



BNP PARIBAS

BNP PARIBAS MALAYSIA BERHAD

(Company No. 918091 - T)

Incorporated in Malaysia

**UNAUDITED STATEMENT OF FINANCIAL POSITION
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

1. PERFORMANCE REVIEW

For the third quarter ended 30 September 2019, the Bank recorded a net profit after taxation of RM47.44 million. This was contributed by net interest income of RM79.30 million and non-interest income of RM70.28 million. Operating expenses was RM85.67 million whilst written back of expected credit losses on financial assets of RM0.40 million, resulting in pre-tax profit of RM64.59 million.

2. CURRENT YEAR PROSPECT

The Malaysian Institute of Economic Research (MIER) has forecasted Malaysia's 2019 gross domestic product (GDP) to grow between 4.5% and 4.7%. The lower growth forecast was due to overall slowdown in the global and domestic demand.

Private sector expenditure will remain the key driver of growth, with stable employment and wage growth, supporting private consumption which accounts for approximately 55% of GDP. Private sector is expected to expand with outlays channeled into the services and manufacturing sectors. Malaysia's lower public investment is weighing on growth, most notably post-General Elections whereby the new Government is taking a more prudent approach on new mega-projects.

Meanwhile, the Bank would continue to focus on services which brings the best value to its customers amid a challenging economic environment locally and globally.

3. DIVIDEND

An interim single-tier dividend of 10.00 sen per ordinary shares on 650,000,000 ordinary shares amounting to RM65,000,000 in respect of the current financial period ended 31 December 2019 was paid on 5 September 2019. Such dividend, approved by the shareholder was accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2019.

Company No. 918091-T
BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019

	Note	Bank 30-Sep 2019 RM'000	Bank 31-Dec 2018 RM'000
ASSETS			
Cash and short-term funds	2	2,709,750	2,003,833
Deposits and placements with banks and other financial institutions	3	-	300,110
Reverse repurchase agreements	4	122,711	49,225
Financial assets at fair value through Profit or Loss ("FVTPL")	5	1,038,119	1,734,650
Financial investments at fair value through other comprehensive income ("FVOCI")	6	1,240,137	280,836
Loans, advances and financing	7	968,544	1,168,302
Derivative financial assets		403,022	374,980
Other assets	8	12,034	56,534
Property, plant and equipment	9	3,113	1,730
Intangible assets	10	1,023	1,807
Deferred tax assets		3,624	3,704
TOTAL ASSETS		6,502,077	5,975,711
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits from customers	11	1,656,461	1,969,571
Deposits and placements from banks and other financial institutions	12	3,394,727	2,759,765
Derivative financial liabilities		313,707	230,293
Other liabilities	13	361,626	222,514
Tax liabilities		5,510	3,723
TOTAL LIABILITIES		5,732,031	5,185,866

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 December 2018.

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BNP PARIBAS MALAYSIA BERHAD
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UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019 (CONTD.)

	Note	Bank 30-Sep 2019 RM'000	Bank 31-Dec 2018 RM'000
Share capital	14	650,000	650,000
Retained profits		109,741	124,513
Reserves	15	10,305	15,332
SHAREHOLDER'S EQUITY		<u>770,046</u>	<u>789,845</u>
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		<u>6,502,077</u>	<u>5,975,711</u>
COMMITMENTS AND CONTINGENCIES	23	<u>80,031,027</u>	<u>58,167,877</u>

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 December 2018.

Company No. 918091-T
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UNAUDITED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019

	Note	Bank 30-Sep 2019 RM'000	Bank 30-Sep 2018 RM'000
Interest income	16	106,077	85,691
Interest income for financial asset at FVTPL	16	29,014	32,896
Interest expenses	17	(55,790)	(36,197)
Net interest income		79,301	82,390
Net income from Islamic banking business	24	302	368
		79,603	82,758
Other operating income	18	70,283	30,879
Operating expenses	19	(85,672)	(50,031)
Expected credit losses for impairment on financial asset	20	376	(527)
Profit before tax		64,590	63,079
Taxation		(17,150)	(12,974)
Profit for the financial period		47,440	50,105

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UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019

	Note	Bank 30-Sep 2019 RM'000	Bank 30-Sep 2018 RM'000
Profit for the financial period		<u>47,440</u>	<u>50,105</u>
Other comprehensive income, net of income tax:			
Items that may be reclassified subsequently to profit or loss :			
Revaluation reserve - financial investments at FVOCI :			
Net changes in fair value		<u>(2,013)</u>	<u>209</u>
Other comprehensive income		<u>(2,013)</u>	<u>209</u>
Total comprehensive income for the financial period		<u>45,427</u>	<u>50,314</u>

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UNAUDITED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019

	Bank 30-Sep 2019 RM'000	Bank 30-Sep 2018 RM'000
Cash Flows from/(Used In) Operating Activities		
Profit before tax	64,590	63,079
Adjustments for:		
Depreciation of property, plant and equipment	2,574	408
Amortisation of intangible assets	786	696
Expected credit losses on loans, advances and financing	(376)	527
Amortisation of premium less accretion of discount	2,377	508
Gain from sale on financial assets at FVTPL	-	(7,226)
Realised gain on financial investments at FVOCI	(34)	-
Interest income on financial investments at FVOCI	(25,045)	-
Unrealised gain on derivative financial instrument	(55,061)	(94,192)
Unrealised loss/(gain) on foreign exchange	85,216	(155,750)
Unrealised loss/(gain) on financial assets at FVTPL	2,246	(1,610)
Operating profit before working capital changes	77,273	(193,560)

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UNAUDITED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019 (CONTD.)

	Bank	Bank
	30-Sep	30-Sep
	2019	2018
	RM'000	RM'000
(Increase)/Decrease in:		
Deposits and placements with banks and other financial institutions	300,110	-
Financial assets at FVTPL	694,285	(1,518,594)
Financial investments at FVOCI	-	(240,313)
Loans, advances and financing	200,134	(117,871)
Right of use asset	(3,203)	-
Reverse repurchase agreements	(73,486)	9,240
Other assets	44,500	(62,086)
Increase/(Decrease) in:		
Deposits from customers	(313,110)	1,125,089
Deposits and placements from banks and other financial institutions	634,962	2,098,187
Derivative financial assets/liabilities	25,217	(15,632)
Other liabilities	141,194	188,904
	<u>1,727,876</u>	<u>1,273,364</u>
Net cash generated from operations		
Income taxes paid	(15,283)	(9,454)
	<u>1,712,593</u>	<u>1,263,910</u>
Net cash generated from operating activities		
Cash Flows used in Investing Activities		
Purchase of property, plant and equipment	(981)	(273)
Net proceeds from sales of financial investments at FVOCI	(959,440)	-
Interest income on financial investments at FVOCI	20,828	-
	<u>(939,593)</u>	<u>(273)</u>
Net cash used in investing activities		

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UNAUDITED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019 (CONTD.)

	Bank	Bank
	30-Sep	30-Sep
	2019	2018
	RM'000	RM'000
Cash Flows Used In Financing Activities		
Dividend paid	(65,000)	-
Payment for lease liabilities	(2,083)	-
	<hr/>	<hr/>
Net cash used in financing activities	(67,083)	-
	<hr/>	<hr/>
NET INCREASE IN CASH AND CASH EQUIVALENTS	705,917	1,263,637
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<hr/> 2,003,833	<hr/> 1,299,423
CASH AND CASH EQUIVALENTS AT END OF YEAR	<hr/> 2,709,750	<hr/> 2,563,060
Cash and cash equivalents comprise the following:		
Cash and short-term funds	<hr/> 2,709,750	<hr/> 2,563,060

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 December 2018.

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UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019

	← Non-distributable →				
	Share capital	Regulatory reserves	Revaluation reserve- financial investments at FVOCI	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2019	650,000	15,234	98	124,513	789,845
Effect of adoption MFRS 16	-	-	-	(226)	(226)
At 1 January 2019, as restated	650,000	15,234	98	124,287	789,619
Profit for the quarter ended	-	-	-	47,440	47,440
Transfer to regulatory reserve	-	(3,014)	-	3,014	-
Other comprehensive income	-	-	(2,013)	-	(2,013)
Dividend on ordinary shares	-	-	-	(65,000)	(65,000)
At 30 September 2019	650,000	12,220	(1,915)	109,741	770,046

	← Non-distributable →				
	Share capital	Regulatory reserves	Revaluation reserve- financial investments at FVOCI	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2018	650,000	12,705	12	61,889	724,606
Effect of adoption MFRS 9	-	-	-	(417)	(417)
At 1 January 2018, as restated	650,000	12,705	12	61,472	724,189
Profit for the year	-	-	-	65,570	65,570
Transfer to regulatory reserve	-	2,529	-	(2,529)	-
Other comprehensive income	-	-	86	-	86
At 31 December 2018	650,000	15,234	98	124,513	789,845

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 December 2018.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of the Financial Statements

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

2. CASH AND SHORT-TERM FUNDS

	Bank 30-Sep 2019 RM'000	Bank 31-Dec 2018 RM'000
At Amortised Cost:		
Cash and balances with banks and other financial institutions	102,736	38,610
Money at call and deposit placements maturing within one month	2,607,014	1,965,223
	<u>2,709,750</u>	<u>2,003,833</u>

3. DEPOSITS AND PLACEMENTS WITH BANK AND OTHER FINANCIAL INSTITUTIONS

	Bank 30-Sep 2019 RM'000	Bank 31-Dec 2018 RM'000
Bank Negara Malaysia	<u>-</u>	<u>300,110</u>

4. REVERSE REPURCHASE AGREEMENTS

	Bank 30-Sep 2019 RM'000	Bank 31-Dec 2018 RM'000
At Amortised Cost:		
Government Securities:		
Malaysian Government Securities	82,158	49,225
Malaysian Government Investment Issues	40,553	-
	<u>122,711</u>	<u>49,225</u>

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

	Bank 30-Sep 2019 RM'000	Bank 31-Dec 2018 RM'000
At Fair Value:		
Government Securities:		
Malaysian Government Securities	865,886	1,458,050
Malaysian Government Investment Issues	172,233	276,600
	<u>1,038,119</u>	<u>1,734,650</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019 (CONTD.)
6. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")

	Bank	Bank
	30-Sep	31-Dec
	2019	2018
	RM'000	RM'000
At Fair Value:		
Government securities:		
Malaysian Government Securities	430,197	270,841
Malaysian Government Investment Issues	182,772	-
Bank Negara Malaysia Debt Securities	627,168	9,995
	<u>1,240,137</u>	<u>280,836</u>

7. LOANS, ADVANCES AND FINANCING

	Bank	Bank
	30-Sep	31-Dec
	2019	2018
	RM'000	RM'000
At amortised cost:		
(i) By type		
Revolving credit	577,538	634,581
Term loans	297,878	391,974
Trust receipts	71,971	115,783
Other trade bills discounted	7,633	10,428
Overdrafts	14,402	16,955
	<u>969,422</u>	<u>1,169,721</u>
Less: Expected Credit Losses ("ECL")	(878)	(1,419)
Net loans, advances and financing	<u>968,544</u>	<u>1,168,302</u>
(ii) By type of customer		
Domestic business enterprises	969,422	1,131,848
Financial institutions	-	37,873
	<u>969,422</u>	<u>1,169,721</u>
(iii) By interest rate sensitivity		
Variable rate:		
Cost plus	969,422	1,169,721
	<u>969,422</u>	<u>1,169,721</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019 (CONTD.)

7. LOANS, ADVANCES AND FINANCING (CONTD.)

	Bank 30-Sep 2019 RM'000	Bank 31-Dec 2018 RM'000
(iv) By residual contractual maturity		
Maturing within one year	753,710	714,749
More than one year to five years	169,631	443,549
More than five years	46,081	11,423
	<u>969,422</u>	<u>1,169,721</u>
(v) By geographical distribution		
In Malaysia	969,422	1,169,721
	<u>969,422</u>	<u>1,169,721</u>
(vi) By Sector		
Manufacturing	783,276	930,078
Mining & Quarrying	4,069	6,545
Electricity, gas and water supply	35,416	-
Construction	10,001	6,001
Wholesale and retail	29,671	66,583
Financial services	-	37,873
Other business services	96,324	111,218
Real estate activities	10,665	11,423
	<u>969,422</u>	<u>1,169,721</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019 (CONTD.)

7. LOANS, ADVANCES AND FINANCING (CONTD.)

(vii) **Movements in Expected Credit Losses ("ECL") on loans, advances and financing are as follows:**

	12 mth ECL (Stage 1) RM'000	Lifetime ECL not credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
30 September 2019				
Balance at beginning of financial year	1,243	176	-	1,419
Changes in credit risk	(26)	26	-	-
Allowances made/(written back) during the financial period	106	(38)	-	68
Derecognised during the financial period	(531)	-	-	(531)
Exchange differences	(1)	(77)	-	(78)
At end of financial period	<u>791</u>	<u>87</u>	<u>-</u>	<u>878</u>
31 December 2018				
Balance at beginning of financial year	-	-	-	-
Effects of adopting MFRS 9	720	300	-	1,020
As restated	<u>720</u>	<u>300</u>	<u>-</u>	<u>1,020</u>
Changes in credit risk	250	(250)	-	-
Allowances made during the financial period	412	149	-	561
Derecognised during the financial period	(181)	(24)	-	(205)
Exchange differences	42	1	-	43
At end of financial period	<u>1,243</u>	<u>176</u>	<u>-</u>	<u>1,419</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019 (CONTD.)

8. OTHER ASSETS

	Bank 30-Sep 2019 RM'000	Bank 31-Dec 2018 RM'000
Other receivables	3,783	9,546
Less: Allowance for impairment on other receivables	<u>(1)</u>	<u>(1)</u>
	3,782	9,545
Collateral assets	6,591	44,991
Deposit	854	696
Prepayments	<u>807</u>	<u>1,302</u>
	<u>12,034</u>	<u>56,534</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019 (CONTD.)

9. PROPERTY, PLANT AND EQUIPMENT

	Office equipment and machinery RM'000	Renovation and installation RM'000	Furniture, fixtures and fittings RM'000	Computer equipment and hardware RM'000	Motor vehicles RM'000	Work-in progress RM'000	Right of use asset RM'000	Total RM'000
2019								
Cost								
At beginning of the financial year	269	4,256	1,847	4,936	15	455	-	11,778
Effect of adoption MFRS 16	-	-	-	-	-	-	8,217	8,217
At beginning of the financial year, restated	269	4,256	1,847	4,936	15	455	8,217	19,995
Additions	3	-	4	973	-	-	-	980
Reclassification	-	-	-	45	-	(45)	-	-
At end of the financial period	272	4,256	1,851	5,954	15	410	8,217	20,975
Accumulated Depreciation								
At beginning of the financial year	197	3,984	1,536	4,317	14	-	-	10,048
Effect of adoption MFRS 16	-	-	-	-	-	-	5,240	5,240
At 1 January 2019, as restated	197	3,984	1,536	4,317	14	-	5,240	15,288
Depreciation charged for financial period	23	94	82	320	1	-	2,054	2,574
At end of the financial period	220	4,078	1,618	4,637	15	-	7,294	17,862
Carrying amount								
At end of the financial period	52	178	233	1,317	-	410	923	3,113

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019 (CONTD.)

9. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

	Office equipment and machinery RM'000	Renovation and installation RM'000	Furniture, fixtures and fittings RM'000	Computer equipment and hardware RM'000	Motor vehicles RM'000	Work-in progress RM'000	Right of use asset RM'000	Total RM'000
2018								
Cost								
At beginning of the financial year	213	4,256	1,825	4,443	15	-	-	10,752
Additions	56	-	22	493	-	455	-	1,026
At end of the financial year	<u>269</u>	<u>4,256</u>	<u>1,847</u>	<u>4,936</u>	<u>15</u>	<u>455</u>	<u>-</u>	<u>11,778</u>
Accumulated Depreciation								
At beginning of the financial year	168	3,842	1,423	4,054	11	-	-	9,498
Depreciation charged for financial year	29	142	113	263	3	-	-	550
At end of the financial year	<u>197</u>	<u>3,984</u>	<u>1,536</u>	<u>4,317</u>	<u>14</u>	<u>-</u>	<u>-</u>	<u>10,048</u>
Carrying amount								
At end of the financial year	<u>72</u>	<u>272</u>	<u>311</u>	<u>619</u>	<u>1</u>	<u>455</u>	<u>-</u>	<u>1,730</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019 (CONTI

10. INTANGIBLE ASSETS

	Bank 30-Sep 2019 RM'000	Bank 31-Dec 2018 RM'000
<u>Computer Software:</u>		
Cost		
At beginning of the financial year	3,090	3,032
Additions	-	58
At end of the financial period/year	<u>3,090</u>	<u>3,090</u>
Accumulated Amortisation		
At beginning of the financial year	1,283	358
Amortisation for the year	786	925
At end of the financial period/year	<u>2,069</u>	<u>1,283</u>
Total Net Book Value	<u><u>1,021</u></u>	<u><u>1,807</u></u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019 (CONTI

11. DEPOSITS FROM CUSTOMERS

Type	Bank 30-Sep 2019 RM'000	Bank 31-Dec 2018 RM'000
At amortised cost:		
Demand deposits	687,816	754,335
Fixed deposits	957,078	1,208,579
Commodity Murabahah	11,567	6,657
	<u>1,656,461</u>	<u>1,969,571</u>

(i) Maturity structure of fixed deposits and Commodity Murabahah are as follows:

Due within six months	968,095	1,214,384
Six months to one year	550	852
	<u>968,645</u>	<u>1,215,236</u>

(ii) The deposits are sourced from the following types of customers:

Business enterprises	1,641,274	1,951,475
Non-bank financial institutions	15,187	18,096
	<u>1,656,461</u>	<u>1,969,571</u>

12. DEPOSITS AND PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	Bank 30-Sep 2019 RM'000	Bank 31-Dec 2018 RM'000
At amortised cost:		
Other financial institutions	3,394,727	2,759,765
	<u>3,394,727</u>	<u>2,759,765</u>

13. OTHER LIABILITIES

	Bank 30-Sep 2019 RM'000	Bank 31-Dec 2018 RM'000
Collateral deposits	293,146	174,534
Other payables	59,560	38,014
Accruals and charges	7,082	9,548
Lease Liabilities	1,249	-
Expected credit losses	589	418
	<u>361,626</u>	<u>222,514</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019 (CONTI

14. SHARE CAPITAL

	Bank 30-Sep 2019 RM'000	Bank 31-Dec 2018 RM'000
Ordinary shares issued and fully paid:		
Balance as at 30 September/December	650,000	650,000

15. RESERVES

	Bank 30-Sep 2019 RM'000	Bank 31-Dec 2018 RM'000
Non-distributable:		
Revaluation reserve financial investments at FVOCI	(1,915)	98
Regulatory reserve	12,220	15,234
	<u>10,305</u>	<u>15,332</u>

16. INTEREST INCOME

	Bank 30-Sep 2019 RM'000	Bank 30-Sep 2018 RM'000
Loans, advances and financing	34,949	37,705
Money at call and deposit placements with financial institutions	35,672	24,195
Financial investment at FVOCI	24,907	8,202
Financial assets at FVTPL	29,014	32,896
Other interest income	12,926	16,097
	<u>137,468</u>	<u>119,095</u>
Amortisation of premium less accretion of discount	(2,377)	(508)
Total Interest Income	<u>135,091</u>	<u>118,587</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019 (CONTI

17. INTEREST EXPENSE

	Bank 30-Sep 2019 RM'000	Bank 30-Sep 2018 RM'000
Deposits and placements from banks and other financial institutions	24,122	13,218
Deposits from customers	31,337	22,938
Lease Liabilities	64	-
Other interest expense	267	41
	<u>55,790</u>	<u>36,197</u>

18. OTHER OPERATING INCOME

	Bank 30-Sep 2019 RM'000	Bank 30-Sep 2018 RM'000
Fee income:		
Commissions	1,295	798
Guarantee fees	1,303	1,554
Other fee income	4,619	4,218
	<u>7,217</u>	<u>6,570</u>
Gain arising from sale of securities:		
Financial assets at fair value through Profit or Loss	39,600	7,226
Financial investments at fair value through other comprehensive income	34	-
	<u>39,634</u>	<u>7,226</u>
Gain on derivatives trading		
Realised loss	(8,117)	(58,657)
Unrealised gain	55,061	94,192
	<u>46,944</u>	<u>35,535</u>
Unrealised (loss)/gain on revaluation of financial assets:		
Financial assets at fair value through Profit or Loss	(2,246)	1,610
	<u>(2,246)</u>	<u>1,610</u>
Other income:		
Foreign exchange:		
- Realised gain/(loss)	56,629	(183,492)
- Unrealised (loss)/gain	(85,216)	155,750
Others	7,321	7,680
	<u>(21,266)</u>	<u>(20,062)</u>
Total	<u>70,283</u>	<u>30,879</u>

BNP PARIBAS MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019 (CONTI

19. OTHER OPERATING EXPENSES

	Bank 30-Sep 2019 RM'000	Bank 30-Sep 2018 RM'000
Personnel costs (Note a)	30,302	29,748
Establishment costs (Note b)	12,406	14,118
Marketing expenses (Note c)	505	514
Administration and general expenses (Note d)	42,459	5,651
	<u>85,672</u>	<u>50,031</u>
(a) Personnel costs		
Salaries, bonuses and allowances	22,185	21,050
EPF - defined contribution plan	3,241	3,018
Social Security cost	686	464
Other staff related expenses	4,190	5,680
	<u>30,302</u>	<u>30,212</u>
(b) Establishment costs		
Information technology costs	6,466	7,768
Depreciation of property, plant and equipment	2,574	408
Amortization of intangible asset	786	696
Rental of premises	-	1,621
Others	2,580	3,625
	<u>12,406</u>	<u>14,118</u>
(c) Marketing Expenses		
Advertising	55	36
Others	450	478
	<u>505</u>	<u>514</u>
(d) Administration and general expenses		
Legal and professional fees	1,869	1,050
Communication & transportation	188	171
Others general expenses	40,402	4,430
	<u>42,459</u>	<u>5,651</u>

20. EXPECTED CREDIT LOSSES FOR IMPAIRMENT ON FINANCIAL ASSETS

	Bank 30-Sep 2019 RM'000	Bank 30-Sep 2018 RM'000
Expected credit losses:		
Allowance made during the financial year	-	527
Allowance written back during the financial year	(376)	-
	<u>(376)</u>	<u>527</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019 (CONTI

21. CAPITAL ADEQUACY

The components of Tier I and Tier II capital are as follows:

	Bank 30-Sep 2019 RM'000	Bank 31-Dec 2018 RM'000
Tier-I capital		
Paid-up share capital	650,000	650,000
Retained profits	124,513	124,513
Dividend paid in the current financial year	(65,000)	-
IFRS16 Day 1 Adjustment	(226)	-
Other disclosed reserves	(1,915)	98
	<u>707,372</u>	<u>774,611</u>
<u>Less : Regulatory adjustments</u>		
Intangible assets	(1,021)	(1,807)
Deferred tax assets	(3,624)	(3,704)
55% of cumulative gains of financial instruments at FVOCI	-	(54)
Regulatory reserve	3,014	-
Total Tier-I capital	<u>705,741</u>	<u>769,046</u>
	Bank 30-Sep 2019 RM'000	Bank 31-Dec 2018 RM'000
Tier-II Capital		
Expected Credit Losses ("ECL")	1,467	1,837
Regulatory reserve	12,220	15,234
Total Tier-II capital	<u>13,687</u>	<u>17,071</u>
Total capital funds	<u>719,428</u>	<u>786,117</u>
Total capital base	<u>719,428</u>	<u>786,117</u>
Capital Ratios		
Common Equity Tier 1 Ratio	14.146%	19.989%
Tier 1 Capital Ratio	14.146%	19.989%
Total Capital Ratio	<u>14.420%</u>	<u>20.433%</u>

The breakdown of risk-weighted assets by each major risk category is as follows:

	Bank 30-Sep 2019 RM'000	Bank 31-Dec 2018 RM'000
Credit Risk	2,079,283	2,119,262
Market Risk	2,446,415	1,329,763
Operational Risk	463,234	398,206
Total risk-weighted assets	<u>4,988,932</u>	<u>3,847,231</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019 (CONTD.)

22. INTEREST RATE RISK

The following table represents the Bank's assets and liabilities at carrying amounts as at 30 September 2019

	Non-Trading Book					Trading book RM'000	Non-interest sensitive RM'000	Total RM'000
	Up to 1 month RM'000	1 - 3 months RM'000	3 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000			
Assets								
Cash and short-term funds	2,708,636	-	-	-	-	-	1,114	2,709,750
Deposits and placements with banks and other financial institutions	-	-	-	-	-	-	-	-
Reverse repurchase agreements	122,576	-	-	-	-	-	135	122,711
Financial assets at fair value through profit or loss	-	-	-	-	-	1,038,119	-	1,038,119
Financial investments at fair value through other comprehensive income	627,091	116,925	179,234	310,852	-	-	5,959	1,240,061
Loans, advances and financing	399,571	441,355	126,499	-	-	-	1,119	968,544
Derivatives Financial assets	-	-	-	-	-	403,022	-	403,022
Other assets	-	-	-	-	-	-	10,374	10,374
Total Assets	3,857,874	558,280	305,733	310,852	-	1,441,141	18,701	6,492,581
Liabilities								
Deposits from customers	1,297,719	333,122	23,766	-	-	-	1,854	1,656,461
Deposits and placements from banks and other financial institutions	1,635,444	1,757,597	1,000	-	-	-	686	3,394,727
Derivatives Financial Liabilities	-	-	-	-	-	313,707	-	313,707
Other liabilities	-	-	-	-	-	-	361,626	361,626
Total Liabilities	2,933,163	2,090,719	24,766	-	-	313,707	364,166	5,726,521
Net interest rate gap	924,711	(1,532,439)	280,967	310,852	-	1,127,434	(345,465)	766,060

Company No. 918091-T

BNP PARIBAS MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019 (CONTD.)

22. INTEREST RATE RISK (CONTD)

The following table represents the Bank's assets and liabilities at carrying amounts as of 31 December 2018

	Non-Trading Book					Trading book RM'000	Non-interest sensitive RM'000	Total RM'000
	Up to 1 month RM'000	1 - 3 months RM'000	3 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000			
Assets								
Cash and short-term funds	2,001,610	-	-	-	-	-	2,223	2,003,833
Deposits and placements with banks and other financial institutions	-	300,000	-	-	-	-	110	300,110
Reverse repurchase agreements	49,136	-	-	-	-	-	89	49,225
Financial assets at fair value through profit or loss	-	-	-	-	-	1,734,650	-	1,734,650
Financial investments at fair value through other comprehensive income	9,998	-	268,570	-	-	-	2,268	280,836
Loans, advances and financing	498,727	163,459	61,968	442,230	-	-	1,918	1,168,302
Derivative financial assets	-	-	-	-	-	374,980	-	374,980
Other assets	-	-	-	-	-	-	54,536	54,536
Total Assets	2,559,471	463,459	330,538	442,230	-	2,109,630	61,144	5,966,472
Liabilities								
Deposits from customers	1,762,153	198,339	7,155	-	-	-	1,924	1,969,571
Deposits and placements from banks and other financial institutions	2,548,695	208,375	-	-	-	-	2,695	2,759,765
Derivatives financial liabilities	-	-	-	-	-	230,293	-	230,293
Other liabilities	-	-	-	-	-	-	222,514	222,514
Total Liabilities	4,310,848	406,714	7,155	-	-	230,293	227,133	5,182,143
Net interest rate gap	(1,751,377)	56,745	323,383	442,230	-	1,879,337	(165,989)	784,329

BNP PARIBAS MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019 (CONTD.)

23. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Bank makes various commitments and incurs certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions. The commitments and contingencies are not secured against the Bank's assets.

The commitments and contingencies and their related counterparty credit risk of the Bank are as follows:

	Bank 30-Sep 2019 RM'000	Bank 31-Dec 2018 RM'000
<u>Commitments and Contingent Liabilities</u>		
Direct credit substitutes	396,742	406,655
Short-term self-liquidating trade-related contingencies	5,701	3,245
Irrevocable commitments to extend credit:		
Maturity more than one year	149,222	183,841
Total credit related commitment and contingencies	<u>551,665</u>	<u>593,741</u>
Foreign exchange derivatives:		
One year or less	49,482,235	44,584,659
Over one year to five years	1,535,409	944,655
Interest rate derivatives:		
One year or less	6,335,000	1,056,750
Over one year to five years	19,892,236	9,566,530
Over five years	1,146,118	204,000
Credit Derivatives:		
One year or less	-	-
Over one year to five years	1,088,364	1,217,542
Total treasury related commitment and contingencies	<u>79,479,362</u>	<u>57,574,136</u>
Total commitment and contingencies	<u>80,031,027</u>	<u>58,167,877</u>

BNP PARIBAS MALAYSIA BERHAD
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24. Islamic Banking Window

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019

	Note	30-Sep 2019 RM'000	31-Dec 2018 RM'000
ASSETS			
Cash and short-term funds	(a)	29,197	17,813
Financial investments at fair value through other comprehensive income ("FVOCI")	(b)	-	9,995
Loans, advances and financing		-	-
Other assets	(c)	9,731	9,575
Property, plant and equipment	(d)	-	1
Intangible assets	(e)	3	4
TOTAL ASSETS		<u>38,931</u>	<u>37,388</u>
LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits from customers	(f)	16,748	15,586
Other liabilities		163	189
Tax Liabilities		-	-
Total liabilities		<u>16,911</u>	<u>15,775</u>
Capital fund		26,850	25,750
Accumulated losses		(4,878)	(4,185)
Reserves		48	48
Islamic banking funds		<u>22,020</u>	<u>21,613</u>
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS		<u>38,931</u>	<u>37,388</u>

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 December 2018.

BNP PARIBAS MALAYSIA BERHAD
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24. Islamic Banking Window

UNAUDITED STATEMENT OF PROFIT OR LOSS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019		Bank 30-Sep 2019 RM'000	Bank 30-Sep 2018 RM'000
Income derived from investment of Islamic banking funds and depositors' funds	(g)	535	603
Profit expense to depositors		(233)	(235)
Net income derived from investment of Islamic banking funds and depositors' funds		302	368
Other operating income	(h)	365	284
Other operating expenses	(i)	(1,360)	(1,405)
Expected credit losses for impairment on financial asset		-	7
Loss for the financial quarter before zakat and taxation		(693)	(746)
Zakat		-	-
Taxation		-	-
Loss for the financial quarter after zakat and taxation		(693)	(746)
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss :			
Financial investments at FVOCI :			
Net unrealised loss on changes in fair value		-	-
Other comprehensive loss for the financial quarter, net of tax		-	-
Total comprehensive loss for the quarter		(693)	(746)

BNP PARIBAS MALAYSIA BERHAD**(Incorporated in Malaysia)****Islamic Banking Operations****UNAUDITED STATEMENT OF CHANGES IN EQUITY IN ISLAMIC BANKING FUNDS****FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019**

	Capital fund RM'000	Regulatory reserve RM'000	Revaluation reserve- financial investments at FVOCI RM'000	Accumulated losses RM'000	Total RM'000
At 1 January 2019	25,750	48	-	(4,185)	21,613
Additional capital fund	1,100	-	-	-	1,100
Loss for the quarter	-	-	-	(693)	(693)
At 30 September 2019	<u>26,850</u>	<u>48</u>	<u>-</u>	<u>(4,878)</u>	<u>22,020</u>

	Capital fund RM'000	Regulatory reserve RM'000	Revaluation reserve- financial investments at FVOCI RM'000	Accumulated losses RM'000	Total RM'000
At 1 January 2018	24,350	48	-	(3,137)	21,261
Additional capital fund	1,400	-	-	-	1,400
Loss for the financial year	-	-	-	(1,048)	(1,048)
At 31 December 2018	<u>25,750</u>	<u>48</u>	<u>-</u>	<u>(4,185)</u>	<u>21,613</u>

BNP PARIBAS MALAYSIA BERHAD
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24. Islamic Banking Window

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019

(a) CASH AND SHORT-TERM FUNDS

	Bank 30-Sep 2019 RM'000	Bank 31-Dec 2018 RM'000
<u>At Amortised Cost</u>		
Cash and balances with banks and other financial institutions	3,199	3,812
Money at call and deposit placements maturing within one month	25,998	14,001
	<u>29,197</u>	<u>17,813</u>

(b) FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")

	Bank 30-Sep 2019 RM'000	Bank 31-Dec 2018 RM'000
<u>At Fair Value</u>		
Government Securities:		
Bank Negara Malaysia Debt Securities	-	9,995
	<u>-</u>	<u>9,995</u>

(c) OTHER ASSETS

	Bank 30-Sep 2019 RM'000	Bank 31-Dec 2018 RM'000
Other receivables, deposit and prepayments	9,731	9,575
	<u>9,731</u>	<u>9,575</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED
30 SEPTEMBER 2019 (CONTD.)

24. Islamic Banking Window

(d) PROPERTY, PLANT AND EQUIPMENT

	Office Equipment and Machinery RM'000	Computer Equipment RM'000	Total RM'000
2019			
Cost			
At beginning of the financial year	6	23	29
At end of the financial period	<u>6</u>	<u>23</u>	<u>29</u>
Accumulated Depreciation			
At beginning of the financial year	5	23	28
Charge for the year	1	-	1
At end of the financial period	<u>6</u>	<u>23</u>	<u>29</u>
Carrying amount			
At end of the financial period	<u>-</u>	<u>-</u>	<u>-</u>
2018			
Cost			
At beginning of the financial year	6	23	29
At end of the financial year	<u>6</u>	<u>23</u>	<u>29</u>
Accumulated Depreciation			
At beginning of the financial year	3	23	26
Charge for the year	2	-	2
At end of the financial year	<u>5</u>	<u>23</u>	<u>28</u>
Carrying amount			
At end of the financial year	<u>1</u>	<u>-</u>	<u>1</u>

BNP PARIBAS MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019 (CONTD.)

24. Islamic Banking Window

(e) INTANGIBLE ASSETS

	Bank 30-Sep 2019 RM'000	Bank 31-Dec 2018 RM'000
<u>Computer Software:</u>		
Cost		
At 1 January	41	41
Additions	-	-
Write Off	-	-
At 30 Sept/31 Dec	<u>41</u>	<u>41</u>
Accumulated Amortisation		
At 1 January	37	37
Amortisation for the year	1	-
Write-off	-	-
At 30 Sept/31 Dec	<u>38</u>	<u>37</u>
Net Book Value	<u><u>3</u></u>	<u><u>4</u></u>

(f) DEPOSITS FROM CUSTOMERS

	Bank 30-Sep 2019 RM'000	Bank 31-Dec 2018 RM'000
Type		
At Amortised Cost:		
Non-Mudharabah Fund		
Demand deposits	5,181	8,929
Commodity Murabahah	11,567	6,657
	<u>16,748</u>	<u>15,586</u>

(i) Maturity structure of Commodity Murabahah is as follows:

	Bank 30-Sep 2019 RM'000	Bank 31-Dec 2018 RM'000
Due within six months	<u>11,567</u>	<u>6,657</u>

(ii) The deposits are sourced from the following types of customers:

	Bank 30-Sep 2019 RM'000	Bank 31-Dec 2018 RM'000
Business enterprise	9,283	8,356
Domestic non-bank financial institution	7,465	7,230
	<u>16,748</u>	<u>15,586</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019 (CONTD.)

(g) INCOME DERIVED FROM INVESTMENT OF ISLAMIC BANKING FUNDS AND DEPOSITORS' FUNDS

	Bank 30-Sep 2019 RM'000	Bank 30-Sep 2018 RM'000
Loans, advances and financing	-	92
Money at call and deposit placement with financial institutions	406	481
Financial investment at FVOCI	138	30
	<u>544</u>	<u>603</u>
Amortisation of premium less accretion of discount	(9)	-
	<u>535</u>	<u>603</u>

(h) OTHER OPERATING INCOME

	Bank 30-Sep 2019 RM'000	Bank 30-Sep 2018 RM'000
Fee income:		
Other fee income	28	81
Net gain/(loss) arising from sale of:		
Financial investments at FVOCI	34	-
Other income:		
Foreign exchange:		
- Unrealised Gain	32	71
Others	271	132
Total	<u>365</u>	<u>284</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019 (CONTD.)

24. Islamic Banking Window

(i) OTHER OPERATING EXPENSES

	Bank 30-Sep 2019 RM'000	Bank 30-Sep 2018 RM'000
Personnel costs (Note i)	976	1,016
Establishment costs (Note ii)	84	79
Marketing expenses (Note iii)	35	43
Administration and general expenses (Note iv)	265	267
	<u>1,360</u>	<u>1,405</u>
(i) Personnel Costs		
Salaries, bonuses and allowances	781	767
EPF - defined contribution plan	143	138
Other staff related expenses	52	111
	<u>976</u>	<u>1,016</u>
(ii) Establishment costs		
Rental of premises	64	63
Amortisation of intangible assets	1	-
Depreciation of property, plant and equipment	1	1
Others	18	15
	<u>84</u>	<u>79</u>
(iii) Marketing Expenses		
Advertising	32	-
Others	3	43
	<u>35</u>	<u>43</u>
(iv) Administration and general expenses		
Legal and professional fees	174	234
Others	91	33
	<u>265</u>	<u>267</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019 (CONTD.)

24. Islamic Banking Window

(j) CAPITAL ADEQUACY

The components of Tier I and Tier II capital are as follows:

	Bank 30-Sep 2019 RM'000	Bank 31-Dec 2018 RM'000
Tier-I capital		
Capital fund	26,850	25,750
Accumulated losses	(4,878)	(4,185)
Other disclosed reserves	-	-
	<u>21,972</u>	<u>21,565</u>
Less :		
- Intangible assets	(3)	(4)
- 55% of cumulative gains of AFS financial instruments	-	-
Total Tier-I capital	<u>21,969</u>	<u>21,561</u>
	Bank 30-Sep 2019 RM'000	Bank 31-Dec 2018 RM'000
Tier-II Capital		
Regulatory reserve	48	48
Total Tier-II capital	<u>48</u>	<u>48</u>
Total capital base	<u>22,017</u>	<u>21,609</u>
Capital Ratios		
Tier 1 Capital Ratio	164.833%	158.409%
Tier 1 Capital Ratio	164.833%	158.409%
Total Capital Ratio	<u>165.194%</u>	<u>158.761%</u>

The breakdown of risk-weighted assets by each major risk category is as follows:

	Bank 30-Sep 2019 RM'000	Bank 31-Dec 2018 RM'000
Credit Risk	8,639	8,398
Market Risk	2,193	1,959
Operational Risk	2,496	3,254
Total risk-weighted assets	<u>13,328</u>	<u>13,611</u>