



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 2020**

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

1. PERFORMANCE REVIEW

For the third quarter ended 30 September 2020, the Bank recorded a net profit after taxation of RM85.38 million. This was contributed by net interest income of RM90.90 million and non-interest income of RM101.43 million. Operating expenses was RM84.61 million whilst write back of expected credit losses on financial assets was RM4.78 million, resulting in pre-tax profit of RM112.80 million.

2. CURRENT YEAR PROSPECT

Bank Negara Malaysia in its recent announcement (August 2020) revised Malaysia's GDP growth for FY 2020 to between -3.5% to -5.5%. This was mainly due to changes in world growth forecasts and unprecedented length of Movement Control Order.

The Movement Control Order had also impacted private consumption and dampened economic activity.

Globally, the International Monetary Fund expects a recession in 2020.

In spite of these challenges, the Bank aims to continuously improve and provide the best level of service and support to its customers during this challenging period.

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

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020

	Note	Bank 30-Sep 2020 RM'000	Bank 31-Dec 2019 RM'000
ASSETS			
Cash and short-term funds	2	1,552,470	1,431,636
Deposits and placements with banks and other financial institutions	3	-	-
Reverse repurchase agreements	4	737,282	-
Financial assets at fair value through Profit or Loss (‘FVTPL’)	5	692,657	100,233
Financial investments at fair value through other comprehensive income (‘FVOCI’)	6	1,450,294	957,509
Loans, advances and financing	7	1,427,424	1,189,887
Derivative financial assets		1,024,939	459,442
Other assets	8	143,395	29,072
Property, plant and equipment	9	7,912	9,705
Intangible assets	10	246	910
Tax recoverable		662	13,959
Deferred tax assets		2,471	3,721
TOTAL ASSETS		7,039,752	4,196,074
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits from customers	11	2,108,138	1,638,737
Deposits and placements from banks and other financial institutions	12	1,572,294	940,422
Securities sold under repurchase agreements		294,714	-
Derivative financial liabilities		804,952	431,077
Other liabilities	13	1,384,512	399,550
TOTAL LIABILITIES		6,164,610	3,409,786

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 2019.

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

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020 (CONTD.)

	Note	Bank 30-Sep 2020 RM'000	Bank 31-Dec 2019 RM'000
Share capital	14	650,000	650,000
Retained profits		220,052	125,086
Reserves	15	5,090	11,202
SHAREHOLDER'S EQUITY		<u>875,142</u>	<u>786,288</u>
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		<u>7,039,752</u>	<u>4,196,074</u>
COMMITMENTS AND CONTINGENCIES	23	<u>108,629,578</u>	<u>90,352,648</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 2019.

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

UNAUDITED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020

	Note	Bank 30-Sep 2020 RM'000	Bank 30-Sep 2019 RM'000
Interest income	16	97,372	106,077
Interest income for financial asset at FVTPL	16	20,871	29,014
Interest expenses	17	<u>(27,337)</u>	<u>(55,790)</u>
Net interest income		90,906	79,301
Net income from Islamic banking business	24	<u>281</u>	<u>302</u>
		91,187	79,603
Other operating income	18	101,433	70,283
Operating expenses	19	(84,605)	(85,672)
Expected credit losses	20	4,783	376
Profit before tax		<u>112,798</u>	<u>64,590</u>
Taxation		<u>(27,416)</u>	<u>(17,150)</u>
Profit for the financial period		<u>85,382</u>	<u>47,440</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>3,472</u>	<u>(2,013)</u>
Other comprehensive (loss)/ income		<u>3,472</u>	<u>(2,013)</u>
Total comprehensive income for the financial period		<u>88,854</u>	<u>45,427</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 2019.

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

UNAUDITED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020

	Bank 30-Sep 2020 RM'000	Bank 30-Sep 2019 RM'000
Cash Flows from/(Used In) Operating Activities		
Profit before tax	112,798	64,590
Adjustments for:		
Depreciation of property, plant and equipment	1,718	2,574
Amortisation of intangible assets	664	786
Expected credit losses on loans, advances and financing	(4,783)	(376)
Amortisation of premium less accretion of discount	6,118	2,377
Realised gain on financial investments at FVOCI	(8,151)	(34)
Interest income on financial investments at FVOCI	(32,407)	(25,045)
Unrealised gain on derivative financial instrument	(177,829)	(55,061)
Unrealised (gain)/loss on foreign exchange	50,210	85,216
Unrealised loss/(gain) on financial assets at FVTPL	(275)	2,246
Unrealised gain on financial investments at FVOCI	(6,907)	-
Operating profit before working capital changes	(58,844)	77,273

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

UNAUDITED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020 (CONTD.)

	Bank	Bank
	30-Sep	30-Sep
	2020	2019
	RM'000	RM'000
(Increase)/Decrease in:		
Deposits and placements with banks and other financial institutions	-	300,110
Financial assets at FVTPL	(592,149)	694,285
Loans, advances and financing	(232,754)	200,134
Right of use asset	1,121	(3,203)
Reverse repurchase agreements	(737,282)	(73,486)
Other assets	(114,323)	44,500
Increase/(Decrease) in:		
Deposits from customers	469,401	(313,110)
Deposits and placements from banks and other financial institutions	631,872	634,962
Securities sold under repurchase agreements	294,714	-
Derivative financial assets/liabilities	(64,003)	25,217
Other liabilities	986,428	141,194
Net cash generated from operations	584,181	1,727,876
Income taxes paid	(12,869)	(15,283)
Net cash generated from operating activities	<u>571,312</u>	<u>1,712,593</u>
Cash Flows used in Investing Activities		
Purchase of property, plant and equipment	(1,046)	(981)
Net purchase of financial investments at FVOCI	(477,472)	(959,440)
Interest income on financial investments at FVOCI	29,507	20,828
Net cash used in investing activities	<u>(449,011)</u>	<u>(939,593)</u>

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

UNAUDITED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020 (CONTD.)

	Bank	Bank
	30-Sep	30-Sep
	2020	2019
	RM'000	RM'000
Cash Flows Used In Financing Activities		
Dividend paid	-	(65,000)
Payment for lease liabilities	(1,467)	(2,083)
	<u>(1,467)</u>	<u>(2,083)</u>
Net cash used in financing activities	<u>(1,467)</u>	<u>(67,083)</u>
NET INCREASE IN CASH AND		
CASH EQUIVALENTS	120,834	705,917
CASH AND CASH EQUIVALENTS		
AT BEGINNING OF YEAR	<u>1,431,636</u>	<u>2,003,833</u>
CASH AND CASH EQUIVALENTS		
AT END OF YEAR	<u>1,552,470</u>	<u>2,709,750</u>
Cash and cash equivalents comprise		
the following:		
Cash and short-term funds	<u>1,552,470</u>	<u>2,709,750</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 2019.

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020

	←—Non-distributable —→				
	Share capital RM'000	Regulatory reserves RM'000	Revaluation reserve- financial investments at FVOCI RM'000	Retained profits RM'000	Total RM'000
At 1 January 2020	650,000	9,584	1,618	125,086	786,288
Profit for the quarter ended	-	-	-	85,382	85,382
Transfer to regulatory reserve	-	(9,584)	-	9,584	-
Other comprehensive income	-	-	3,472	-	3,472
At 30 September 2020	<u>650,000</u>	<u>-</u>	<u>5,090</u>	<u>220,052</u>	<u>875,142</u>

	←—Non-distributable —→				
	Share capital RM'000	Regulatory reserves RM'000	Revaluation reserve- financial investments at FVOCI RM'000	Retained profits RM'000	Total RM'000
At 1 January 2019	650,000	15,234	98	124,329	789,661
Profit for the year	-	-	-	60,107	60,107
Transfer to retained profits	-	(5,650)	-	5,650	-
Other comprehensive income	-	-	1,520	-	1,520
Dividend on ordinary shares	-	-	-	(65,000)	(65,000)
At 31 December 2019	<u>650,000</u>	<u>9,584</u>	<u>1,618</u>	<u>125,086</u>	<u>786,288</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 2019.

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020

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 2020 RM'000	Bank 31-Dec 2019 RM'000
At Amortised Cost:		
Cash and balances with banks and other financial institutions	30,738	36,029
Money at call and deposit placements maturing within one month	1,521,732	1,395,607
	<u>1,552,470</u>	<u>1,431,636</u>

3. DEPOSITS AND PLACEMENTS WITH BANK AND OTHER FINANCIAL INSTITUTIONS

	Bank 30-Sep 2020 RM'000	Bank 31-Dec 2019 RM'000
Bank Negara Malaysia	<u>-</u>	<u>-</u>

4. REVERSE REPURCHASE AGREEMENTS

	Bank 30-Sep 2020 RM'000	Bank 31-Dec 2019 RM'000
At Amortised Cost:		
Government Securities:		
Malaysian Government Securities	228,506	
Malaysian Government Investment Issues	205,259	-
Foreign Treasury Bills	303,517	-
	<u>737,282</u>	<u>-</u>

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

	Bank 30-Sep 2020 RM'000	Bank 31-Dec 2019 RM'000
At Fair Value:		
Government Securities:		
Malaysian Government Securities	652,962	87,387
Malaysian Government Investment Issues	39,695	12,846
	<u>692,657</u>	<u>100,233</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020 (CONTD.)
6. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ('FVOCI')

	Bank	Bank
	30-Sep	31-Dec
	2020	2019
	RM'000	RM'000
At Fair Value:		
Government securities:		
Malaysian Government Securities	391,611	316,310
Malaysian Government Investment Issues	498,075	232,980
Bank Negara Malaysia Debt Securities	560,608	408,219
	<u>1,450,294</u>	<u>957,509</u>

7. LOANS, ADVANCES AND FINANCING

	Bank	Bank
	30-Sep	31-Dec
	2020	2019
	RM'000	RM'000
At amortised cost:		
(i) By type		
Revolving credit	866,243	669,493
Term loans	435,074	420,681
Trust receipts	111,357	80,289
Other trade bills discounted	-	6,695
Overdrafts	17,415	18,500
	<u>1,430,089</u>	<u>1,195,658</u>
Less: Expected Credit Losses ('ECL')	(2,665)	(5,771)
Net loans, advances and financing	<u>1,427,424</u>	<u>1,189,887</u>
(ii) By type of customer		
Domestic business enterprises	<u>1,430,089</u>	<u>1,195,658</u>
	<u>1,430,089</u>	<u>1,195,658</u>
(iii) By interest rate sensitivity		
Variable rate:		
Cost plus	<u>1,430,089</u>	<u>1,195,658</u>
	<u>1,430,089</u>	<u>1,195,658</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020 (CONTD.)

7. LOANS, ADVANCES AND FINANCING (CONTD.)

	Bank 30-Sep 2020 RM'000	Bank 31-Dec 2019 RM'000
(iv) By residual contractual maturity		
Maturing within one year	1,048,219	903,471
More than one year to five years	260,539	154,829
More than five years	121,331	137,358
	<u>1,430,089</u>	<u>1,195,658</u>
(v) By geographical distribution		
In Malaysia	1,430,089	1,195,658
	<u>1,430,089</u>	<u>1,195,658</u>
(vi) By Sector		
Manufacturing	993,961	924,316
Mining & Quarrying	31,846	10,301
Construction	6,000	10,001
Wholesale and retail	36,697	28,375
Other business services	283,888	212,255
Real estate and business activities	77,697	10,410
	<u>1,430,089</u>	<u>1,195,658</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020 (CONTD.)

7. LOANS, ADVANCES AND FINANCING (CONTD.)

(vii) Movements in 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 2020				
Balance at beginning of financial year	1,168	4,603	-	5,771
Changes in credit risk	49	(49)	-	-
Allowances made/(written back) during the financial period	1,245	(20)	-	1,225
Derecognised during the financial period	(195)	(4,398)	-	(4,593)
Exchange differences	262	-	-	262
At end of financial period	<u>2,529</u>	<u>136</u>	<u>-</u>	<u>2,665</u>
31 December 2019				
Balance at beginning of financial year	1,243	176	-	1,419
Changes in credit risk	(100)	100	-	-
Allowances made during the financial period	545	4,432	-	4,977
Derecognised during the financial period	(491)	(1)	-	(492)
Exchange differences	(29)	(104)	-	(133)
At end of financial period	<u>1,168</u>	<u>4,603</u>	<u>-</u>	<u>5,771</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020 (CONTD.)

7. LOANS, ADVANCES AND FINANCING (CONTD.)

(viii) Movements 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 2020				
Balance at beginning of financial year	1,061,318	134,340	-	1,195,658
Changes in credit risk	67,367	(67,367)	-	-
Purchases and origination	518,445	-	-	518,445
Derecognised during the financial period	(227,952)	(56,528)	-	(284,480)
Exchange fluctuation	466	-	-	466
At end of financial period	<u>1,419,644</u>	<u>10,445</u>	<u>-</u>	<u>1,430,089</u>
31 December 2019				
Balance at beginning of financial year	1,100,317	69,404	-	1,169,721
Changes in credit risk	(131,419)	131,419	-	-
Purchases and origination	489,782	-	-	489,782
Derecognised during the financial period	(397,362)	(66,483)	-	(463,845)
At end of financial period	<u>1,061,318</u>	<u>134,340</u>	<u>-</u>	<u>1,195,658</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020 (CONTD.)

8. OTHER ASSETS

	Bank 30-Sep 2020 RM'000	Bank 31-Dec 2019 RM'000
Other receivables	6,239	7,608
Collateral assets	135,543	19,643
Deposit	802	824
Prepayments	811	997
	<u>143,395</u>	<u>29,072</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020 (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
2020								
Cost								
At beginning of the financial year	310	4,256	1,851	6,236	15	228	13,231	26,127
Additions	50	-	4	991	-	-	-	1,045
Disposals	-	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	-	-
Remeasurement	-	-	-	-	-	-	(834)	(834)
At end of the financial period	<u>360</u>	<u>4,256</u>	<u>1,855</u>	<u>7,227</u>	<u>15</u>	<u>228</u>	<u>12,397</u>	<u>26,338</u>
Accumulated Depreciation								
At beginning of the financial year	227	4,109	1,642	4,789	15	-	5,640	16,422
Depreciation charged for financial period	23	69	62	500	-	-	1,064	1,718
Disposals	-	-	-	-	-	-	-	-
Remeasurement	-	-	-	-	-	-	286	286
At end of the financial period	<u>250</u>	<u>4,178</u>	<u>1,704</u>	<u>5,289</u>	<u>15</u>	<u>-</u>	<u>6,990</u>	<u>18,426</u>
Net Book Value								
At end of the financial period	<u>110</u>	<u>78</u>	<u>151</u>	<u>1,938</u>	<u>-</u>	<u>228</u>	<u>5,407</u>	<u>7,912</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020 (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
2019								
Cost								
At beginning of the financial year	269	4,256	1,847	4,936	15	455	13,134	24,912
Additions	41	-	4	1,255	-	228	1,565	3,093
Matured during the year	-	-	-	-	-	-	(1,468)	(1,468)
Reclassification	-	-	-	45	-	(45)	-	-
Expensed off	-	-	-	-	-	(410)	-	(410)
At end of the financial year	<u>310</u>	<u>4,256</u>	<u>1,851</u>	<u>6,236</u>	<u>15</u>	<u>228</u>	<u>13,231</u>	<u>26,127</u>
Accumulated Depreciation								
At beginning of the financial year	197	3,984	1,536	4,317	14	-	4,666	14,714
Depreciation charged for financial year	30	125	106	472	1	-	2,442	3,176
Matured during the year	-	-	-	-	-	-	(1,468)	(1,468)
At end of the financial year	<u>227</u>	<u>4,109</u>	<u>1,642</u>	<u>4,789</u>	<u>15</u>	<u>-</u>	<u>5,640</u>	<u>16,422</u>
Net Book Value								
At end of the financial year	<u>83</u>	<u>147</u>	<u>209</u>	<u>1,447</u>	<u>-</u>	<u>228</u>	<u>7,591</u>	<u>9,705</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020 (CONTD.)

10. INTANGIBLE ASSETS

	Bank 30-Sep 2020 RM'000	Bank 31-Dec 2019 RM'000
<u>Computer Software:</u>		
Cost		
At beginning of the financial year	3,090	3,090
Additions	-	-
At end of the financial period/year	<u>3,090</u>	<u>3,090</u>
Accumulated Amortisation		
At beginning of the financial year	2,180	1,283
Amortisation for the year	664	897
At end of the financial period/year	<u>2,844</u>	<u>2,180</u>
Total Net Book Value	<u>246</u>	<u>910</u>

11. DEPOSITS FROM CUSTOMERS

	Bank 30-Sep 2020 RM'000	Bank 31-Dec 2019 RM'000
Type		
At amortised cost:		
Demand deposits	1,129,579	827,347
Fixed deposits	974,559	811,390
Commodity Murabahah	4,000	-
	<u>2,108,138</u>	<u>1,638,737</u>
(i) Maturity structure of fixed deposits and Commodity Murabahah are as follows:		
Due within six months	977,559	807,516
Six months to one year	1,000	3,874
	<u>978,559</u>	<u>811,390</u>
(ii) The deposits are sourced from the following types of customers:		
Business enterprises	2,091,111	1,622,909
Non-bank financial institutions	17,027	15,828
	<u>2,108,138</u>	<u>1,638,737</u>

12. DEPOSITS AND PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	Bank 30-Sep 2020 RM'000	Bank 31-Dec 2019 RM'000
At amortised cost:		
Other financial institutions	1,572,294	940,422
	<u>1,572,294</u>	<u>940,422</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020 (CONTD.)

13. OTHER LIABILITIES

	Bank 30-Sep 2020 RM'000	Bank 31-Dec 2019 RM'000
Collateral deposits	1,285,684	320,753
Other payables	80,654	61,815
Accruals and charges	11,860	7,410
Lease Liabilities	5,569	7,428
Expected credit losses	745	2,144
	<u>1,384,512</u>	<u>399,550</u>

(i) Movements in ECL on loans commitments and financial guarantee 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 2020				
Balance at beginning of financial year	244	1,900	-	2,144
Changes in credit risk	-	-	-	-
Allowances made/(written back) during the financial period	(9)	(1,428)	-	(1,437)
Exchange differences	(3)	41	-	38
At end of financial period	<u>232</u>	<u>513</u>	<u>-</u>	<u>745</u>
31 December 2019				
Balance at beginning of financial year	86	332	-	418
Changes in credit risk	(45)	45	-	-
Allowances made/(written back) during the financial period	202	1,401	-	1,603
Exchange differences	1	122	-	123
At end of financial period	<u>244</u>	<u>1,900</u>	<u>-</u>	<u>2,144</u>

14. SHARE CAPITAL

	Bank 30-Sep 2020 RM'000	Bank 31-Dec 2019 RM'000
Ordinary shares issued and fully paid:		
Balance as at 30 September/December	<u>650,000</u>	<u>650,000</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020 (CONTD.)

15. RESERVES

	Bank 30-Sep 2020 RM'000	Bank 31-Dec 2019 RM'000
Non-distributable:		
Revaluation reserve financial investments at FVOCI	5,090	1,618
Regulatory reserve	-	9,584
	<u>5,090</u>	<u>11,202</u>

16. INTEREST INCOME

	Bank 30-Sep 2020 RM'000	Bank 30-Sep 2019 RM'000
Loans, advances and financing	32,323	34,949
Money at call and deposit placements with financial institutions	25,279	35,672
Financial investment at FVOCI	32,407	24,907
Financial assets at FVTPL	20,871	29,014
Other interest income	13,481	12,926
	<u>124,361</u>	<u>137,468</u>
Amortisation of premium less accretion of discount	(6,118)	(2,377)
Total Interest Income	<u>118,243</u>	<u>135,091</u>

17. INTEREST EXPENSE

	Bank 30-Sep 2020 RM'000	Bank 30-Sep 2019 RM'000
Deposits and placements from banks and other financial institutions	2,696	24,122
Deposits from customers	19,205	31,337
Lease Liabilities	128	64
Other interest expense	5,308	267
	<u>27,337</u>	<u>55,790</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020 (CONTD.)

18. OTHER OPERATING INCOME

	Bank 30-Sep 2020 RM'000	Bank 30-Sep 2019 RM'000
Fee income:		
Commissions	92	1,295
Guarantee fees	1,434	1,303
Other fee income	2,444	4,619
	<u>3,970</u>	<u>7,217</u>
Gain arising from sale of:		
Financial assets at FVTPL	20,986	39,600
Financial investments at FVOCI	8,151	34
	<u>29,137</u>	<u>39,634</u>
Gain on derivatives trading		
Realised (loss)/gain	(106,500)	(8,117)
Unrealised gain/(loss)	177,829	55,061
	<u>71,329</u>	<u>46,944</u>
Unrealised gain/(loss) on revaluation of:		
FVTPL	275	(2,246)
FVOCI	6,907	-
	<u>7,182</u>	<u>(2,246)</u>
Other income:		
Foreign exchange:		
- Realised gain/(loss)	35,845	56,629
- Unrealised (loss)/gain	(50,210)	(85,216)
Others	4,180	7,321
	<u>(10,185)</u>	<u>(21,266)</u>
Total	<u>101,433</u>	<u>70,283</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020 (CONTD.)

19. OTHER OPERATING EXPENSES

	Bank 30-Sep 2020 RM'000	Bank 30-Sep 2019 RM'000
Personnel costs (Note a)	33,402	30,302
Establishment costs (Note b)	10,858	12,406
Marketing expenses (Note c)	324	505
Administration and general expenses (Note d)	40,021	42,459
	<u>84,605</u>	<u>85,672</u>
(a) Personnel costs		
Salaries, bonuses and allowances	24,944	22,185
Defined contribution plan	3,900	3,241
Social security cost	259	686
Other staff related expenses	4,299	4,190
	<u>33,402</u>	<u>30,302</u>
(b) Establishment costs		
Information technology costs	6,315	6,466
Depreciation of property, plant and equipment	1,718	2,574
Amortization of intangible asset	664	786
Others	2,161	2,580
	<u>10,858</u>	<u>12,406</u>
(c) Marketing Expenses		
Advertising	56	55
Others	268	450
	<u>324</u>	<u>505</u>
(d) Administration and general expenses		
Legal and professional fees	1,581	1,869
Communication & transportation	711	188
Others general expenses	37,729	40,402
	<u>40,021</u>	<u>42,459</u>

20. EXPECTED CREDIT LOSSES FOR IMPAIRMENT ON FINANCIAL ASSETS

	Bank 30-Sep 2020 RM'000	Bank 30-Sep 2019 RM'000
Expected credit losses:		
Allowance made during the financial year	-	-
Allowance written back during the financial year	(4,783)	(376)
	<u>(4,783)</u>	<u>(376)</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020 (CONTD.)

21. CAPITAL ADEQUACY

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

	Bank 30-Sep 2020 RM'000	Bank 31-Dec 2019 RM'000
Tier-I capital		
Paid-up share capital	650,000	650,000
Retained profits	134,670	125,086
Other disclosed reserves	5,090	1,618
	<u>789,760</u>	<u>776,704</u>
<u>Less : Regulatory adjustments</u>		
Intangible assets	(246)	(910)
Deferred tax assets	(2,471)	(3,721)
55% of cumulative gains of financial instruments at FVOCI	(2,800)	(890)
Total Tier-I capital	<u>784,243</u>	<u>771,183</u>
Tier-II Capital		
Expected Credit Losses	3,410	7,915
Regulatory reserve	-	9,584
Total Tier-II capital	<u>3,410</u>	<u>17,499</u>
Total capital funds	<u>787,653</u>	<u>788,682</u>
Total capital base	<u><u>787,653</u></u>	<u><u>788,682</u></u>
Capital Ratios		
Common Equity Tier 1 Ratio	17.197%	18.685%
Tier 1 Capital Ratio	17.197%	18.685%
Total Capital Ratio	<u>17.272%</u>	<u>19.109%</u>

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

	Bank 30-Sep 2020 RM'000	Bank 31-Dec 2019 RM'000
Credit Risk	2,257,309	2,026,388
Market Risk	1,961,145	1,657,388
Operational Risk	341,844	443,555
Total risk-weighted assets	<u>4,560,298</u>	<u>4,127,331</u>

Company No. 918091-T

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020 (CONTD.)

22. INTEREST RATE RISK

The following table represents the Bank's assets and liabilities at carrying amounts as at 30 September 2020

	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	1,552,068	-	-	-	-	-	402	1,552,470
Deposits and placements with banks and other financial institutions	-	-	-	-	-	-	-	-
Reverse repurchase agreements	114,625	-	622,536	-	-	-	121	737,282
Financial assets at fair value through profit or loss	-	-	-	-	-	692,657	-	692,657
Financial investments at fair value through other comprehensive income	225,484	415,177	224,009	577,087	-	-	8,537	1,450,294
Loans, advances and financing	934,762	256,256	233,631	-	-	-	2,775	1,427,424
Derivatives Financial assets	-	-	-	-	-	1,024,939	-	1,024,939
Other assets	-	-	-	-	-	-	141,782	141,782
Total Assets	2,826,939	671,433	1,080,176	577,087	-	1,717,596	153,617	7,026,848
Liabilities								
Deposits from customers	2,052,914	41,165	13,413	-	-	-	646	2,108,138
Deposits and placements from banks and other financial institutions	1,151,370	416,550	4,200	-	-	-	174	1,572,294
Securities sold under repurchase agreements	-	-	294,714	-	-	-	-	294,714
Derivatives Financial Liabilities	-	-	-	-	-	804,952	-	804,952
Other liabilities	-	-	-	-	-	-	1,384,512	1,384,512
Total Liabilities	3,204,284	457,715	312,327	-	-	804,952	1,385,332	6,164,610
Net interest rate gap	(377,345)	213,718	767,849	577,087	-	912,644	(1,231,715)	862,238

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020 (CONTD.)

22. INTEREST RATE RISK (CONTD)

The following table represents the Bank's assets and liabilities at carrying amounts as of 31 December 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	1,430,029	-	-	-	-	-	1,607	1,431,636
Deposits and placements with banks and other financial institutions	-	-	-	-	-	-	-	-
Reverse repurchase agreements	-	-	-	-	-	-	-	-
Financial assets at fair value through profit or loss	-	-	-	-	-	100,233	-	100,233
Financial investments at fair value through other comprehensive income	3	438,272	229,436	284,162	-	-	5,636	957,509
Loans, advances and financing	744,125	308,845	139,404	-	-	-	(2,487)	1,189,887
Derivative financial assets	-	-	-	-	-	459,442	-	459,442
Other assets	-	-	-	-	-	-	27,251	27,251
Total Assets	2,174,157	747,117	368,840	284,162	-	559,675	32,007	4,165,958
Liabilities								
Deposits from customers	1,453,397	180,113	3,886	-	-	-	1,341	1,638,737
Deposits and placements from banks and other financial institutions	530,364	409,250	-	-	-	-	808	940,422
Derivatives financial liabilities	-	-	-	-	-	431,077	-	431,077
Other liabilities	-	-	-	-	-	-	399,550	399,550
Total Liabilities	1,983,761	589,363	3,886	-	-	431,077	401,699	3,409,786
Net interest rate gap	190,396	157,754	364,954	284,162	-	128,598	(369,692)	756,172

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020 (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 2020 RM'000	Bank 31-Dec 2019 RM'000
<u>Commitments and Contingent Liabilities</u>		
Direct credit substitutes	351,205	387,830
Short-term self-liquidating trade-related contingencies	4,422	1,006
Irrevocable commitments to extend credit:		
Maturity more than one year	90,000	261,504
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation to deterioration in a borrower's credit worthiness	1,515,296	-
Total credit related commitment and contingencies	<u>1,960,923</u>	<u>650,340</u>
Foreign exchange derivatives:		
One year or less	58,972,816	54,493,027
Over one year to five years	2,525,725	1,157,092
Over five years	25,000	-
Interest rate derivatives:		
One year or less	12,578,174	10,016,250
Over one year to five years	29,734,050	21,849,881
Over five years	1,843,118	1,113,118
Credit Derivatives:		
One year or less	115,916	78,229
Over one year to five years	873,856	994,711
Over five years	-	-
Total treasury related commitment and contingencies	<u>106,668,655</u>	<u>89,702,308</u>
Total commitment and contingencies	<u>108,629,578</u>	<u>90,352,648</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

24. Islamic Banking Window

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020

	Note	30-Sep 2020 RM'000	31-Dec 2019 RM'000
ASSETS			
Cash and short-term funds	(a)	19,875	29,079
Other assets	(b)	10,009	9,668
Property, plant and equipment	(c)	-	-
Intangible assets	(d)	-	-
TOTAL ASSETS		<u>29,884</u>	<u>38,747</u>
LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits from customers	(e)	7,702	16,312
Other liabilities		125	152
Total liabilities		<u>7,827</u>	<u>16,464</u>
Capital fund		26,850	26,850
Accumulated losses		(4,793)	(4,567)
Reserves		-	-
Islamic banking funds		<u>22,057</u>	<u>22,283</u>
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS		<u>29,884</u>	<u>38,747</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 2019.

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

24. Islamic Banking Window

UNAUDITED STATEMENT OF PROFIT OR LOSS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020		Bank 30-Sep 2020 RM'000	Bank 30-Sep 2019 RM'000
Income derived from investment of Islamic banking funds and depositors' funds	(f)	321	535
Profit expense to depositors		(40)	(233)
Net income derived from investment of Islamic banking funds and depositors' funds		281	302
Other operating income	(g)	855	365
Other operating expenses	(h)	(1,362)	(1,360)
Expected credit losses for impairment on financial asset		-	-
Loss for the financial period before zakat and taxation		(226)	(693)
Zakat		-	-
Taxation		-	-
Loss for the financial period after zakat and taxation		(226)	(693)
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		-	-
Total comprehensive loss for the period		(226)	(693)

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 2020**

	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 2020	26,850	-	-	(4,567)	22,283
Loss for the financial period	-	-	-	(226)	(226)
At 30 September 2020	<u>26,850</u>	<u>-</u>	<u>-</u>	<u>(4,793)</u>	<u>22,057</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 2019	25,750	48	-	(4,185)	21,613
Additional capital fund	1,100	-	-	-	1,100
Loss for the financial year	-	-	-	(430)	(430)
Transfer from regulatory reserve	-	(48)	-	48	-
At 31 December 2019	<u>26,850</u>	<u>-</u>	<u>-</u>	<u>(4,567)</u>	<u>22,283</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

24. Islamic Banking Window

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020

(a) CASH AND SHORT-TERM FUNDS

	Bank 30-Sep 2020 RM'000	Bank 31-Dec 2019 RM'000
<u>At Amortised Cost</u>		
Cash and balances with banks and other financial institutions	1,644	6,081
Money at call and deposit placements maturing within one month	18,231	22,998
	<u>19,875</u>	<u>29,079</u>

(b) OTHER ASSETS

	Bank 30-Sep 2020 RM'000	Bank 31-Dec 2019 RM'000
Other receivables, deposit and prepayments	10,009	9,668
	<u>10,009</u>	<u>9,668</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED
30 SEPTEMBER 2020 (CONTD.)**

24. Islamic Banking Window

(c) PROPERTY, PLANT AND EQUIPMENT

	Office Equipment and Machinery RM'000	Computer Equipment RM'000	Total RM'000
2020			
Cost			
At beginning of the financial period	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 period	6	23	29
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>
2019			
Cost			
At beginning of the financial period	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 period	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>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020 (CONTD.)

24. Islamic Banking Window

(d) INTANGIBLE ASSETS

	Bank 30-Sep 2020 RM'000	Bank 31-Dec 2019 RM'000
<u>Computer Software:</u>		
Cost		
At 1 January	41	41
At end of the financial period	<u>41</u>	<u>41</u>
Accumulated Amortisation		
At 1 January	41	37
Amortisation for the year	-	4
At end of the financial period	<u>41</u>	<u>41</u>
Net Book Value	<u>-</u>	<u>-</u>

(e) DEPOSITS FROM CUSTOMERS

	Bank 30-Sep 2020 RM'000	Bank 31-Dec 2019 RM'000
Type		
At Amortised Cost:		
Non-Mudharabah Fund		
Demand deposits	3,702	16,312
Commodity Murabahah	4,000	-
	<u>7,702</u>	<u>16,312</u>

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

	Bank 30-Sep 2020 RM'000	Bank 31-Dec 2019 RM'000
Due within six months	<u>4,000</u>	<u>-</u>

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

	Bank 30-Sep 2020 RM'000	Bank 31-Dec 2019 RM'000
Business enterprise	2	8,552
Domestic non-bank financial institution	7,700	7,760
	<u>7,702</u>	<u>16,312</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020 (CONTD.)

24. Islamic Banking Window

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

	Bank 30-Sep 2020 RM'000	Bank 30-Sep 2019 RM'000
Money at call and deposit placement with financial institutions	321	406
Financial investment at FVOCI	-	138
	<u>321</u>	<u>544</u>
Amortisation of premium less accretion of discount	-	(9)
	<u>321</u>	<u>535</u>

(g) OTHER OPERATING INCOME

	Bank 30-Sep 2020 RM'000	Bank 30-Sep 2019 RM'000
Fee income:		
Commissions	1	-
Other fee income	29	28
Net gain/(loss) arising from sale of:		
Financial investments at FVOCI	-	34
Other income:		
Foreign exchange:		
- Unrealised gain/(loss)	57	32
Others	768	271
Total	<u>855</u>	<u>365</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020 (CONTD.)

24. Islamic Banking Window

(h) OTHER OPERATING EXPENSES

	Bank 30-Sep 2020 RM'000	Bank 30-Sep 2019 RM'000
Personnel costs (Note i)	1,094	976
Establishment costs (Note ii)	81	84
Marketing expenses (Note iii)	4	35
Administration and general expenses (Note iv)	183	265
	<u>1,362</u>	<u>1,360</u>
(i) Personnel Costs		
Salaries, bonuses and allowances	875	781
Defined contribution plan	151	143
Other staff related expenses	68	52
	<u>1,094</u>	<u>976</u>
(ii) Establishment costs		
Rental of premises	55	64
Information technology costs	8	1
Depreciation of property, plant and equipment	-	1
Others	18	18
	<u>81</u>	<u>84</u>
(iii) Marketing Expenses		
Advertising	-	32
Others	4	3
	<u>4</u>	<u>35</u>
(iv) Administration and general expenses		
Legal and professional fees	112	174
Communication & transportation	12	-
Others	59	91
	<u>183</u>	<u>265</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020 (CONTD.)

24. Islamic Banking Window

(i) CAPITAL ADEQUACY

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

	Bank 30-Sep 2020 RM'000	Bank 31-Dec 2019 RM'000
Tier-I capital		
Capital fund	26,850	26,850
Accumulated losses	(4,793)	(4,567)
	<u>22,057</u>	<u>22,283</u>
<u>Less : Regulatory adjustments</u>		
Intangible assets	-	-
55% of cumulative gains of financial instruments at FVOCI	-	-
Total Tier-I capital	<u>22,057</u>	<u>22,283</u>
	Bank 30-Sep 2020 RM'000	Bank 31-Dec 2019 RM'000
Tier-II Capital		
Regulatory reserve	-	-
Total Tier-II capital	<u>-</u>	<u>-</u>
Total capital base	<u>22,057</u>	<u>22,283</u>
Capital Ratios		
Tier 1 Capital Ratio	163.162%	169.144%
Tier 1 Capital Ratio	163.162%	169.144%
Total Capital Ratio	<u>163.162%</u>	<u>169.144%</u>

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

	Bank 30-Sep 2020 RM'000	Bank 31-Dec 2019 RM'000
Credit Risk	10,127	8,550
Market Risk	2,000	2,133
Operational Risk	1,391	2,491
Total risk-weighted assets	<u>13,518</u>	<u>13,174</u>