



BNP PARIBAS

BNP PARIBAS MALAYSIA BERHAD

(Company No.201001034168 (918091 - T))

Incorporated in Malaysia

**UNAUDITED STATEMENT OF FINANCIAL POSITION
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

1. PERFORMANCE REVIEW

The Bank reported loss before tax of RM4.97 million for the financial period ended 30 September 2021 compared to RM112.80 million profit before tax in the corresponding period last year.

The losses were attributable to Global Markets business and higher impairment allowances on loans and advances. The increase in impairment allowances was due to the adoption of a more stringent approach on sectors that were impacted by Covid-19 pandemic. Global Market's portfolio was adversely affected by the volatile market environment.

Operating expenses (excluding transfer pricing charges) was RM0.4 million (or 0.8%) lower compared to same period last year mainly due to effective cost management.

2. CURRENT YEAR PROSPECTS

Bank Negara recently announced the downward revision of Malaysia's GDP growth for year 2021 to approximately 3% - 4%, taking into account the economic effect of the mid-year nationwide Full Movement Control Order (FMCO). The country's GDP grew 16.1% year-on-year in Q2 2021 but shrank 2% quarter-on-quarter.

Malaysia's economy is expected to remain on a recovery path in 2021, with the gradual reopening of the economic and social sectors, backed by improving vaccination rates and subsequent movement out of Phase 1 and Phase 2 for more states due to containment measures.

Bank Negara's Governor highlighted that the speed of country-wide transition into Phase 4 depends on the efficacy of the vaccines and the percentage of vaccinated population. This is expected to have a positive impact on the economic growth subject to the improvements in the labour market and consumption.

With the recent lifting of interstate travel and reopening of state borders, there may be improvement in the economy towards end of Q4 FY2021 in tandem with the increase movement in goods and services.

The bank is committed to provide continuing support towards the business recovery of its clients during this period whilst ensuring this services level are maintained.

Company No.201001034168 (918091-T)

BNP PARIBAS MALAYSIA BERHAD

(Incorporated in Malaysia)

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021**

	Note	Bank 30-Sep 2021 RM'000	Bank 31-Dec 2020 RM'000
ASSETS			
Cash and short-term funds	2	1,761,066	1,072,884
Reverse repurchase agreements		373,582	974,678
Financial assets at fair value through Profit or Loss (‘FVTPL’)	3	885,324	413,967
Financial investments at fair value through other comprehensive income (‘FVOCI’)	4	1,232,447	1,335,231
Loans, advances and financing	5	1,103,715	1,338,407
Derivative financial assets		615,538	1,296,293
Other assets	6	24,811	195,077
Property, plant and equipment	7	5,167	7,532
Intangible assets	8	2	24
Tax recoverable		7,717	7,717
Deferred tax assets		3,315	3,416
TOTAL ASSETS		6,012,684	6,645,226
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits from customers	9	1,882,439	2,300,820
Deposits and placements from banks and other financial institutions	10	1,514,781	840,883
Repurchase agreements		-	285,353
Derivative financial liabilities		444,393	1,111,173
Other liabilities	11	900,643	1,226,532
Subordinated term loan		399,028	-
TOTAL LIABILITIES		5,141,284	5,764,761

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 2020.

Company No.201001034168 (918091-T)

BNP PARIBAS MALAYSIA BERHAD

(Incorporated in Malaysia)

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021 (CONTD.)**

	Note	Bank 30-Sep 2021 RM'000	Bank 31-Dec 2020 RM'000
Share capital	12	650,000	650,000
Retained profits		210,380	223,911
Reserves	13	11,020	6,554
SHAREHOLDER'S EQUITY		871,400	880,465
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		6,012,684	6,645,226
COMMITMENTS AND CONTINGENCIES	21	111,033,215	98,187,436

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Company No.201001034168 (918091-T)

BNP PARIBAS MALAYSIA BERHAD

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**UNAUDITED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021**

	Note	Bank 30-Sep 2021 RM'000	Bank 30-Sep 2020 RM'000
Interest income	14	77,092	97,372
Interest income for financial asset at FVTPL	14	30,298	20,871
Interest expenses	15	<u>(12,541)</u>	<u>(26,903)</u>
Net interest income		94,849	91,340
Net income from Islamic banking business	22	<u>343</u>	<u>281</u>
		95,192	91,621
Other operating income	16	(43,104)	100,999
Operating expenses	17	(54,381)	(84,605)
Expected credit losses	18	(2,674)	4,783
Profit before tax		<u>(4,967)</u>	112,798
Taxation		<u>(1,060)</u>	<u>(27,416)</u>
Profit for the financial period		<u>(6,027)</u>	<u>85,382</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>(3,038)</u>	<u>3,472</u>
Other comprehensive (loss)/ income		<u>(3,038)</u>	<u>3,472</u>
Total comprehensive income for the financial period		<u>(9,065)</u>	<u>88,854</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 2020.

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BNP PARIBAS MALAYSIA BERHAD

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UNAUDITED STATEMENTS OF CASH FLOW

FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021

	Bank 30-Sep 2021 RM'000	Bank 30-Sep 2020 RM'000
Cash Flows from/(Used In) Operating Activities		
(Loss)/Profit before tax	(4,967)	112,798
Adjustments for:		
Depreciation of property, plant and equipment	1,971	1,718
Amortisation of intangible assets	22	664
Expected credit losses on loans, advances and financing	2,674	(4,783)
Amortisation of premium less accretion of discount	12,141	6,118
Realised gain on financial investments at FVOCI	-	(8,151)
Interest income on financial investments at FVOCI	(35,988)	(32,407)
Unrealised loss/(gain) on derivative financial instrument	28,555	(177,829)
Unrealised loss on foreign exchange	81,158	50,210
Unrealised loss/(gain) on financial assets at FVTPL	2,883	(275)
Unrealised loss/(gain) on reverse repurchase agreements	307	(1,218)
Unrealised (gain)/loss on repurchase agreements	(313)	434
Operating profit before working capital changes	<u>88,443</u>	<u>(52,721)</u>

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UNAUDITED STATEMENTS OF CASH FLOW

FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021 (CONTD.)

	Bank 30-Sep 2021 RM'000	Bank 30-Sep 2020 RM'000
(Increase)/Decrease in:		
Financial assets at FVTPL	(474,240)	(592,149)
Loans, advances and financing	232,018	(232,754)
Right of use asset	821	1,121
Reverse repurchase agreements	600,789	(736,064)
Other assets	170,266	(114,323)
Increase/(Decrease) in:		
Deposits from customers	(418,381)	469,401
Deposits and placements from banks and other financial institutions	673,898	631,872
Repurchase agreements	(285,040)	294,280
Derivative financial assets/liabilities	(95,737)	(64,003)
Subordinated term loan	494	-
Other liabilities	(324,470)	986,428
Net cash generated from operations	168,861	591,088
Income taxes paid	-	(12,869)
Net cash generated from operating activities	168,861	578,219
Cash Flows used in Investing Activities		
Purchase of property, plant and equipment	(427)	(1,046)
Net sales/(purchase) of financial investments at FVOCI	85,084	(484,379)
Interest income on financial investments at FVOCI	37,550	29,507
Net cash used in investing activities	122,207	(455,918)

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UNAUDITED STATEMENTS OF CASH FLOW

FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021 (CONTD.)

	Bank	Bank
	30-Sep	30-Sep
	2021	2020
	RM'000	RM'000
Cash Flows Used In Financing Activities		
Proceed from issuance of subordinated term loan	398,534	-
Payment for lease liabilities	(1,420)	(1,467)
Net cash used in financing activities	<u>397,114</u>	<u>(1,467)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	688,182	120,834
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,072,884</u>	<u>1,431,636</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>1,761,066</u>	<u>1,552,470</u>
Cash and cash equivalents comprise the following:		
Cash and short-term funds	<u>1,761,066</u>	<u>1,552,470</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 2020.

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UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021

	← 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 2021	650,000	-	6,554	223,911	880,465
Loss for the period	-	-	-	(6,027)	(6,027)
Transfer to regulatory reserve	-	7,504	-	(7,504)	-
Other comprehensive income	-	-	(3,038)	-	(3,038)
At 30 September 2021	<u>650,000</u>	<u>7,504</u>	<u>3,516</u>	<u>210,380</u>	<u>871,400</u>

	← 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 2020	650,000	9,584	1,618	125,086	786,288
Profit for the year	-	-	-	89,241	89,241
Transfer to retained profits	-	(9,584)	-	9,584	-
Other comprehensive income	-	-	4,936	-	4,936
At 31 December 2020	<u>650,000</u>	<u>-</u>	<u>6,554</u>	<u>223,911</u>	<u>880,465</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 2020.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021

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

	30-Sep 2021 RM'000	31-Dec 2020 RM'000
At Amortised Cost:		
Cash and balances with banks and other financial institutions	83,096	29,608
Money at call and deposit placements maturing within one month	1,677,970	1,043,276
	<u>1,761,066</u>	<u>1,072,884</u>

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

	30-Sep 2021 RM'000	31-Dec 2020 RM'000
At Fair Value:		
Government Securities:		
Malaysian Government Securities	586,717	381,477
Malaysian Government Investment Issues	298,607	32,490
	<u>885,324</u>	<u>413,967</u>

4. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ('FVOCI')

	30-Sep 2021 RM'000	31-Dec 2020 RM'000
At Fair Value:		
Government securities:		
Malaysian Government Securities	134,781	311,624
Malaysian Government Investment Issues	436,955	422,248
Bank Negara Malaysia Debt Securities	660,711	601,359
	<u>1,232,447</u>	<u>1,335,231</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021 (CONTD.)

5. LOANS, ADVANCES AND FINANCING

	30-Sep 2021 RM'000	31-Dec 2020 RM'000
At amortised cost:		
(i) By type		
Revolving credit	486,295	827,750
Term loans	456,695	376,129
Trust receipts	146,599	131,880
Overdrafts	22,391	7,544
	<u>1,111,980</u>	<u>1,343,303</u>
Less:Expected Credit Losses ('ECL')	(8,265)	(4,896)
Net loans, advances and financing	<u><u>1,103,715</u></u>	<u><u>1,338,407</u></u>
(ii) By type of customer		
Domestic business enterprises	1,111,980	1,323,534
Financial institutions	-	19,769
	<u>1,111,980</u>	<u>1,343,303</u>
(iii) By interest rate sensitivity		
Variable rate:		
Cost plus	1,111,980	1,343,303
	<u>1,111,980</u>	<u>1,343,303</u>
(iv) By residual contractual maturity		
Maturing within one year	655,285	1,015,886
More than one year to five years	267,881	211,467
More than five years	188,814	115,950
	<u>1,111,980</u>	<u>1,343,303</u>
(v) By geographical distribution		
In Malaysia	1,111,980	1,343,303
	<u>1,111,980</u>	<u>1,343,303</u>
(vi) By Sector		
Manufacturing	661,338	940,551
Mining & Quarrying	13,318	36,157
Construction	3,000	3,000
Wholesale and retail	168,203	65,575
Financial services	-	19,769
Other business services	256,373	197,740
Real estate and business activities	9,748	80,511
	<u>1,111,980</u>	<u>1,343,303</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021 (CONTD.)

5. 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 2021				
Balance at beginning of financial year	2,310	2,586	-	4,896
Changes in credit risk	(26)	26	-	-
Allowances made during the financial period	246	3,955	-	4,201
Derecognised during the financial period	(832)	-	-	(832)
At end of financial period	<u>1,698</u>	<u>6,567</u>	<u>-</u>	<u>8,265</u>
31 December 2020				
Balance at beginning of financial year	1,168	4,603	-	5,771
Changes in credit risk	49	(49)	-	-
Allowances made during the financial period	1,301	2,430	-	3,731
Derecognised during the financial period	(208)	(4,398)	-	(4,606)
At end of financial period	<u>2,310</u>	<u>2,586</u>	<u>-</u>	<u>4,896</u>

(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 2021				
Balance at beginning of financial year	1,240,718	102,585	-	1,343,303
Changes in credit risk	(14,508)	14,508	-	-
Purchases and origination	248,189	3,001	-	251,190
Derecognised during the financial period	(461,348)	(21,165)	-	(482,513)
At end of financial period	<u>1,013,051</u>	<u>98,929</u>	<u>-</u>	<u>1,111,980</u>
31 December 2020				
Balance at beginning of financial year	1,061,318	134,340	-	1,195,658
Changes in credit risk	(27,007)	27,007	-	-
Purchases and origination	517,175	51,565	-	568,740
Derecognised during the financial period	(310,768)	(110,327)	-	(421,095)
At end of financial period	<u>1,240,718</u>	<u>102,585</u>	<u>-</u>	<u>1,343,303</u>

6. OTHER ASSETS

	30-Sep 2021 RM'000	31-Dec 2020 RM'000
Collateral assets	15,573	184,563
Other receivables	7,303	8,631
Deposit	812	812
Prepayments	1,123	1,071
	<u>24,811</u>	<u>195,077</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021 (CONTD.)

7. 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
30 September 2021								
Cost								
At beginning of the financial year	378	4,256	1,855	7,914	15	-	12,397	26,815
Additions	24	-	-	397	6	-	-	427
Disposals	-	-	-	-	-	-	-	-
Write-off	-	-	-	-	(15)	-	-	(15)
Lease modification	-	-	-	-	-	-	(821)	(821)
At end of the financial period	<u>402</u>	<u>4,256</u>	<u>1,855</u>	<u>8,311</u>	<u>6</u>	<u>-</u>	<u>11,576</u>	<u>26,406</u>
Accumulated Depreciation								
At beginning of the financial year	258	4,200	1,725	5,513	15	-	7,572	19,283
Depreciation charged for financial period	28	23	60	761	-	-	1,099	1,971
Write-off	-	-	-	-	(15)	-	-	(15)
Lease modification	-	-	-	-	-	-	-	-
At end of the financial period	<u>286</u>	<u>4,223</u>	<u>1,785</u>	<u>6,274</u>	<u>-</u>	<u>-</u>	<u>8,671</u>	<u>21,239</u>
Net Book Value								
At end of the financial period	<u>116</u>	<u>33</u>	<u>70</u>	<u>2,037</u>	<u>6</u>	<u>-</u>	<u>2,905</u>	<u>5,167</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021 (CONTD.)

7. 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
31 December 2020								
Cost								
At beginning of the financial year	310	4,256	1,851	6,236	15	228	13,231	26,127
Additions	68	-	4	1,373	-	77	-	1,522
Reclassification	-	-	-	305	-	(305)	-	-
Lease modification	-	-	-	-	-	-	(834)	(834)
At end of the financial year	<u>378</u>	<u>4,256</u>	<u>1,855</u>	<u>7,914</u>	<u>15</u>	<u>-</u>	<u>12,397</u>	<u>26,815</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 year	31	91	83	724	-	-	1,646	2,575
Lease modification	-	-	-	-	-	-	286	286
At end of the financial year	<u>258</u>	<u>4,200</u>	<u>1,725</u>	<u>5,513</u>	<u>15</u>	<u>-</u>	<u>7,572</u>	<u>19,283</u>
Net Book Value								
At end of the financial year	<u>120</u>	<u>56</u>	<u>130</u>	<u>2,401</u>	<u>-</u>	<u>-</u>	<u>4,825</u>	<u>7,532</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021 (CONTD.)

8. INTANGIBLE ASSETS

	30-Sep 2021 RM'000	31-Dec 2020 RM'000
<u>Computer Software:</u>		
Cost		
At beginning of the financial year	3,090	3,090
At end of the financial period/year	<u>3,090</u>	<u>3,090</u>
Accumulated Amortisation		
At beginning of the financial year	3,066	2,180
Amortisation for the year	22	886
At end of the financial period/year	<u>3,088</u>	<u>3,066</u>
Total Net Book Value	<u><u>2</u></u>	<u><u>24</u></u>

9. DEPOSITS FROM CUSTOMERS

	30-Sep 2021 RM'000	31-Dec 2020 RM'000
Type		
At amortised cost:		
Demand deposits	1,240,961	1,409,123
Fixed deposits	633,477	886,190
Commodity Murabahah	8,001	5,507
	<u>1,882,439</u>	<u>2,300,820</u>
(i) Maturity structure of fixed deposits and Commodity Murabahah are as follows:		
Due within six months	641,425	887,209
Six months to one year	-	4,488
More than one year	53	
	<u>641,478</u>	<u>891,697</u>
(ii) The deposits are sourced from the following types of customers:		
Business enterprises	1,855,779	2,278,943
Non-bank financial institutions	26,660	21,877
	<u>1,882,439</u>	<u>2,300,820</u>

10. DEPOSITS AND PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	30-Sep 2021 RM'000	31-Dec 2020 RM'000
At amortised cost:		
Other financial institutions	1,514,781	840,883
	<u>1,514,781</u>	<u>840,883</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021 (CONTD.)

11. OTHER LIABILITIES

	30-Sep 2021 RM'000	31-Dec 2020 RM'000
Collateral deposits	826,377	1,151,905
Other payables	58,950	50,330
Accruals and charges	12,352	18,692
Lease Liabilities	2,757	4,913
Expected credit losses	207	692
	<u>900,643</u>	<u>1,226,532</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 2021				
Balance at beginning of financial year	194	498	-	692
Changes in credit risk	(2)	2	-	-
Allowances made/(written back)				
during the financial period	(39)	(446)	-	(485)
At end of financial period	<u>153</u>	<u>54</u>	<u>-</u>	<u>207</u>
31 December 2020				
Balance at beginning of financial year	244	1,900	-	2,144
Allowances made/(written back)				
during the financial period	(50)	(1,402)	-	(1,452)
At end of financial period	<u>194</u>	<u>498</u>	<u>-</u>	<u>692</u>

12. SHARE CAPITAL

	30-Sep 2021 RM'000	31-Dec 2020 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
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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021 (CONTD.)

13. RESERVES

	30-Sep 2021 RM'000	31-Dec 2020 RM'000
Non-distributable:		
Revaluation reserve financial investments at FVOCI	3,516	6,554
Regulatory reserve	7,504	-
	<u>11,020</u>	<u>6,554</u>

14. INTEREST INCOME

	30-Sep 2021 RM'000	30-Sep 2020 RM'000
Loans, advances and financing	21,961	32,323
Money at call and deposit placements with financial institutions	16,125	25,279
Financial investment at FVOCI	35,988	32,407
Financial assets at FVTPL	30,298	20,871
Reverse repurchase agreements	14,130	12,488
Other interest income	1,029	993
	<u>119,531</u>	<u>124,361</u>
Amortisation of premium less accretion of discount	(12,141)	(6,118)
Total Interest Income	<u>107,390</u>	<u>118,243</u>

15. INTEREST EXPENSE

	30-Sep 2021 RM'000	30-Sep 2020 RM'000
Deposits and placements from banks and other financial institutions	(3,653)	2,696
Deposits from customers	12,597	19,205
Repurchase agreements	1,143	467
Lease Liabilities	85	128
Subordinated term loan	502	-
Other interest expense	1,867	4,407
	<u>12,541</u>	<u>26,903</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021 (CONTD.)

16. OTHER OPERATING INCOME

	30-Sep 2021 RM'000	30-Sep 2020 RM'000
Fee income:		
Commissions	160	92
Guarantee fees	1,059	1,434
Other fee income	2,932	2,444
	<u>4,151</u>	<u>3,970</u>
(Loss)/Gain arising from sale of:		
Financial assets at FVTPL	(21,898)	20,986
Financial investments at FVOCI	-	8,151
	<u>(21,898)</u>	<u>29,137</u>
(Loss)/Gain on derivatives trading:		
Realised (loss)/gain	14,162	(106,500)
Unrealised (loss)/gain	(28,555)	177,829
	<u>(14,393)</u>	<u>71,329</u>
Unrealised (loss)/gain on revaluation of:		
FVTPL	(2,883)	275
Unrealised (loss)/gain on reverse repurchase agreements	(307)	1,218
Unrealised gain/(loss) on repurchase agreements	313	(434)
Other income:		
Foreign exchange:		
- Realised (loss)/gain	71,203	35,845
- Unrealised gain/(loss)	(81,158)	(50,210)
Others	1,868	9,869
	<u>(8,087)</u>	<u>(4,496)</u>
Total	<u>(43,104)</u>	<u>100,999</u>

BNP PARIBAS MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021 (CONTD.)

17. OTHER OPERATING EXPENSES

	30-Sep 2021 RM'000	30-Sep 2020 RM'000
Personnel costs (Note a)	30,448	33,402
Establishment costs (Note b)	13,968	10,858
Marketing expenses (Note c)	231	324
Administration and general expenses (Note d)	9,734	40,021
	<u>54,381</u>	<u>84,605</u>
(a) Personnel costs		
Salaries, bonuses and allowances	22,782	24,944
Defined contribution plan	3,666	3,900
Social security cost	93	259
Other staff related expenses	3,907	4,299
	<u>30,448</u>	<u>33,402</u>
(b) Establishment costs		
Information technology costs	5,700	6,315
Depreciation of property, plant and equipment	1,971	1,718
Amortization of intangible asset	22	664
Others	6,275	2,161
	<u>13,968</u>	<u>10,858</u>
(c) Marketing Expenses		
Advertising	42	56
Others	189	268
	<u>231</u>	<u>324</u>
(d) Administration and general expenses		
Legal and professional fees	1,294	1,581
Communication & transportation	710	711
Others general expenses	7,730	37,729
	<u>9,734</u>	<u>40,021</u>

18. EXPECTED CREDIT LOSSES FOR IMPAIRMENT ON FINANCIAL ASSETS

	30-Sep 2021 RM'000	30-Sep 2020 RM'000
Expected credit losses:		
Allowance made/(write-back) during the financial period	<u>2,674</u>	<u>(4,783)</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021 (CONTD.)

19. CAPITAL ADEQUACY

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

	30-Sep 2021 RM'000	31-Dec 2020 RM'000
Tier-I capital		
Paid-up share capital	650,000	650,000
Retained profits	210,380	223,911
Other disclosed reserves	11,020	6,554
	<u>871,400</u>	<u>880,465</u>
<u>Less : Regulatory adjustments</u>		
Intangible assets	(2)	(24)
Deferred tax assets	(3,315)	(3,416)
55% of cumulative gains of financial instruments at FVOCI	(1,934)	(3,605)
Regulatory reserve	(7,504)	-
Total Tier-I capital	<u>858,645</u>	<u>873,420</u>
Tier-II Capital		
Expected Credit Losses	8,472	5,588
Subordinated term loan	399,028	-
Total Tier-II capital	<u>407,500</u>	<u>5,588</u>
Total capital base	<u>1,266,145</u>	<u>879,008</u>
Capital Ratios		
Common Equity Tier 1 Ratio	25.639%	18.905%
Tier 1 Capital Ratio	25.639%	18.905%
Total Capital Ratio	<u>37.807%</u>	<u>19.026%</u>

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

	30-Sep 2021 RM'000	31-Dec 2020 RM'000
Credit Risk	2,049,038	2,347,059
Market Risk	937,533	1,868,985
Operational Risk	362,422	403,981
Total risk-weighted assets	<u>3,348,993</u>	<u>4,620,025</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021 (CONTD.)

20. INTEREST RATE RISK

The following table represents the Bank's assets and liabilities at carrying amounts as at 30 September 2021

	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	1,760,496	-	-	-	-	-	570	1,761,066
Reverse repurchase agreements	-	-	-	-	-	372,084	1,498	373,582
Financial assets at fair value through profit or loss	-	-	-	-	-	885,324	-	885,324
Financial investments at fair value through other comprehensive income	419,686	241,920	173,546	392,412	-	-	4,883	1,232,447
Loans, advances and financing	615,542	282,724	210,658	-	-	-	(5,209)	1,103,715
Derivatives Financial assets	-	-	-	-	-	615,538	-	615,538
Other assets	-	-	-	-	-	-	22,876	22,876
Total Assets	2,795,724	524,644	384,204	392,412	-	1,872,946	24,618	5,994,548
Liabilities								
Deposits from customers	1,762,006	115,411	4,270	53	-	-	699	1,882,439
Deposits and placements from banks and other financial institutions	1,397,740	112,984	4,200	-	-	-	(143)	1,514,781
Derivatives Financial Liabilities	-	-	-	-	-	444,393	-	444,393
Subordinated term loan	-	-	-	-	398,534	-	494	399,028
Other liabilities	-	-	-	-	-	-	900,643	900,643
Total Liabilities	3,159,746	228,395	8,470	53	398,534	444,393	901,693	5,141,284
Net interest rate gap	(364,022)	296,249	375,734	392,359	(398,534)	1,428,553	(877,075)	853,264

BNP PARIBAS MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021 (CONTD.)

20. INTEREST RATE RISK (CONTD)

The following table represents the Bank's assets and liabilities at carrying amounts as of 31 December 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	1,072,608	-	-	-	-	-	276	1,072,884
Reverse repurchase agreements	-	-	-	-	-	971,952	2,726	974,678
Financial assets at fair value through profit or loss	-	-	-	-	-	413,967	-	413,967
Financial investments at fair value through other comprehensive income	-	631,483	192,598	502,654	-	-	8,496	1,335,231
Loans, advances and financing	782,901	323,907	234,151	-	-	-	(2,552)	1,338,407
Derivative financial assets	-	-	-	-	-	1,296,293	-	1,296,293
Other assets	-	-	-	-	-	-	193,194	193,194
Total Assets	1,855,509	955,390	426,749	502,654	-	2,682,212	202,140	6,624,654
Liabilities								
Deposits from customers	2,228,015	67,500	4,511	-	-	-	794	2,300,820
Deposits and placements from banks and other financial institutions	839,406	500	1,000	-	-	-	(23)	840,883
Repurchase agreements	-	-	-	-	-	284,878	475	285,353
Derivatives financial liabilities	-	-	-	-	-	1,111,173	-	1,111,173
Other liabilities	-	-	-	-	-	-	1,226,532	1,226,532
Total Liabilities	3,067,421	68,000	5,511	-	-	1,396,051	1,227,778	5,764,761
Net interest rate gap	(1,211,912)	887,390	421,238	502,654	-	1,286,161	(1,025,638)	859,893

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021 (CONTD.)

21. 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:

	30-Sep 2021 RM'000	31-Dec 2020 RM'000
<u>Commitments and Contingent Liabilities</u>		
Direct credit substitutes	335,890	375,527
Short-term self-liquidating trade-related contingencies	3,603	6,904
Irrevocable commitments to extend credit:		
Maturity more than one year	63,067	353,470
Total credit related commitment and contingencies	<u>402,559</u>	<u>735,901</u>
Foreign exchange derivatives:		
One year or less	62,352,077	48,467,361
Over one year to five years	2,126,750	2,161,244
Over five years	529,365	17,000
Interest rate derivatives:		
One year or less	13,670,771	13,308,092
Over one year to five years	29,370,700	31,127,563
Over five years	1,898,204	1,459,071
Credit Derivatives:		
One year or less	262,771	290,264
Over one year to five years	420,018	620,940
Total treasury related commitment and contingencies	<u>110,630,656</u>	<u>97,451,535</u>
Total commitment and contingencies	<u>111,033,215</u>	<u>98,187,436</u>

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22. Islamic Banking Window

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

	Note	30-Sep 2021 RM'000	31-Dec 2020 RM'000
ASSETS			
Cash and short-term funds	(a)	37,892	22,202
Other assets	(b)	-	9,766
Property, plant and equipment	(c)	-	-
Intangible assets	(d)	-	-
TOTAL ASSETS		<u>37,892</u>	<u>31,968</u>
LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits from customers	(e)	11,184	10,079
Other liabilities	(f)	4,746	82
Total liabilities		<u>15,930</u>	<u>10,161</u>
Capital fund		26,850	26,850
Accumulated losses		(4,888)	(5,043)
Reserves		-	-
Islamic banking funds		<u>21,962</u>	<u>21,807</u>
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS		<u>37,892</u>	<u>31,968</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 2020.

BNP PARIBAS MALAYSIA BERHAD
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22. Islamic Banking Window

UNAUDITED STATEMENT OF PROFIT OR LOSS			
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021		30-Sep	30-Sep
		2021	2020
		RM'000	RM'000
Income derived from investment of			
Islamic banking funds and depositors' funds	(g)	397	321
Profit expense to depositors		(54)	(40)
Net income derived from investment of Islamic			
banking funds and depositors' funds		343	281
Other operating income	(h)	1,062	855
Other operating expenses	(i)	(1,250)	(1,362)
Profit/(Loss) for the financial period before			
 taxation		155	(226)
Taxation		-	-
Profit/(Loss) for the financial period after			
 taxation		155	(226)
Total comprehensive profit/(loss) for the period		155	(226)

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 2020.

BNP PARIBAS MALAYSIA BERHAD

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Islamic Banking Operations

UNAUDITED STATEMENT OF CHANGES IN EQUITY IN ISLAMIC BANKING FUNDS

FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021

	Capital fund RM'000	Regulatory reserve RM'000	Accumulated losses RM'000	Total RM'000
At 1 January 2021	26,850	-	(5,043)	21,807
Profit for the financial period	-	-	155	155
At 30 September 2021	<u>26,850</u>	<u>-</u>	<u>(4,888)</u>	<u>21,962</u>

	Capital fund RM'000	Regulatory reserve RM'000	Accumulated losses RM'000	Total RM'000
At 1 January 2020	26,850	-	(4,567)	22,283
Loss for the financial year	-	-	(476)	(476)
At 31 December 2020	<u>26,850</u>	<u>-</u>	<u>(5,043)</u>	<u>21,807</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 2020.

BNP PARIBAS MALAYSIA BERHAD
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22. Islamic Banking Window

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021

(a) CASH AND SHORT-TERM FUNDS

	30-Sep 2021 RM'000	31-Dec 2020 RM'000
<u>At Amortised Cost</u>		
Cash and balances with banks and other financial institutions	3,891	3,205
Money at call and deposit placements maturing within one month	34,001	18,997
	<u>37,892</u>	<u>22,202</u>

(b) OTHER ASSETS

	30-Sep 2021 RM'000	31-Dec 2020 RM'000
Other receivables	-	9,766
	<u>-</u>	<u>9,766</u>

(c) PROPERTY, PLANT AND EQUIPMENT

	Office Equipment and Machinery RM'000	Computer Equipment RM'000	Total RM'000
30 Sep 2021/31 Dec 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>
Net Book Value			
At end of the financial period	<u>-</u>	<u>-</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021 (CONTD.)

22. Islamic Banking Window

(d) INTANGIBLE ASSETS

	30-Sep 2021 RM'000	31-Dec 2020 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

	30-Sep 2021 RM'000	31-Dec 2020 RM'000
Type		
At Amortised Cost:		
Non-Mudharabah Fund		
Demand deposits	3,183	4,572
Commodity Murabahah	8,001	5,507
	<u>11,184</u>	<u>10,079</u>

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

	30-Sep 2021 RM'000	31-Dec 2020 RM'000
Due within six months	<u>8,001</u>	<u>5,507</u>

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

	30-Sep 2021 RM'000	31-Dec 2020 RM'000
Business enterprise	-	2
Domestic non-bank financial institution	11,184	10,077
	<u>11,184</u>	<u>10,079</u>

(f) OTHER LIABILITIES

	30-Sep 2021 RM'000	31-Dec 2020 RM'000
Other payables	<u>4,746</u>	<u>82</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021 (CONTD.)
22. Islamic Banking Window
(g) INCOME DERIVED FROM INVESTMENT OF ISLAMIC BANKING FUNDS AND DEPOSITORS' FUNDS

	30-Sep 2021 RM'000	30-Sep 2020 RM'000
Money at call and deposit placement with financial institutions	397	321

(h) OTHER OPERATING INCOME

	30-Sep 2021 RM'000	30-Sep 2020 RM'000
Fee income:		
Commissions	-	1
Other fee income	83	29
Foreign exchange:		
- Unrealised gain	84	57
Others	895	768
Total	1,062	855

(i) OTHER OPERATING EXPENSES

	30-Sep 2021 RM'000	30-Sep 2020 RM'000
Personnel costs (Note i)	991	1,094
Establishment costs (Note ii)	81	81
Marketing expenses (Note iii)	1	4
Administration and general expenses (Note iv)	177	183
	1,250	1,362

(i) Personnel Costs

Salaries, bonuses and allowances	775	875
Defined contribution plan	132	151
Other staff related expenses	84	68
	991	1,094

(ii) Establishment costs

Rental of premises	58	55
Information technology costs	4	8
Others	19	18
	81	81

(iii) Marketing Expenses

Others	1	4
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(iv) Administration and general expenses

Legal and professional fees	105	112
Communication & transportation	14	12
Others	58	59
	177	183

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021 (CONTD.)

22. Islamic Banking Window

(j) CAPITAL ADEQUACY

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

	30-Sep 2021 RM'000	31-Dec 2020 RM'000
Tier-I capital		
Capital fund	26,850	26,850
Accumulated losses	(5,043)	(5,043)
	<u>21,807</u>	<u>21,807</u>
<u>Less : Regulatory adjustments</u>		
Intangible assets	-	-
Total Tier-I capital	<u>21,807</u>	<u>21,807</u>
Total capital base	<u>21,807</u>	<u>21,807</u>
Capital Ratios		
Tier 1 Capital Ratio	558.402%	165.606%
Tier 1 Capital Ratio	558.402%	165.606%
Total Capital Ratio	<u>558.402%</u>	<u>165.606%</u>

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

	30-Sep 2021 RM'000	31-Dec 2020 RM'000
Credit Risk	592	9,891
Market Risk	1,937	1,941
Operational Risk	1,377	1,336
Total risk-weighted assets	<u>3,905</u>	<u>13,168</u>