



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 JUNE 2022**

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

1. PERFORMANCE REVIEW

The Bank registered a profit before tax of RM5.81 million for the financial period ended 30 June 2022, compared to a loss of RM5.17 million in the corresponding period last year.

The improvement in performance was notably driven by gains in derivatives trading (Year-on-year increase of RM24 million).

Other operating expenses (excluding transfer pricing charges) were RM6.36 million higher compared to the same period last year mainly due to increase in personnel cost (RM4.56 million).

Global Market Transfer pricing (GM TP) charges for YTD June 2022 was RM2.54 million lower than the same period last year.

2. CURRENT YEAR PROSPECTS

Bank Negara Malaysia's (BNM) projection on GDP growth is maintained at between 5.3% and 6.3% for 2022.

This recovery is underpinned by stronger domestic demand, expansion in external demand and further improvements in the labour market. Growth would also benefit from easing of Covid-19 restrictions, reopening of international borders and implementation of investment projects.

However, uncertainties and downside risks may likely stem from weaker than expected global growth, further escalation of geopolitical conflicts, worsening supply chain disruptions, adverse developments surrounding Covid-19 and heightened financial market volatilities.

Inflation is projected to average between 2.2% and 3.2% for 2022, with some pressure coming from commodity prices but partly contained by price control measures and continued spare capacity in the economy.

In this context, the Bank remains optimistic with growing activity in banking products.

The Bank remains focused on 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 30 JUNE 2022**

	Note	Bank 30-Jun 2022 RM'000	Bank 31-Dec 2021 RM'000
ASSETS			
Cash and short-term funds	2	1,890,501	1,435,996
Reverse repurchase agreements		2,052,804	314,632
Financial assets at fair value through Profit or Loss (‘FVTPL’)	3	1,276,713	444,422
Financial assets at fair value through other comprehensive income (‘FVOCI’)	4	803,500	1,191,901
Loans, advances and financing	5	1,261,668	1,301,885
Derivative financial assets		1,123,848	706,669
Other assets	6	178,368	70,565
Property, plant and equipment	7	3,351	4,778
Intangible assets	8	-	-
Tax recoverable		17,703	13,788
Deferred tax assets		3,759	3,596
TOTAL ASSETS		8,612,215	5,488,232
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits from customers	9	2,334,928	2,142,425
Deposits and placements from banks and other financial institutions	10	2,529,453	416,102
Repurchase agreements		6	-
Derivative financial liabilities		1,010,372	552,740
Subordinated term loan		377,985	387,635
Other liabilities	11	1,474,144	1,112,035
TOTAL LIABILITIES		7,726,888	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 30 JUNE 2022 (CONTD.)**

	Note	Bank 30-Jun 2022 RM'000	Bank 31-Dec 2021 RM'000
Share capital	12	650,000	650,000
Retained profits		214,593	210,278
Reserves	13	20,734	17,017
SHAREHOLDER'S EQUITY		885,327	877,295
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		8,612,215	5,488,232
COMMITMENTS AND CONTINGENCIES	21	121,938,428	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.

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**UNAUDITED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2022**

	Note	Bank 30-Jun 2022 RM'000	Bank 30-Jun 2021 RM'000
Interest income	14	55,201	54,142
Interest income for financial asset at FVTPL	14	14,536	22,546
Interest expenses	15	(13,167)	(7,693)
Net interest income		56,570	68,995
Net income from Islamic banking business	22	270	215
Other operating (losses)/ income	16	56,840	69,210
Other operating expenses	17	(11,285)	(32,775)
Expected credit losses	18	(40,342)	(36,518)
Profit/(Loss) before tax		598	(5,088)
Taxation		(1,390)	(5,171)
Profit/(Loss) for the financial period		(1,390)	(740)
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		(1,853)	(2,092)
Net change in cash flow hedge		6,199	-
Other comprehensive income/(loss)		4,346	(2,092)
Total comprehensive income/(loss) for the financial period		8,767	(8,003)

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 30 JUNE 2022**

	Bank 30-Jun 2022 RM'000	Bank 30-Jun 2021 RM'000
Cash Flows from/(Used In) Operating Activities		
Profit /(Loss) before tax	5,811	(5,171)
Adjustments for:		
Depreciation of property, plant and equipment	1,597	1,172
Amortisation of intangible assets	-	17
Expected credit losses on loans, advances and financing	(598)	5,088
Amortisation of premium less accretion of discount	2,433	10,179
Interest income on financial investments at FVOCI	(10,632)	(27,127)
Unrealised loss/(gain) on derivative financial instrument	31,067	11,546
Unrealised loss/(gain) on foreign exchange	72,456	(18,804)
Unrealised loss/(gain) on financial assets at FVTPL	3,707	1,153
Realised loss/(gain) on financial investments at FVOCI	3,143	-
Unrealised (gain)/loss on reverse repurchase agreements	336	1,638
Unrealised loss/(gain) on repurchase agreements	6	(313)
Operating profit before working capital changes	<u>109,326</u>	<u>(20,622)</u>

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**UNAUDITED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2022 (CONTD.)**

	Bank 30-Jun 2022 RM'000	Bank 30-Jun 2021 RM'000
(Increase)/Decrease in:		
Financial assets at FVTPL	(835,998)	(342,909)
Loans, advances and financing	40,815	224,312
Right of use asset	-	821
Reverse repurchase agreements	(1,738,508)	204,377
Other assets	(107,803)	149,934
Increase/(Decrease) in:		
Deposits from customers	192,503	(199,168)
Deposits and placements from banks and other financial institutions	2,113,351	1,008,745
Repurchase agreements	-	(285,040)
Derivative financial assets/liabilities	(66,559)	(103,008)
Subordinated term loan	38	
Other liabilities	362,314	(93,435)
Net cash generated from operations	69,479	544,007
Income taxes paid	(4,883)	-
Net cash generated from operating activities	<u>64,596</u>	<u>544,007</u>
Cash Flows used in Investing Activities		
Purchase of property, plant and equipment	(170)	(382)
Net sales/(purchase) of financial investments at FVOCI	377,271	(487,436)
Interest income on financial investments at FVOCI	13,747	21,172
Net cash used in investing activities	<u>390,848</u>	<u>(466,646)</u>

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**UNAUDITED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2022 (CONTD.)**

	Bank 30-Jun 2022 RM'000	Bank 30-Jun 2021 RM'000
Cash Flows Used In Financing Activities		
Payment for lease liabilities	<u>(939)</u>	<u>(763)</u>
Net cash used in financing activities	<u>(939)</u>	<u>(763)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	454,505	76,598
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>1,890,501</u>	<u>1,149,482</u>
Cash and cash equivalents comprise the following:		
Cash and short-term funds	<u>1,890,501</u>	<u>1,149,482</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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UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2022

	← Non-distributable →					
	Share capital	Hedging reserves	Regulatory reserves	Revaluation reserve- financial investments at FVOCI	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2022	650,000	893	14,369	1,755	210,278	877,295
Profit for the period	-	-	-	-	4,421	4,421
Transfer to regulatory reserve	-	-	(629)	-	629	-
Other comprehensive income	-	6,199	-	(1,853)	-	4,346
Dividend on ordinary shares	-	-	-	-	(735)	(735)
At 30 June 2022	<u>650,000</u>	<u>7,092</u>	<u>13,740</u>	<u>(98)</u>	<u>214,593</u>	<u>885,327</u>

	← Non-distributable →					
	Share capital	Regulatory reserves	Regulatory reserves	Revaluation reserve- financial investments at FVOCI	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	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	<u>650,000</u>	<u>893</u>	<u>14,369</u>	<u>1,755</u>	<u>210,278</u>	<u>877,295</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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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 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

	30-Jun 2022 RM'000	31-Dec 2021 RM'000
At Amortised Cost:		
Cash and balances with banks and other financial institutions	72,012	95,062
Money at call and deposit placements maturing within one month	1,818,489	1,340,934
	<u>1,890,501</u>	<u>1,435,996</u>

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

	30-Jun 2022 RM'000	31-Dec 2021 RM'000
At Fair Value:		
Government Securities:		
Malaysian Government Securities	549,982	227,080
Malaysian Government Investment Issues	726,731	217,342
	<u>1,276,713</u>	<u>444,422</u>

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

	30-Jun 2022 RM'000	31-Dec 2021 RM'000
At Fair Value:		
Government securities:		
Malaysian Government Securities	101,348	133,642
Malaysian Government Investment Issues	85,679	432,069
Bank Negara Malaysia Debt Securities	616,473	626,190
	<u>803,500</u>	<u>1,191,901</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2022 (CONTD.)

5. LOANS, ADVANCES AND FINANCING

	30-Jun 2022 RM'000	31-Dec 2021 RM'000
At amortised cost:		
(i) By type		
Revolving credit	434,432	519,699
Term loans	625,863	627,039
Trust receipts	6,911	4,910
Factoring receivables	156,664	131,849
Other trade bill discounted	2,007	-
Overdrafts	37,953	20,959
Gross loans, advances and financing ^	<u>1,263,830</u>	<u>1,304,456</u>
Less:Expected Credit Losses ('ECL')	<u>(2,162)</u>	<u>(2,571)</u>
Net loans, advances and financing	<u><u>1,261,668</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 RM nil (FY2021: RM 30.02 million). The PSIA is a contract based on the Wakalah principle.

	30-Jun 2022 RM'000	31-Dec 2021 RM'000
(ii) By type of customer		
Domestic business enterprises	1,263,830	1,274,434
Domestic non-bank financial institutions	-	30,022
	<u>1,263,830</u>	<u>1,304,456</u>
(iii) By interest rate sensitivity		
Variable rate:		
Cost plus	1,244,778	1,286,409
Fixed rate	19,052	18,047
	<u>1,263,830</u>	<u>1,304,456</u>
(iv) By residual contractual maturity		
Maturing within one year	640,971	830,755
More than one year to five years	395,580	252,332
More than five years	227,279	221,369
	<u>1,263,830</u>	<u>1,304,456</u>
(v) By geographical distribution		
In Malaysia	1,263,830	1,304,456
	<u>1,263,830</u>	<u>1,304,456</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2022 (CONTD.)
5. LOANS, ADVANCES AND FINANCING (CONTD.)

	30-Jun 2022 RM'000	31-Dec 2021 RM'000
(vi) By Sector		
Mining & Quarrying	4,017	12,782
Manufacturing	616,098	663,410
Electricity, gas and water supply	227,957	221,369
Construction	2,039	2,000
Wholesale and retail	174,127	139,673
Transport, storage and communication	158,253	153,338
Financial services	-	30,022
Real estate activities	7,258	8,009
Other business services	74,081	73,853
	<u>1,263,830</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
30 June 2022				
Balance at beginning of financial year	1,388	1,183	-	2,571
Allowances made/(written-back) during the financial period	196	(469)	-	(273)
Derecognised during the financial period	(136)	-	-	(136)
At end of financial period	<u>1,448</u>	<u>714</u>	<u>-</u>	<u>2,162</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
30 June 2022				
Balance at beginning of financial year	1,221,710	82,746	-	1,304,456
Purchases and origination	163,362	-	-	163,362
Derecognised during the financial period	(191,686)	(11,884)	-	(203,570)
Exchange fluctuation	(418)	-	-	(418)
At end of financial period	<u>1,192,968</u>	<u>70,862</u>	<u>-</u>	<u>1,263,830</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2022 (CONTD.)

5. LOANS, ADVANCES AND FINANCING (CONTD.)

(viii) Movements on loans, advances and financing are as follows (continued):

	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 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>

6. OTHER ASSETS

	30-Jun 2022 RM'000	31-Dec 2021 RM'000
Collateral assets	166,508	62,008
Other receivables	9,811	6,959
Deposit	811	812
Prepayments	1,238	786
	<u>178,368</u>	<u>70,565</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 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
30 June 2022								
Cost								
At beginning of the financial year	404	4,256	1,855	8,729	6	-	11,935	27,185
Additions	38	-	-	132	-	-	-	170
Disposals	-	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	-	-
Lease modification	-	-	-	-	-	-	-	-
At end of the financial period	442	4,256	1,855	8,861	6	-	11,935	27,355
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	20	11	23	456	-	-	1,087	1,597
Write-off	-	-	-	-	-	-	-	-
Lease modification	-	-	-	-	-	-	-	-
At end of the financial period	315	4,239	1,829	6,980	1	-	10,640	24,004
Net Book Value								
As of 30 June 2022	127	17	26	1,881	5	-	1,295	3,351

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 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 30 JUNE 2022 (CONTD.)

8. INTANGIBLE ASSETS

	30-Jun 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

	30-Jun 2022 RM'000	31-Dec 2021 RM'000
Type		
At amortised cost:		
Demand deposits	1,588,276	1,627,014
Fixed deposits	746,652	515,411
Commodity Murabahah	-	-
	<u>2,334,928</u>	<u>2,142,425</u>
(i) Maturity structure of fixed deposits and Commodity Murabahah are as follows:		
Due within six months	740,270	512,650
Six months to one year	6,382	2,708
More than one year	-	53
	<u>746,652</u>	<u>515,411</u>
(ii) The deposits are sourced from the following types of customers:		
Business enterprises	2,318,244	2,117,609
Non-bank financial institutions	16,684	24,816
	<u>2,334,928</u>	<u>2,142,425</u>

10. DEPOSITS AND PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	30-Jun 2022 RM'000	31-Dec 2021 RM'000
At amortised cost:		
Other financial institutions	2,529,453	416,102
	<u>2,529,453</u>	<u>416,102</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2022 (CONTD.)

11. OTHER LIABILITIES

	30-Jun 2022 RM'000	31-Dec 2021 RM'000
Collateral deposits	1,418,527	1,057,583
Other payables	39,152	35,846
Accruals and charges	14,047	15,899
Lease Liabilities	1,584	2,487
Expected credit losses	99	220
Dividend payable	735	-
	<u>1,474,144</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
30 June 2022				
Balance at beginning of financial year	121	99	-	220
Changes in credit risk	(27)	27	-	-
Allowances made/(written back) during the financial period	(24)	(97)	-	(121)
At end of financial period	<u>70</u>	<u>29</u>	<u>-</u>	<u>99</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

	30-Jun 2022 RM'000	31-Dec 2021 RM'000
Ordinary shares issued and fully paid:		
Balance as at 30 June/December	<u>650,000</u>	<u>650,000</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2022 (CONTD.)

13. RESERVES

	30-Jun 2022 RM'000	31-Dec 2021 RM'000
Non-distributable:		
Revaluation reserve financial investments at FVOCI	(98)	1,755
Regulatory reserve	13,740	14,369
Hedging reserve	7,092	893
	<u>20,734</u>	<u>17,017</u>

14. INTEREST INCOME

	30-Jun 2022 RM'000	30-Jun 2021 RM'000
Loans, advances and financing	17,288	14,702
Money at call and deposit placements with financial institutions	18,648	10,002
Financial assets at FVOCI	10,632	27,127
Financial assets at FVTPL	14,536	22,546
Reverse repurchase agreements	10,443	11,561
Other interest income	623	929
	<u>72,170</u>	<u>86,867</u>
Amortisation of premium less accretion of discount	(2,433)	(10,179)
Total Interest Income	<u>69,737</u>	<u>76,688</u>

15. INTEREST EXPENSE

	30-Jun 2022 RM'000	30-Jun 2021 RM'000
Deposits from customers	8,685	8,411
Deposits and placements from banks and other financial institutions	648	(3,030)
Repurchase agreements	-	1,143
Lease Liabilities	35	58
Subordinated term loan	1,364	-
Other interest expense	2,435	1,111
	<u>13,167</u>	<u>7,693</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2022 (CONTD.)

16. OTHER OPERATING (LOSSES)/INCOME

	30-Jun 2022 RM'000	30-Jun 2021 RM'000
Fee income:		
Commissions	127	101
Guarantee fees	762	669
Other fee income	1,207	2,681
	<u>2,096</u>	<u>3,451</u>
(Loss)/Gain arising from sale of:		
Financial assets at FVTPL	(8,201)	(14,056)
Financial assets at FVOCI	(3,143)	-
	<u>(11,344)</u>	<u>(14,056)</u>
Gain/(Loss) on derivatives trading:		
Realised (loss)/gain	39,639	(4,225)
Unrealised (loss)/gain	(31,067)	(11,546)
	<u>8,572</u>	<u>(15,771)</u>
Unrealised (loss)/gain on revaluation of:		
FVTPL	(3,707)	(1,153)
Net gain/(loss) arising from hedging activities	970	-
Unrealised (loss)/gain on reverse repurchase agreements	(336)	(1,638)
Unrealised (loss)/gain on repurchase agreements	(6)	313
Other income:		
Foreign exchange:		
- Realised gain/(loss)	60,315	(22,935)
- Unrealised (loss)/gain	(72,456)	18,804
Others	4,611	210
	<u>(7,530)</u>	<u>(3,921)</u>
Total	<u>(11,285)</u>	<u>(32,775)</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2022 (CONTD.)

17. OTHER OPERATING EXPENSES

	30-Jun 2022 RM'000	30-Jun 2021 RM'000
Personnel costs (Note a)	24,250	19,690
Establishment costs (Note b)	10,852	9,504
Marketing expenses (Note c)	303	183
Administration and general expenses (Note d)	4,937	7,141
	<u>40,342</u>	<u>36,518</u>
(a) Personnel costs		
Salaries, bonuses and allowances	18,972	15,157
Defined contribution plan	3,035	2,088
Social security cost	41	44
Other staff related expenses	2,202	2,401
	<u>24,250</u>	<u>19,690</u>
(b) Establishment costs		
Information technology costs	4,186	3,839
Depreciation of property, plant and equipment	1,597	1,172
Amortization of intangible asset	-	17
Others	5,069	4,476
	<u>10,852</u>	<u>9,504</u>
(c) Marketing Expenses		
Advertising	32	28
Others	271	155
	<u>303</u>	<u>183</u>
(d) Administration and general expenses		
Legal and professional fees	713	814
Communication & transportation	466	481
Others general expenses	3,758	5,846
	<u>4,937</u>	<u>7,141</u>

18. EXPECTED CREDIT LOSSES FOR IMPAIRMENT ON FINANCIAL ASSETS

	30-Jun 2022 RM'000	30-Jun 2021 RM'000
Expected credit losses:		
Allowance (write-back)/made during the financial period	(598)	5,088
	<u>(598)</u>	<u>5,088</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2022 (CONTD.)

19. CAPITAL ADEQUACY

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

	30-Jun 2022 RM'000	31-Dec 2021 RM'000
Tier-I capital		
Paid-up share capital	650,000	650,000
Retained profits	210,172	210,278
Other disclosed reserves	20,734	17,017
	<u>880,906</u>	<u>877,295</u>
<u>Less : Regulatory adjustments</u>		
Intangible assets	-	-
Deferred tax assets	(3,759)	(3,596)
55% of cumulative gains of financial instruments at FVOCI	-	(965)
Hedging reserve	(7,092)	(893)
Regulatory reserve	(13,740)	(14,369)
Total Tier-I capital	<u>856,315</u>	<u>857,472</u>
Tier-II Capital		
General provisions (Expected Credit Losses and regulatory reserve)	16,001	2,791
Subordinated term loan	377,985	387,635
Total Tier-II capital	<u>393,986</u>	<u>390,426</u>
Total capital base	<u>1,250,301</u>	<u>1,247,898</u>
Capital Ratios		
Common Equity Tier 1 Ratio	22.563%	24.584%
Tier 1 Capital Ratio	22.563%	24.584%
Total Capital Ratio	<u>32.945%</u>	<u>35.777%</u>

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

	30-Jun 2022 RM'000	31-Dec 2021 RM'000
Credit Risk	2,317,977	2,113,929
Market Risk	1,131,163	1,083,291
Operational Risk	346,034	290,757
Total risk-weighted assets	<u>3,795,174</u>	<u>3,487,977</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2022 (CONTD.)

20. INTEREST RATE RISK

The following table represents the Bank's assets and liabilities at carrying amounts as at 30 June 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	1,889,512	-	-	-	-	-	989	1,890,501
Reverse repurchase agreements	-	-	-	-	-	2,045,739	7,065	2,052,804
Financial assets at fair value through profit or loss	-	-	-	-	-	1,276,713	-	1,276,713
Financial investments at fair value through other comprehensive income	700,869	-	100,383	-	-	-	2,248	803,500
Loans, advances and financing	572,465	293,447	395,902	-	-	-	(146)	1,261,668
Derivatives Financial assets	-	-	-	-	-	1,123,848	-	1,123,848
Other assets	-	-	-	-	-	-	176,319	176,319
Total Assets	3,162,846	293,447	496,285	-	-	4,446,300	186,475	8,585,353
Liabilities								
Deposits from customers	2,182,152	59,000	93,330	-	-	-	446	2,334,928
Deposits and placements from banks and other financial institutions	2,170,587	358,833	-	-	-	-	33	2,529,453
Repurchase agreements	-	-	-	-	-	-	6	6
Derivatives Financial Liabilities	-	-	-	-	-	1,010,372	-	1,010,372
Subordinated term loan	377,448	-	-	-	-	-	537	377,985
Other liabilities	-	-	-	-	-	-	1,474,144	1,474,144
Total Liabilities	4,730,187	417,833	93,330	-	-	1,010,372	1,475,166	7,726,888
Net interest rate gap	(1,567,341)	(124,386)	402,955	-	-	3,435,928	(1,288,691)	858,465

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 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 30 JUNE 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:

	30-Jun 2022 RM'000	31-Dec 2021 RM'000
<u>Commitments and Contingent Liabilities</u>		
Direct credit substitutes	254,011	295,283
Short-term self-liquidating trade-related contingencies	347	723
Irrevocable commitments to extend credit:		
Maturity more than one year	9,932	20,565
Total credit related commitment and contingencies	<u>264,290</u>	<u>316,571</u>
Foreign exchange derivatives:		
One year or less	61,507,535	57,925,295
Over one year to five years	3,763,324	2,216,232
Over five years	561,748	573,928
Interest rate derivatives:		
One year or less	19,778,023	13,592,483
Over one year to five years	33,027,185	28,981,380
Over five years	2,435,614	1,919,354
Credit Derivatives:		
One year or less	22,643	43,598
Over one year to five years	578,066	464,244
Total treasury related commitment and contingencies	<u>121,674,139</u>	<u>105,716,514</u>
Total commitment and contingencies	<u>121,938,428</u>	<u>106,033,085</u>

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22. Islamic Banking Window

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	30-Jun 2022 RM'000	31-Dec 2021 RM'000
ASSETS			
Cash and short-term funds	(a)	36,973	39,411
Property, plant and equipment	(c)	-	-
Intangible assets	(d)	-	-
TOTAL ASSETS		<u>36,973</u>	<u>39,411</u>
LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits from customers	(e)	8,925	11,253
Other liabilities	(f)	5,835	5,968
Total liabilities		<u>14,760</u>	<u>17,221</u>
Capital fund		26,850	26,850
Accumulated losses		(4,637)	(4,660)
Reserves		-	-
Islamic banking funds		<u>22,213</u>	<u>22,190</u>
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS		<u>36,973</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 30 JUNE 2022

		30-Jun	30-Jun
		2022	2021
		RM'000	RM'000
Income derived from investment of			
Islamic banking funds and depositors' funds	(g)	316	248
Profit expense to depositors		(46)	(33)
Net income derived from investment of Islamic			
banking funds and depositors' funds		270	215
Other operating income	(h)	871	697
Other operating expenses	(i)	(1,118)	(791)
Profit for the financial period before			
 taxation		23	121
Taxation		-	-
Profit for the financial period after			
 taxation		23	121
Total comprehensive profit for the period		23	121

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 30 JUNE 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
Profit for the period	-	-	23	23
At 30 June 2022	<u>26,850</u>	<u>-</u>	<u>(4,637)</u>	<u>22,213</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
Profit for the 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
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22. Islamic Banking Window

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2022

(a) CASH AND SHORT-TERM FUNDS

	30-Jun 2022 RM'000	31-Dec 2021 RM'000
<u>At Amortised Cost</u>		
Cash and balances with banks and other financial institutions	5,961	5,401
Money at call and deposit placements maturing within one month	31,012	34,010
	<u>36,973</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 RM nil (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
30 Jun 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 30 JUNE 2022 (CONTD.)

22. Islamic Banking Window

(d) INTANGIBLE ASSETS

	30-Jun 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>	<u><u>-</u></u>

(e) DEPOSITS FROM CUSTOMERS

	30-Jun 2022 RM'000	31-Dec 2021 RM'000
Type		
At Amortised Cost:		
Non-Mudharabah Fund		
Demand deposits	8,925	11,253
	<u>8,925</u>	<u>11,253</u>

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

	30-Jun 2022 RM'000	31-Dec 2021 RM'000
Due within six months	<u>-</u>	<u>-</u>

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

	30-Jun 2022 RM'000	31-Dec 2021 RM'000
Domestic non-bank financial institution	8,925	11,253
	<u>8,925</u>	<u>11,253</u>

(f) OTHER LIABILITIES

	30-Jun 2022 RM'000	31-Dec 2021 RM'000
Other payables	<u>5,835</u>	<u>5,968</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2022 (CONTD.)
22. Islamic Banking Window
(g) INCOME DERIVED FROM INVESTMENT OF ISLAMIC BANKING FUNDS AND DEPOSITORS' FUNDS

	30-Jun 2022 RM'000	30-Jun 2021 RM'000
Money at call and deposit placement with financial institutions	316	248

(h) OTHER OPERATING INCOME

	30-Jun 2022 RM'000	30-Jun 2021 RM'000
Fee income:		
Other fee income	-	83
Foreign exchange:		
- Unrealised gain	107	67
Others	764	547
Total	871	697

(i) OTHER OPERATING EXPENSES

	30-Jun 2022 RM'000	30-Jun 2021 RM'000
Personnel costs (Note i)	958	618
Establishment costs (Note ii)	51	52
Marketing expenses (Note iii)	5	-
Administration and general expenses (Note iv)	104	121
	1,118	791

(i) Personnel Costs

Salaries, bonuses and allowances	784	482
Defined contribution plan	139	82
Other staff related expenses	35	54
	958	618

(ii) Establishment costs

Rental of premises	34	36
Information technology costs	6	3
Others	11	13
	51	52

(iii) Marketing Expenses

Others	5	-
	5	-

(v) Administration and general expenses

Legal and professional fees	56	74
Communication & transportation	10	10
Others	38	37
	104	121

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2022 (CONTD.)

22. Islamic Banking Window

(j) CAPITAL ADEQUACY

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

	30-Jun 2022 RM'000	31-Dec 2021 RM'000
Tier-I capital		
Capital fund	26,850	26,850
Accumulated losses	(4,660)	(4,660)
	<u>22,190</u>	<u>22,190</u>
<u>Less : Regulatory adjustments</u>		
Intangible assets	-	-
Total Tier-I capital	<u>22,190</u>	<u>22,190</u>
Total capital base	<u>22,190</u>	<u>22,190</u>
Capital Ratios		
Tier 1 Capital Ratio	496.992%	525.331%
Tier 1 Capital Ratio	496.992%	525.331%
Total Capital Ratio	<u>496.992%</u>	<u>525.331%</u>

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

	30-Jun 2022 RM'000	31-Dec 2021 RM'000
Credit Risk	1,005	942
Market Risk	2,037	1,973
Operational Risk	1,424	1,309
Total risk-weighted assets	<u>4,465</u>	<u>4,224</u>