures

Sovereigns/Central

Banks	-	15,397,723	-	-	-
Banks	1,354,487	2,220,385	275,932	61	-
	<u>1,354,487</u>	<u>17,618,108</u>	<u>275,932</u>	<u>61</u>	<u>-</u>

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

2 CREDIT RISK (CONTINUED)

2.4 Credit Risk Mitigation (“CRM”)

The following tables set out the credit exposures that are covered by eligible guarantees and collaterals as allowed under the RWCAF.

<u>30.06.2024</u>	<u>Exposures before CRM RM'000</u>	<u>Exposures covered by guarantees/ credit derivatives RM'000</u>	<u>Exposures covered by eligible financial collateral RM'000</u>	<u>Exposures covered by other eligible collateral RM'000</u>
<u>Exposure Class</u>				
On-balance sheet exposures				
Sovereigns/central banks	10,219,914	-	403,564	-
Banks	14,912,954	-	13,738,531	-
Insurance companies, securities firms and fund managers	857,348	-	80,884	-
Corporates	660,237	-	-	-
Regulatory retail	321	-	-	321
Residential mortgages	230	-	-	230
Other assets	39,261	-	-	-
Defaulted exposures	128	-	-	-
Total on-balance sheet exposures	26,690,393	-	14,222,979	551
Off-balance sheet exposures				
Over-the-counter (“OTC”) derivatives	4,455,573	56,568	225,807	-
Off balance sheet exposures other than OTC derivatives	190,750	-	-	-
Total off-balance sheet exposures	4,646,323	56,568	225,807.15	-
Total on and off-balance sheet exposures	31,336,716	56,568	14,448,786	551

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

2 CREDIT RISK (CONTINUED)

2.4 Credit Risk Mitigation (“CRM”) (continued)

	<u>Exposures before CRM</u> RM'000	<u>Exposures covered by guarantees/ credit derivatives</u> RM'000	<u>Exposures covered by eligible financial collateral</u> RM'000	<u>Exposures covered by other eligible collateral</u> RM'000
<u>31.12.2023</u>				
<u>Exposure Class</u>				
<i>On-balance sheet exposures</i>				
Sovereigns/central banks	15,552,877	-	155,162	-
Banks	11,273,943	-	10,593,199	-
Insurance companies, securities firms and fund managers	1,238,633	-	105,991	-
Corporates	577,513	-	-	-
Regulatory retail	331	-	-	331
Residential mortgages	302	-	-	302
High Risk Assets	-	-	-	-
Other assets	32,328	-	-	-
Defaulted exposures	169	-	-	-
Total on-balance sheet exposures	28,676,096	-	10,854,352	633
<i>Off-balance sheet exposures</i>				
Over-the-counter (“OTC”) derivatives	3,635,362	60,705	275,190	-
Off balance sheet exposures other than OTC derivatives	282,410	-	-	-
Total off-balance sheet exposures	3,917,772	60,705	275,190	-
Total on and off-balance sheet exposures	32,593,868	60,705	11,129,542	633

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

2 CREDIT RISK (CONTINUED)

2.5 Off-Balance Sheet Exposures and Counterparty Credit Risk

The following tables set out the off-balance sheet exposures and counterparty credit risk.

	Principal amount RM'000	Positive fair value of derivative contracts RM'000	Credit equivalent amount* RM'000	Risk weighted amount RM'000
<u>30.06.2024</u>				
Direct credit substitutes	151,218	-	151,218	145,983
Transaction-related contingent items	37,505	-	18,753	15,528
Foreign exchange related contracts:				
- less than one year	84,299,310	289,066	1,459,979	678,120
- one year to less than five years	2,113,255	53,724	209,500	121,157
- more than five years	188,740	4,282	35,141	15,636
Interest rate related contracts:				
- less than one year	23,703,373	53,784	100,235	40,052
- one year to less than five years	60,181,246	394,589	1,842,119	690,209
- more than five years	4,882,127	71,976	465,048	229,151
Equity related contracts				
- less than one year	1,127,517	43,263	127,348	37,684
- one year to less than five years	753,384	39,041	159,634	40,813
Credit related contracts				
- less than one year	70,785	3,292	12,671	6,335
- one year to less than five years	260,080	6,585	43,897	11,303
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year				
	41,559	-	20,780	20,780
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	-	-	-
	<u>179,590,246</u>	<u>959,602</u>	<u>4,646,323</u>	<u>2,052,751</u>

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

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

2 CREDIT RISK (CONTINUED)

2.5 Off-Balance Sheet Exposures and Counterparty Credit Risk (continued)

	Principal amount RM'000	Positive fair value of derivative contracts RM'000	Credit equivalent amount* RM'000	Risk weighted amount RM'000
<u>31.12.2023</u>				
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	332,597	1,007,983	404,323
- one year to less than five years	1,744,021	37,834	174,987	111,513
- more than five years	193,155	7,722	39,365	18,031
Interest rate related contracts:				
- less than one year	25,488,551	47,048	84,093	36,622
- one year to less than five years	55,087,764	450,363	1,765,216	657,328
- more than five years	3,449,158	57,193	342,769	166,181
Equity related contracts				
- less than one year	1,126,918	68,117	153,293	43,922
- one year to less than five years	54,059	743	6,951	2,299
Credit related contracts				
- less than one year	22,938	5	2,666	1,333
- one year to less than five years	348,239	8,223	58,039	18,941
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	-	-	-
	<u>153,205,128</u>	<u>1,009,845</u>	<u>3,917,772</u>	<u>1,733,848</u>

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

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2 CREDIT RISK (CONTINUED)

2.5 Off-Balance Sheet Exposures and Counterparty Credit Risk (continued)

The table below shows the credit derivative contracts for client intermediation activities:

	<u>Principal amount</u> RM'000	<u>Credit equivalent amount</u> RM'000	<u>Risk weighted assets</u> RM'000
<u>30.06.2024</u>			
Credit related contracts			
Credit default swap			
- Protection bought	214,642	35,913	7,311
- Protection sold	116,223	20,655	10,327
	<u>330,865</u>	<u>56,568</u>	<u>17,638</u>
	<u>Principal amount</u> RM'000	<u>Credit equivalent amount</u> RM'000	<u>Risk weighted assets</u> RM'000
<u>31.12.2023</u>			
Credit related contracts			
Credit default swap			
- Protection bought	235,237	34,025	6,934
- Protection sold	135,940	26,680	13,340
	<u>371,177</u>	<u>60,705</u>	<u>20,274</u>

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

3 MARKET RISK

The risk weighted assets and capital requirements for the various categories of risk under Market risk are set out in the following table:

			Risk weighted assets RM'000	Capital requirements RM'000
<u>30.06.2024</u>				
	<u>Long position</u>	<u>Short position</u>		
Interest rate risk	192,297,126	186,471,647	3,303,111	264,249
Foreign currency risk	16,131	214,427	214,427	17,154
Options risk			183,250	14,660
			<u>3,700,788</u>	<u>296,063</u>
<u>31.12.2023</u>				
Interest rate risk	152,937,639	149,022,369	3,687,568	295,006
Foreign currency risk	114,824	2	114,825	9,186
Option risk			213,931	17,114
			<u>4,016,324</u>	<u>321,306</u>

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4 EQUITY EXPOSURES

The following tables present the equity exposures, stated at fair value, in the banking book and the gains and losses on equity exposures in the banking book of the Bank. There is no exposure to quoted equity as at 30 June 2024.

(a) Equity Exposures in the Banking Book

	<u>Gross Credit Exposure</u> RM'000	<u>Risk weighted Asset</u> RM'000
Jun 2024		
Privately Held		
For socio-economic purpose	7,356	1,474
	<u>7,356</u>	<u>1,474</u>
Dec 2023		
Privately Held		
For socio-economic purpose	7,600	1,523
	<u>7,600</u>	<u>1,523</u>

(b) Gains and Losses on Equity Exposures in the Banking Book

	<u>Jun 2024</u> RM'000	<u>Jun 2023</u> RM'000
Unrealised (loss)/gain recognised in profit or loss	(245)	107
	<u>(245)</u>	<u>107</u>

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

5 INTEREST RATE RISK/RATE OF RETURN RISK IN THE BANKING BOOK

The sensitivity of the Bank's positions in banking book to interest rate changes are set out in the following table:

<u>30.06.2024</u>	BCBS Parallel*	
	Up	Down
	RM'000	RM'000
<u>Impact in Earnings</u>		
MYR	71,880	(71,885)
USD	13,288	(14,856)
Other	4,586	(7,882)
	<u>89,754</u>	<u>(94,623)</u>

<u>31.12.2023</u>	BCBS Parallel*	
	Up	Down
	RM'000	RM'000
<u>Impact in Earnings</u>		
MYR	65,568	(65,568)
USD	10,898	(12,854)
Other	2,137	(3,867)
	<u>78,603</u>	<u>(82,289)</u>

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5 INTEREST RATE RISK/RATE OF RETURN RISK IN THE BANKING BOOK (CONTINUED)

The sensitivity of the Bank's positions in banking book to interest rate changes are set out in the following table (continued):

<u>30.06.2024</u>	BCBS Parallel*	
	Up	Down
	RM'000	RM'000
<u>Impact in Economic Value</u>		
MYR	106,787	(131,834)
USD	48,694	(77,896)
Other	5,950	(11,197)
	<u>161,431</u>	<u>(220,927)</u>

<u>31.12.2023</u>	BCBS Parallel*	
	Up	Down
	RM'000	RM'000
<u>Impact in Economic Value</u>		
MYR	125,681	(154,618)
USD	63,386	(105,550)
Other	18,151	(34,926)
	<u>207,218</u>	<u>(295,094)</u>

* Under BCBS Parallel Up and Down scenario, the Bank is applying 200 bps shock for both USD and MYR under Earning at Risk (EaR), while 200 bps shock for USD and 300 bps shock for MYR under Economic Value Sensitivity (EVS).