



BNP PARIBAS

BNP PARIBAS MALAYSIA BERHAD

(Company No.201001034168 (918091 - T))

Incorporated in Malaysia

**UNAUDITED STATEMENT OF FINANCIAL POSITION
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

1. PERFORMANCE REVIEW

The Bank reported loss before tax of RM6.43 million for the financial period ended 31 March 2022 compared to a loss of RM16.02 million in the corresponding period last year.

Improvement in performance was mainly driven by gains from derivatives trading (Year-on-year increase of RM29 million). Higher loan base and placements of funds with financial institutions resulted in higher interest income; partially cushioned the impact caused by the decline in financial assets and reverse repurchase agreement portfolio.

Other operating expenses (excluding transfer pricing charges) was RM5.62 million higher compared to same period last year mainly due to increase in personnel cost (RM3.3 million) and intercompany recharges (RM1.3 million).

Global Market Transfer pricing (GM TP) charges for Q1 2022 was RM3.70 million higher than same period last year. In FY2021, there was a write-back of RM1.79 million for GM TP due to overaccrual of FY2020 charges.

2. CURRENT YEAR PROSPECTS

Bank Negara Malaysia (BNM) latest projection on GDP growth at between 5.3% and 6.3% for 2022; is slightly below the government's official forecast of 5.5% to 6.5%.

Recovery is expected to gain momentum in 2022 mainly driven by continued expansion in external demand, full upliftment of containment measures, reopening of international borders, and further improvement in labour market conditions. Infrastructure projects and targeted policy measure will further spur the economic activity and raise demand.

Downside risks will likely stem from developments surrounding Covid-19, slower-than-expected rollout of public infrastructure projects, persistent labour shortages, supply chain disruptions, and higher inflation.

The Bank is optimistic and foresee that there increase in demand for banking products as sentiments improve.

The Bank as a whole remains focused in supporting its clients; providing tailored financial solutions during this period of recovery.

Company No.201001034168 (918091-T)

BNP PARIBAS MALAYSIA BERHAD

(Incorporated in Malaysia)

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022**

	Note	Bank 31-Mar 2022 RM'000	Bank 31-Dec 2021 RM'000
ASSETS			
Cash and short-term funds	2	2,149,100	1,435,996
Reverse repurchase agreements		779,626	314,632
Financial assets at fair value through Profit or Loss (FVTPL)	3	594,944	444,422
Financial assets at fair value through other comprehensive income ('FVOCI')	4	944,431	1,191,901
Loans, advances and financing	5	1,170,659	1,301,885
Derivative financial assets		561,523	706,669
Other assets	6	119,085	70,565
Property, plant and equipment	7	3,987	4,778
Intangible assets	8	-	-
Tax recoverable		15,742	13,788
Deferred tax assets		2,292	3,596
TOTAL ASSETS		6,341,389	5,488,232
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits from customers	9	2,221,125	2,142,425
Deposits and placements from banks and other financial institutions	10	1,549,226	416,102
Repurchase agreements		-	-
Derivative financial liabilities		451,956	552,740
Subordinated term loan		384,883	387,635
Other liabilities	11	859,934	1,112,035
TOTAL LIABILITIES		5,467,124	4,610,937

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 2021.

Company No.201001034168 (918091-T)

BNP PARIBAS MALAYSIA BERHAD

(Incorporated in Malaysia)

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022 (CONTD.)**

	Note	Bank 31-Mar 2022 RM'000	Bank 31-Dec 2021 RM'000
Share capital	12	650,000	650,000
Retained profits		204,696	210,278
Reserves	13	19,569	17,017
SHAREHOLDER'S EQUITY		874,265	877,295
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		6,341,389	5,488,232
COMMITMENTS AND CONTINGENCIES	21	109,226,222	106,033,085

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 2021.

Company No.201001034168 (918091-T)

BNP PARIBAS MALAYSIA BERHAD

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**UNAUDITED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2022**

	Note	Bank 31-Mar 2022 RM'000	Bank 31-Mar 2021 RM'000
Interest income	14	21,902	26,874
Interest income for financial asset at FVTPL	14	4,352	13,056
Interest expenses	15	<u>(4,950)</u>	<u>(3,250)</u>
Net interest income		21,304	36,680
Net income from Islamic banking business	22	<u>136</u>	<u>93</u>
		21,440	36,773
Other operating (losses)/ income	16	(5,142)	(36,779)
Other operating expenses	17	(22,675)	(13,353)
Expected credit losses	18	(55)	(2,657)
Loss before tax		<u>(6,432)</u>	<u>(16,016)</u>
Taxation		<u>(1,114)</u>	<u>(1,826)</u>
Loss for the financial period		<u>(7,546)</u>	<u>(17,842)</u>
Other comprehensive income/(loss), 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		599	(1,951)
Net change in cash flow hedge		<u>3,917</u>	<u>-</u>
Other comprehensive income/(loss)		<u>4,516</u>	<u>(1,951)</u>
Total comprehensive loss for the financial period		<u>(3,030)</u>	<u>(19,793)</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 2021.

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BNP PARIBAS MALAYSIA BERHAD

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**UNAUDITED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2022**

	Bank 31-Mar 2022 RM'000	Bank 31-Mar 2021 RM'000
Cash Flows from/(Used In) Operating Activities		
(Loss)/Profit before tax	(6,432)	(16,016)
Adjustments for:		
Depreciation of property, plant and equipment	802	383
Amortisation of intangible assets	-	13
Expected credit losses on loans, advances and financing	55	2,657
Amortisation of premium less accretion of discount	1,558	4,781
Interest income on financial investments at FVOCI	(5,685)	(13,101)
Unrealised loss/(gain) on derivative financial instrument	14,410	44,524
Unrealised loss/(gain) on foreign exchange	14,941	70,070
Unrealised loss/(gain) on financial assets at FVTPL	1,090	6,800
Unrealised (gain)/loss on reverse repurchase agreements	(147)	198
Unrealised loss/(gain) on repurchase agreements	-	(110)
Operating profit before working capital changes	<u>20,592</u>	<u>100,199</u>

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UNAUDITED STATEMENTS OF CASH FLOW

FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2022 (CONTD.)

	Bank 31-Mar 2022 RM'000	Bank 31-Mar 2021 RM'000
(Increase)/Decrease in:		
Financial assets at FVTPL	(151,612)	(1,955,204)
Loans, advances and financing	131,171	239,649
Right of use asset	-	821
Reverse repurchase agreements	(464,847)	(704,170)
Other assets	(48,520)	142,332
Increase/(Decrease) in:		
Deposits from customers	78,700	32,797
Deposits and placements from banks and other financial institutions	1,133,123	3,929,283
Repurchase agreements	-	13,822
Derivative financial assets/liabilities	16,221	(61,879)
Subordinated term loan	(44)	-
Other liabilities	<u>(251,631)</u>	<u>(297,527)</u>
Net cash generated from operations	463,153	1,440,123
Income taxes paid	<u>(1,953)</u>	<u>(616)</u>
Net cash generated from operating activities	<u>461,200</u>	<u>1,439,507</u>
Cash Flows used in Investing Activities		
Purchase of property, plant and equipment	(11)	(305)
Net sales/(purchase) of financial investments at FVOCI	247,106	(781,226)
Interest income on financial investments at FVOCI	<u>5,279</u>	<u>1,488</u>
Net cash used in investing activities	<u>252,374</u>	<u>(780,043)</u>

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BNP PARIBAS MALAYSIA BERHAD

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UNAUDITED STATEMENTS OF CASH FLOW

FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2022 (CONTD.)

	Bank 31-Mar 2022 RM'000	Bank 31-Mar 2021 RM'000
Cash Flows Used In Financing Activities		
Payment for lease liabilities	<u>(470)</u>	<u>(293)</u>
Net cash used in financing activities	<u>(470)</u>	<u>(293)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	713,104	659,171
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,435,996</u>	<u>1,072,884</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>2,149,100</u>	<u>1,732,055</u>
Cash and cash equivalents comprise the following:		
Cash and short-term funds	<u>2,149,100</u>	<u>1,732,055</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 2021.

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UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2022

	← Non-distributable →				Retained profits RM'000	Total RM'000
	Share capital RM'000	Hedging reserves RM'000	Regulatory reserves RM'000	Revaluation reserve-financial investments at FVOCI RM'000		
At 1 January 2022	650,000	893	14,369	1,755	210,278	877,295
Loss for the period	-	-	-	-	(7,546)	(7,546)
Transfer to regulatory reserve	-	-	(1,964)	-	1,964	-
Other comprehensive income	-	3,917	-	599	-	4,516
At 31 March 2022	650,000	4,810	12,405	2,354	204,696	874,265

	← Non-distributable →				Retained profits RM'000	Total RM'000
	Share capital RM'000	Regulatory reserves RM'000	Regulatory reserves RM'000	Revaluation reserve-financial investments at FVOCI RM'000		
At 1 January 2021	650,000	-	-	6,554	223,911	880,465
Profit for the year	-	-	-	-	736	736
Transfer to regulatory reserve	-	-	14,369	-	(14,369)	-
Other comprehensive income/(loss)	-	893	-	(4,799)	-	(3,906)
At 31 December 2021	650,000	893	14,369	1,755	210,278	877,295

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 2021.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2022

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

	31-Mar 2022 RM'000	31-Dec 2021 RM'000
At Amortised Cost:		
Cash and balances with banks and other financial institutions	84,197	95,062
Money at call and deposit placements maturing within one month	2,064,903	1,340,934
	<u>2,149,100</u>	<u>1,435,996</u>

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

	31-Mar 2022 RM'000	31-Dec 2021 RM'000
At Fair Value:		
Government Securities:		
Malaysian Government Securities	520,932	227,080
Malaysian Government Investment Issues	74,012	217,342
	<u>594,944</u>	<u>444,422</u>

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

	31-Mar 2022 RM'000	31-Dec 2021 RM'000
At Fair Value:		
Government securities:		
Malaysian Government Securities	132,491	133,642
Malaysian Government Investment Issues	391,587	432,069
Bank Negara Malaysia Debt Securities	420,353	626,190
	<u>944,431</u>	<u>1,191,901</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2022 (CONTD.)

5. LOANS, ADVANCES AND FINANCING

	31-Mar 2022 RM'000	31-Dec 2021 RM'000
At amortised cost:		
(i) By type		
Revolving credit	376,071	519,699
Term loans	623,584	627,039
Trust receipts	3,844	4,910
Factoring receivables	139,220	131,849
Overdrafts	30,661	20,959
Gross loans, advances and financing ^	<u>1,173,380</u>	<u>1,304,456</u>
Less:Expected Credit Losses ('ECL')	<u>(2,721)</u>	<u>(2,571)</u>
Net loans, advances and financing	<u><u>1,170,659</u></u>	<u><u>1,301,885</u></u>

Note ^ : Included in the loans, funding extended to BNP Paribas Najmah (an Islamic Banking window in the Bank) under Profit Sharing Investment Account (PSIA) amounting to RM30.20 million (FY2021: RM 30.02 million). The PSIA is a contract based on the Wakalah principle.

	31-Mar 2022 RM'000	31-Dec 2021 RM'000
(ii) By type of customer		
Domestic business enterprises	1,173,380	1,274,434
Domestic non-bank financial institutions	-	30,022
	<u>1,173,380</u>	<u>1,304,456</u>
(iii) By interest rate sensitivity		
Variable rate:		
Cost plus	1,155,335	1,286,409
Fixed rate	18,045	18,047
	<u>1,173,380</u>	<u>1,304,456</u>
(iv) By residual contractual maturity		
Maturing within one year	549,796	830,755
More than one year to five years	394,799	252,332
More than five years	228,785	221,369
	<u>1,173,380</u>	<u>1,304,456</u>
(v) By geographical distribution		
In Malaysia	1,173,380	1,304,456
	<u>1,173,380</u>	<u>1,304,456</u>

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5. LOANS, ADVANCES AND FINANCING (CONTD.)

	31-Mar 2022 RM'000	31-Dec 2021 RM'000
(vi) By Sector		
Mining & Quarrying	4,045	12,782
Manufacturing	518,775	663,410
Electricity, gas and water supply	228,785	221,369
Construction	2,001	2,000
Wholesale and retail	155,418	139,673
Transport, storage and communication	155,134	153,338
Financial services	30,205	30,022
Real estate activities	7,631	8,009
Other business services	71,386	73,853
	<u>1,173,380</u>	<u>1,304,456</u>

(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
31 March 2022				
Balance at beginning of financial year	1,388	1,183	-	2,571
Allowances made/(written-back) during the financial period	315	(68)	-	247
Derecognised during the financial period	(97)	-	-	(97)
At end of financial period	<u>1,606</u>	<u>1,115</u>	<u>-</u>	<u>2,721</u>
31 December 2021				
Balance at beginning of financial year	2,310	2,586	-	4,896
Changes in credit risk	(14)	14	-	-
Allowances made/(written-back) during the financial period	(110)	(1,382)	-	(1,492)
Derecognised during the financial period	(798)	(35)	-	(833)
At end of financial period	<u>1,388</u>	<u>1,183</u>	<u>-</u>	<u>2,571</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
31 March 2022				
Balance at beginning of financial year	1,221,710	82,746	-	1,304,456
Purchases and origination	66,674	-	-	66,674
Derecognised during the financial period	(185,723)	(11,905)	-	(197,628)
Exchange fluctuation	(122)	-	-	(122)
At end of financial period	<u>1,102,539</u>	<u>70,841</u>	<u>-</u>	<u>1,173,380</u>
31 December 2021				
Balance at beginning of financial year	1,240,718	102,585	-	1,343,303
Changes in credit risk	(2,000)	2,000	-	-
Purchases and origination	480,178	501	-	480,679
Derecognised during the financial period	(497,186)	(22,340)	-	(519,526)
At end of financial period	<u>1,221,710</u>	<u>82,746</u>	<u>-</u>	<u>1,304,456</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2022 (CONTD.)

6. OTHER ASSETS

	31-Mar 2022 RM'000	31-Dec 2021 RM'000
Collateral assets	115,127	62,008
Other receivables	2,514	6,959
Deposit	812	812
Prepayments	632	786
	<u>119,085</u>	<u>70,565</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2022 (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
31 March 2022								
Cost								
At beginning of the financial year	404	4,256	1,855	8,729	6	-	11,935	27,185
Additions	-	-	-	11	-	-	-	11
Disposals	-	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	-	-
Lease modification	-	-	-	-	-	-	-	-
At end of the financial period	404	4,256	1,855	8,740	6	-	11,935	27,196
Accumulated Depreciation								
At beginning of the financial year	295	4,228	1,806	6,524	1	-	9,553	22,407
Depreciation charged for financial period	9	5	13	231	-	-	544	802
Write-off	-	-	-	-	-	-	-	-
Lease modification	-	-	-	-	-	-	-	-
At end of the financial period	304	4,233	1,819	6,755	1	-	10,097	23,209
Net Book Value								
As of 31 March 2022	100	23	36	1,985	5	-	1,838	3,987

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2022 (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 2021								
Cost								
At beginning of the financial year	378	4,256	1,855	7,914	15	-	12,397	26,815
Additions	26	-	-	815	6	-	-	847
Reclassification	-	-	-	-	(15)	-	-	(15)
Lease modification	-	-	-	-	-	-	(462)	(462)
At end of the financial year	404	4,256	1,855	8,729	6	-	11,935	27,185
Accumulated Depreciation								
At beginning of the financial year	258	4,200	1,725	5,513	15	-	7,572	19,283
Depreciation charged for financial year	37	28	81	1,011	1	-	1,981	3,139
Lease modification	-	-	-	-	(15)	-	-	(15)
At end of the financial year	295	4,228	1,806	6,524	1	-	9,553	22,407
Net Book Value								
As of 31 December 2021	109	28	49	2,205	5	-	2,382	4,778

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2022 (CONTD.)

8. INTANGIBLE ASSETS

	31-Mar 2022 RM'000	31-Dec 2021 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	3,090	3,066
Amortisation for the year	-	24
At end of the financial period/year	<u>3,090</u>	<u>3,090</u>
Total Net Book Value	<u>-</u>	<u>-</u>

9. DEPOSITS FROM CUSTOMERS

	31-Mar 2022 RM'000	31-Dec 2021 RM'000
Type		
At amortised cost:		
Demand deposits	1,709,955	1,627,014
Fixed deposits	500,970	515,411
Commodity Murabahah	10,200	-
	<u>2,221,125</u>	<u>2,142,425</u>
(i) Maturity structure of fixed deposits and Commodity Murabahah are as follows:		
Due within six months	505,085	512,650
Six months to one year	6,085	2,708
More than one year	-	53
	<u>511,170</u>	<u>515,411</u>
(ii) The deposits are sourced from the following types of customers:		
Business enterprises	2,189,100	2,117,609
Non-bank financial institutions	32,025	24,816
	<u>2,221,125</u>	<u>2,142,425</u>

10. DEPOSITS AND PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	31-Mar 2022 RM'000	31-Dec 2021 RM'000
At amortised cost:		
Other financial institutions	1,549,226	416,102
	<u>1,549,226</u>	<u>416,102</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2022 (CONTD.)

11. OTHER LIABILITIES

	31-Mar 2022 RM'000	31-Dec 2021 RM'000
Collateral deposits	805,669	1,057,583
Other payables	40,965	35,846
Accruals and charges	11,128	15,899
Lease Liabilities	2,038	2,487
Expected credit losses	134	220
	<u>859,934</u>	<u>1,112,035</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
31 March 2022				
Balance at beginning of financial year	121	99	-	220
Changes in credit risk	(1)	1	-	-
Allowances made/(written back) during the financial period	7	(93)	-	(86)
At end of financial period	<u>127</u>	<u>7</u>	<u>-</u>	<u>134</u>
31 December 2021				
Balance at beginning of financial year	194	498	-	692
Changes in credit risk	(2)	2	-	-
Allowances made/(written back) during the financial period	(71)	(401)	-	(472)
At end of financial period	<u>121</u>	<u>99</u>	<u>-</u>	<u>220</u>

12. SHARE CAPITAL

	31-Mar 2022 RM'000	31-Dec 2021 RM'000
Ordinary shares issued and fully paid: Balance as at 31 March/December	<u>650,000</u>	<u>650,000</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2022 (CONTD.)

13. RESERVES

	31-Mar 2022 RM'000	31-Dec 2021 RM'000
Non-distributable:		
Revaluation reserve financial investments at FVOCI	2,354	1,755
Regulatory reserve	12,405	14,369
Hedging reserve	4,810	893
	<u>19,569</u>	<u>17,017</u>

14. INTEREST INCOME

	31-Mar 2022 RM'000	31-Mar 2021 RM'000
Loans, advances and financing	8,454	7,445
Money at call and deposit placements with financial institutions	6,347	4,651
Financial assets at FVOCI	5,685	13,101
Financial assets at FVTPL	4,352	13,056
Reverse repurchase agreements	2,825	5,781
Other interest income	149	677
	<u>27,812</u>	<u>44,711</u>
Amortisation of premium less accretion of discount	(1,558)	(4,781)
Total Interest Income	<u>26,254</u>	<u>39,930</u>

15. INTEREST EXPENSE

	31-Mar 2022 RM'000	31-Mar 2021 RM'000
Deposits from customers	3,851	3,794
Deposits and placements from banks and other financial institutions	(121)	(1,849)
Repurchase agreements	-	786
Lease Liabilities	19	24
Subordinated term loan	630	-
Other interest expense	571	495
	<u>4,950</u>	<u>3,250</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2022 (CONTD.)

16. OTHER OPERATING INCOME

	31-Mar 2022 RM'000	31-Mar 2021 RM'000
Fee income:		
Commissions	62	45
Guarantee fees	382	389
Other fee income	978	2,311
	<u>1,422</u>	<u>2,745</u>
(Loss)/Gain arising from sale of:		
Financial assets at FVTPL	(3,063)	(4,935)
Financial assets at FVOCI	-	-
	<u>(3,063)</u>	<u>(4,935)</u>
(Loss)/Gain on derivatives trading:		
Realised (loss)/gain	18,617	19,266
Unrealised (loss)/gain	(14,410)	(44,524)
	<u>4,207</u>	<u>(25,258)</u>
Unrealised (loss)/gain on revaluation of:		
FVTPL	(1,090)	(6,800)
Net loss arising from hedging activities	(1,230)	-
Unrealised (loss)/gain on reverse repurchase agreements	147	(198)
Unrealised gain/(loss) on repurchase agreements	-	110
Other income:		
Foreign exchange:		
- Realised (loss)/gain	8,271	69,307
- Unrealised gain/(loss)	(14,941)	(70,070)
Others	1,135	(1,680)
	<u>(5,535)</u>	<u>(2,443)</u>
Total	<u>(5,142)</u>	<u>(36,779)</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2022 (CONTD.)

17. OTHER OPERATING EXPENSES

	31-Mar 2022 RM'000	31-Mar 2021 RM'000
Personnel costs (Note a)	12,377	9,123
Establishment costs (Note b)	5,399	3,575
Marketing expenses (Note c)	125	125
Administration and general expenses (Note d)	4,774	530
	<u>22,675</u>	<u>13,353</u>
(a) Personnel costs		
Salaries, bonuses and allowances	10,040	6,523
Defined contribution plan	1,452	695
Social security cost	37	(4)
Other staff related expenses	848	1,909
	<u>12,377</u>	<u>9,123</u>
(b) Establishment costs		
Information technology costs	1,760	1,646
Depreciation of property, plant and equipment	802	383
Amortization of intangible asset	-	13
Others	2,837	1,533
	<u>5,399</u>	<u>3,575</u>
(c) Marketing Expenses		
Advertising	14	14
Others	111	111
	<u>125</u>	<u>125</u>
(d) Administration and general expenses		
Legal and professional fees	426	416
Communication & transportation	245	250
Others general expenses	4,103	(136)
	<u>4,774</u>	<u>530</u>

18. EXPECTED CREDIT LOSSES FOR IMPAIRMENT ON FINANCIAL ASSETS

	31-Mar 2022 RM'000	31-Mar 2021 RM'000
Expected credit losses:		
Allowance made/(write-back) during the financial period	<u>55</u>	<u>2,657</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2022 (CONTD.)

19. CAPITAL ADEQUACY

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

	31-Mar 2022 RM'000	31-Dec 2021 RM'000
Tier-I capital		
Paid-up share capital	650,000	650,000
Retained profits	204,696	210,278
Other disclosed reserves	19,569	17,017
	<u>874,265</u>	<u>877,295</u>
<u>Less : Regulatory adjustments</u>		
Intangible assets	-	-
Deferred tax assets	(2,292)	(3,596)
55% of cumulative gains of financial instruments at FVOCI	(1,295)	(965)
Hedging Reserve	(4,810)	(893)
Regulatory reserve	(12,405)	(14,369)
Total Tier-I capital	<u>853,463</u>	<u>857,472</u>
Tier-II Capital		
Expected Credit Losses	2,855	2,791
Subordinated term loan	384,883	387,635
Total Tier-II capital	<u>387,738</u>	<u>390,426</u>
Total capital base	<u>1,241,201</u>	<u>1,247,898</u>
Capital Ratios		
Common Equity Tier 1 Ratio	24.599%	24.584%
Tier 1 Capital Ratio	24.599%	24.584%
Total Capital Ratio	<u>35.775%</u>	<u>35.777%</u>

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

	31-Mar 2022 RM'000	31-Dec 2021 RM'000
Credit Risk	1,947,635	2,113,929
Market Risk	1,269,341	1,083,291
Operational Risk	252,481	290,757
Total risk-weighted assets	<u>3,469,457</u>	<u>3,487,977</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2022 (CONTD.)

20. INTEREST RATE RISK

The following table represents the Bank's assets and liabilities at carrying amounts as at 31 March 2022

	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	2,147,797	-	-	-	-	-	1,303	2,149,100
Reverse repurchase agreements	-	-	-	-	-	774,836	4,790	779,626
Financial assets at fair value through profit or loss	-	-	-	-	-	594,944	-	594,944
Financial investments at fair value through other comprehensive income	490,394	-	141,388	306,538	-	-	6,110	944,431
Loans, advances and financing	454,323	360,403	354,719	-	-	-	1,214	1,170,659
Derivatives Financial assets	-	-	-	-	-	561,523	-	561,523
Other assets	-	-	-	-	-	-	117,641	117,641
Total Assets	3,092,515	360,403	496,107	306,538	-	1,931,303	131,058	6,317,924
Liabilities								
Deposits from customers	2,183,601	30,039	7,098	-	-	-	387	2,221,125
Deposits and placements from banks and other financial institutions	1,333,468	211,450	4,200	-	-	-	107	1,549,226
Derivatives Financial Liabilities	-	-	-	-	-	451,956	-	451,956
Subordinated term loan	-	-	-	-	384,429	-	455	384,883
Other liabilities	-	-	-	-	-	-	859,934	859,934
Total Liabilities	3,517,070	241,489	11,298	-	384,429	451,956	860,883	5,467,124
Net interest rate gap	(424,555)	118,914	484,809	306,538	(384,429)	1,479,347	(729,825)	850,800

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2022 (CONTD.)

20. INTEREST RATE RISK (CONTD)

The following table represents the Bank's assets and liabilities at carrying amounts as of 31 December 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	1,435,162	-	-	-	-	-	834	1,435,996
Reverse repurchase agreements	-	-	-	-	-	311,711	2,921	314,632
Financial assets at fair value through profit or loss	-	-	-	-	-	444,422	-	444,422
Financial investments at fair value through other comprehensive income	417,527	248,847	131,179	388,643	-	-	5,705	1,191,901
Loans, advances and financing	527,437	396,117	379,122	-	-	-	(791)	1,301,885
Derivative financial assets	-	-	-	-	-	706,669	-	706,669
Other assets	-	-	-	-	-	-	68,967	68,967
Total Assets	2,380,126	644,964	510,301	388,643	-	1,462,802	77,636	5,464,472
Liabilities								
Deposits from customers	1,984,281	145,040	12,739	53	-	-	312	2,142,425
Deposits and placements from banks and other financial institutions	409,663	6,400	-	-	-	-	39	416,102
Derivatives financial liabilities	-	-	-	-	-	552,740	-	552,740
Subordinated term loan	-	-	-	-	387,137	-	498	387,635
Other liabilities	-	-	-	-	-	-	1,112,035	1,112,035
Total Liabilities	2,393,944	151,440	12,739	53	387,137	552,740	1,112,884	4,610,937
Net interest rate gap	(13,818)	493,524	497,562	388,590	(387,137)	910,062	(1,035,248)	853,535

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2022 (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:

	31-Mar 2022 RM'000	31-Dec 2021 RM'000
<u>Commitments and Contingent Liabilities</u>		
Direct credit substitutes	249,305	295,283
Short-term self-liquidating trade-related contingencies	4,885	723
Irrevocable commitments to extend credit:		
Maturity more than one year	14,265	20,565
Total credit related commitment and contingencies	<u>268,455</u>	<u>316,571</u>
Foreign exchange derivatives:		
One year or less	55,601,927	57,925,295
Over one year to five years	3,025,588	2,216,232
Over five years	543,575	573,928
Interest rate derivatives:		
One year or less	15,882,888	13,592,483
Over one year to five years	31,050,744	28,981,380
Over five years	2,367,554	1,919,354
Credit Derivatives:		
One year or less	43,900	43,598
Over one year to five years	441,591	464,244
Total treasury related commitment and contingencies	<u>108,957,767</u>	<u>105,716,514</u>
Total commitment and contingencies	<u>109,226,222</u>	<u>106,033,085</u>

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22. Islamic Banking Window

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	31-Mar 2022 RM'000	31-Dec 2021 RM'000
ASSETS			
Cash and short-term funds	(a)	41,049	39,411
Property, plant and equipment	(c)	-	-
Intangible assets	(d)	-	-
TOTAL ASSETS		<u>41,049</u>	<u>39,411</u>
LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits from customers	(e)	13,210	11,253
Other liabilities	(f)	5,746	5,968
Total liabilities		<u>18,956</u>	<u>17,221</u>
Capital fund		26,850	26,850
Accumulated losses		(4,757)	(4,660)
Reserves		-	-
Islamic banking funds		<u>22,093</u>	<u>22,190</u>
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS		<u>41,049</u>	<u>39,411</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 2021.

BNP PARIBAS MALAYSIA BERHAD
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22. Islamic Banking Window

UNAUDITED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2022

		31-Mar 2022 RM'000	31-Mar 2021 RM'000
Income derived from investment of			
Islamic banking funds and depositors' funds	(g)	157	111
Profit expense to depositors		<u>(21)</u>	<u>(18)</u>
Net income derived from investment of Islamic			
banking funds and depositors' funds		136	93
Other operating income	(h)	285	457
Other operating expenses	(i)	(518)	(352)
Profit/(Loss) for the financial period before			
 taxation		<u>(97)</u>	<u>198</u>
Taxation		-	-
Profit/(Loss) for the financial period after			
 taxation		<u>(97)</u>	<u>198</u>
Total comprehensive profit/(loss) for the period		<u><u>(97)</u></u>	<u><u>198</u></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 2021.

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 31 MARCH 2022

	Capital fund RM'000	Regulatory reserve RM'000	Accumulated losses RM'000	Total RM'000
At 1 January 2022	26,850	-	(4,660)	22,190
Loss for the financial period	-	-	(97)	(97)
At 31 March 2022	<u>26,850</u>	<u>-</u>	<u>(4,757)</u>	<u>22,093</u>

	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
Loss for the financial year	-	-	383	383
At 31 December 2021	<u>26,850</u>	<u>-</u>	<u>(4,660)</u>	<u>22,190</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 2021.

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

22. Islamic Banking Window

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2022

(a) CASH AND SHORT-TERM FUNDS

	31-Mar 2022 RM'000	31-Dec 2021 RM'000
<u>At Amortised Cost</u>		
Cash and balances with banks and other financial institutions	4,041	5,401
Money at call and deposit placements maturing within one month	37,008	34,010
	<u>41,049</u>	<u>39,411</u>

(b) LOANS, ADVANCES AND FINANCING

Included in the Bank's loan, there is funding extended to BNP Paribas Najmah under Profit Sharing Investment Account (PSIA) amounting to RM30.20 million (FY2021: RM 30.02 million). The PSIA is a contract based on the Wakalah principle.

(c) PROPERTY, PLANT AND EQUIPMENT

	Office Equipment and Machinery RM'000	Computer Equipment RM'000	Total RM'000
31 Mar 2022/31 Dec 2021			
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 31 MARCH 2022 (CONTD.)

22. Islamic Banking Window

(d) INTANGIBLE ASSETS

	31-Mar 2022 RM'000	31-Dec 2021 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	41
Amortisation for the year	-	-
At end of the financial period	<u>41</u>	<u>41</u>
Net Book Value	<u>-</u>	<u>-</u>

(e) DEPOSITS FROM CUSTOMERS

	31-Mar 2022 RM'000	31-Dec 2021 RM'000
Type		
At Amortised Cost:		
Non-Mudharabah Fund		
Demand deposits	3,010	11,253
Commodity Murabahah	10,200	-
	<u>13,210</u>	<u>11,253</u>

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

	31-Mar 2022 RM'000	31-Dec 2021 RM'000
Due within six months	<u>10,200</u>	<u>-</u>

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

	31-Mar 2022 RM'000	31-Dec 2021 RM'000
Domestic non-bank financial institution	<u>13,210</u>	<u>11,253</u>
	<u>13,210</u>	<u>11,253</u>

(f) OTHER LIABILITIES

	31-Mar 2022 RM'000	31-Dec 2021 RM'000
Other payables	<u>5,746</u>	<u>5,968</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2022 (CONTD.)

22. Islamic Banking Window

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

	31-Mar 2022 RM'000	31-Mar 2021 RM'000
Money at call and deposit placement with financial institutions	157	111

(h) OTHER OPERATING INCOME

	31-Mar 2022 RM'000	31-Mar 2021 RM'000
Fee income:		
Other fee income	-	83
Foreign exchange:		
- Unrealised gain	14	66
Others	271	308
Total	285	457

(i) OTHER OPERATING EXPENSES

	31-Mar 2022 RM'000	31-Mar 2021 RM'000
Personnel costs (Note i)	458	281
Establishment costs (Note ii)	25	25
Administration and general expenses (Note iii)	35	46
	518	352

(i) Personnel Costs

Salaries, bonuses and allowances	387	183
Defined contribution plan	69	31
Other staff related expenses	2	67
	458	281

(ii) Establishment costs

Rental of premises	17	18
Information technology costs	3	-
Others	5	7
	25	25

(iii) Administration and general expenses

Legal and professional fees	26	36
Communication & transportation	5	5
Others	4	5
	35	46

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2022 (CONTD.)

22. Islamic Banking Window

(j) CAPITAL ADEQUACY

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

	31-Mar 2022 RM'000	31-Dec 2021 RM'000
Tier-I capital		
Capital fund	26,850	26,850
Accumulated losses	(4,757)	(4,660)
	<u>22,093</u>	<u>22,190</u>
<u>Less : Regulatory adjustments</u>		
Intangible assets	-	-
Total Tier-I capital	<u>22,093</u>	<u>22,190</u>
Total capital base	<u>22,093</u>	<u>22,190</u>
Capital Ratios		
Tier 1 Capital Ratio	564.553%	525.331%
Tier 1 Capital Ratio	564.553%	525.331%
Total Capital Ratio	<u>564.553%</u>	<u>525.331%</u>

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

	31-Mar 2022 RM'000	31-Dec 2021 RM'000
Credit Risk	629	942
Market Risk	1,946	1,973
Operational Risk	1,338	1,309
Total risk-weighted assets	<u>3,913</u>	<u>4,224</u>