



BNP PARIBAS

BNP PARIBAS MALAYSIA BERHAD

(Company No.201001034168 (918091 - T))

Incorporated in Malaysia

**UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

1. PERFORMANCE REVIEW

The Bank registered a profit before tax of RM44.24 million for the financial period ended 30 September 2022, compared to a loss of RM4.97 million in the corresponding period last year.

Other operating income improved by RM 66.43 million against last year, mainly driven by strong recovery in our Global Markets this year. This was partly offset by a decrease in net interest income by RM8.61 million, significantly attributable to higher cost of funding from our foreign currency interbank borrowings.

The Bank saw strong momentum in Corporate Banking lending activities, with loans, advances and financing growing by RM 295.16 million or 23% during the period. This was complemented by a strong inflow of deposits from customers, which achieved a RM 673.47 million or 31.44% growth year to date.

Other operating expenses were RM10.56 million higher compared to the same period last year mainly due to increase in personnel costs of RM4.89 million, coupled with increased technology spend and higher transfer pricing charges in line with much stronger income trajectory this year.

Provision for Expected Credit Losses remains under control at RM0.81 million against RM2.67 million last year.

2. CURRENT YEAR PROSPECTS

The government recently revised its GDP growth projection at between 6.5% and 7.0% for 2022, on the back of strong 2Q 2022 growth of 8.9%.

The improved forecast is underpinned by stronger domestic demand, expansion in external demand and on going recovery in the labour market. Trade volume is expected to rise by 18% this year, with rebounds in both exports and imports.

Nonetheless, uncertainties and downside risks remain from weaker than expected global growth, further escalation of geopolitical conflicts, worsening supply chain disruptions and heightened financial market volatility. The recent dissolution of the Malaysian parliament has also heightened political uncertainty domestically.

Domestic headline inflation increased to 2.8% for 2Q 2022, from 2.2% in the previous quarter. Central Banks globally have continued with their counter-inflationary interest rate hikes, with both the Federal Reserve and European Central Bank introducing a massive 75 bps hike in September. Bank Negara meanwhile raised the Overnight Policy Rate ('OPR') by a further 25 bps in September to 2.50% in line with market expectations. The Ringgit continues to be under pressure against the US Dollar, reaching new lows of 4.74 as at 25 October 2022.

The Bank nevertheless remains cautiously optimistic with strong growth expected across all lines of business.

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 SEPTEMBER 2022**

	Note	Bank 30-Sep 2022 RM'000	Bank 31-Dec 2021 RM'000
ASSETS			
Cash and short-term funds	2	2,692,943	1,435,996
Reverse repurchase agreements		1,332,859	314,632
Financial assets at fair value through Profit or Loss (‘FVTPL’)	3	418,716	444,422
Financial assets at fair value through other comprehensive income (‘FVOCI’)	4	1,066,170	1,191,901
Loans, advances and financing	5	1,597,048	1,301,885
Derivative financial assets		1,945,476	706,669
Other assets	6	278,282	70,565
Property, plant and equipment	7	2,744	4,778
Intangible assets	8	-	-
Tax recoverable		10,361	13,788
Deferred tax assets		4,518	3,596
TOTAL ASSETS		9,349,117	5,488,232
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits from customers	9	2,815,893	2,142,425
Deposits and placements from banks and other financial institutions	10	1,249,305	416,102
Repurchase agreements		764,647	-
Derivative financial liabilities		1,800,658	552,740
Subordinated term loan		374,004	387,635
Other liabilities	11	1,435,103	1,112,035
TOTAL LIABILITIES		8,439,610	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

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**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022 (CONTD.)**

	Note	Bank 30-Sep 2022 RM'000	Bank 31-Dec 2021 RM'000
Share capital	12	650,000	650,000
Retained profits		241,768	210,278
Reserves	13	17,739	17,017
SHAREHOLDER'S EQUITY		909,507	877,295
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		9,349,117	5,488,232
COMMITMENTS AND CONTINGENCIES	21	149,105,115	106,033,085

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BNP PARIBAS MALAYSIA BERHAD

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**UNAUDITED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

	Note	Bank 30-Sep 2022 RM'000	Bank 30-Sep 2021 RM'000
Interest income	14	95,382	77,092
Interest income for financial asset at FVTPL	14	22,325	30,298
Interest expenses	15	<u>(31,474)</u>	<u>(12,541)</u>
Net interest income		86,233	94,849
Net income from Islamic banking business	22	<u>444</u>	<u>343</u>
		86,677	95,192
Other operating income/(losses)	16	23,324	(43,104)
Other operating expenses	17	(64,946)	(54,381)
Expected credit losses	18	(813)	(2,674)
Profit/(Loss) before tax		<u>44,242</u>	<u>(4,967)</u>
Taxation		<u>(10,820)</u>	<u>(1,060)</u>
Profit/(Loss) for the financial period		<u>33,422</u>	<u>(6,027)</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		(1,592)	(3,038)
Net change in cash flow hedge		1,117	-
Other comprehensive loss		<u>(475)</u>	<u>(3,038)</u>
Total comprehensive income/(loss) for the financial period		<u>32,947</u>	<u>(9,065)</u>

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BNP PARIBAS MALAYSIA BERHAD

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UNAUDITED STATEMENTS OF CASH FLOW

FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

	Bank 30-Sep 2022 RM'000	Bank 30-Sep 2021 RM'000
Cash Flows from/(Used In) Operating Activities		
Profit /(Loss) before tax	44,242	(4,967)
Adjustments for:		
Depreciation of property, plant and equipment	2,373	1,971
Amortisation of intangible assets	-	22
Expected credit losses on loans, advances and financing	813	2,674
Amortisation of premium less accretion of discount	2,661	12,141
Interest income on financial investments at FVOCI	(15,792)	(35,988)
Unrealised loss/(gain) on derivative financial instrument	75,099	28,555
Unrealised loss/(gain) on foreign exchange	58,424	81,158
Unrealised loss/(gain) on financial assets at FVTPL	2,284	2,883
Realised loss/(gain) on financial investments at FVOCI	3,143	-
Unrealised loss/(gain) on reverse repurchase agreements	488	307
Unrealised loss/(gain) on repurchase agreements	(532)	(313)
Operating profit before working capital changes	173,203	88,443

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UNAUDITED STATEMENTS OF CASH FLOW

FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022 (CONTD.)

	Bank 30-Sep 2022 RM'000	Bank 30-Sep 2021 RM'000
(Increase)/Decrease in:		
Financial assets at FVTPL	23,422	(474,240)
Loans, advances and financing	(295,976)	232,018
Right of use asset	-	821
Reverse repurchase agreements	(1,018,715)	600,789
Other assets	(207,717)	170,266
Increase/(Decrease) in:		
Deposits from customers	673,468	(418,381)
Deposits and placements from banks and other financial institutions	833,203	673,898
Repurchase agreements	765,179	(285,040)
Derivative financial assets/liabilities	(137,398)	(95,737)
Subordinated term loan	472	494
Other liabilities	324,665	(324,470)
Net cash generated from operations	1,133,806	168,861
Income taxes paid	(7,813)	-
Net cash generated from operating activities	1,125,993	168,861
Cash Flows used in Investing Activities		
Purchase of property, plant and equipment	(338)	(427)
Net sales of financial investments at FVOCI	112,588	85,084
Interest income on financial investments at FVOCI	21,036	37,550
Net cash generated from investing activities	133,286	122,207

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UNAUDITED STATEMENTS OF CASH FLOW

FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022 (CONTD.)

	Bank 30-Sep 2022 RM'000	Bank 30-Sep 2021 RM'000
Cash Flows Used In Financing Activities		
Dividend paid	(735)	-
Proceed from issuance of subordinated term loan	-	398,534
Payment for lease liabilities	(1,597)	(1,420)
	<hr/>	<hr/>
Net cash (used in)/generated from financing activities	(2,332)	397,114
	<hr/>	<hr/>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,256,947	688,182
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,435,996	1,072,884
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF YEAR	2,692,943	1,761,066
	<hr/>	<hr/>
Cash and cash equivalents comprise the following:		
Cash and short-term funds	2,692,943	1,761,066
	<hr/>	<hr/>

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 PERIOD ENDED 30 SEPTEMBER 2022

	← Non-distributable →					
	Share capital RM'000	Hedging reserves RM'000	Regulatory reserves RM'000	Revaluation reserve- financial investments at FVOCI RM'000	Retained profits RM'000	Total RM'000
At 1 January 2022	650,000	893	14,369	1,755	210,278	877,295
Profit for the period	-	-	-	-	33,422	33,422
Transfer to regulatory reserve	-	-	1,197	-	(1,197)	-
Other comprehensive income	-	1,117	-	(1,592)	-	(475)
Dividend on ordinary shares	-	-	-	-	(735)	(735)
At 30 September 2022	<u>650,000</u>	<u>2,010</u>	<u>15,566</u>	<u>163</u>	<u>241,768</u>	<u>909,507</u>

	← Non-distributable →					
	Share capital RM'000	Regulatory reserves RM'000	Regulatory reserves RM'000	Revaluation reserve- financial investments at FVOCI RM'000	Retained profits RM'000	Total 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 PERIOD ENDED 30 SEPTEMBER 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-Sep 2022 RM'000	31-Dec 2021 RM'000
At Amortised Cost:		
Cash and balances with banks and other financial institutions	35,414	95,062
Money at call and deposit placements maturing within one month	2,657,529	1,340,934
	<u>2,692,943</u>	<u>1,435,996</u>

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

	30-Sep 2022 RM'000	31-Dec 2021 RM'000
At Fair Value:		
Government Securities:		
Malaysian Government Securities	318,868	227,080
Malaysian Government Investment Issues	99,848	217,342
	<u>418,716</u>	<u>444,422</u>

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

	30-Sep 2022 RM'000	31-Dec 2021 RM'000
At Fair Value:		
Government securities:		
Malaysian Government Securities	100,777	133,642
Malaysian Government Investment Issues	-	432,069
Bank Negara Malaysia Debt Securities	561,955	626,190
Treasury Bills	403,438	-
	<u>1,066,170</u>	<u>1,191,901</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022 (CONTD.)

5. LOANS, ADVANCES AND FINANCING

	30-Sep 2022 RM'000	31-Dec 2021 RM'000
At amortised cost:		
(i) By type		
Revolving credit	726,383	519,699
Term loans	639,268	627,039
Trust receipts	4,172	4,910
Factoring receivables	186,875	131,849
Other trade bills discounted	13,868	-
Overdrafts	30,022	20,959
Gross loans, advances and financing ^	1,600,588	1,304,456
Less:Expected Credit Losses ('ECL')	(3,540)	(2,571)
Net loans, advances and financing	<u>1,597,048</u>	<u>1,301,885</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-Sep 2022 RM'000	31-Dec 2021 RM'000
(ii) By type of customer		
Domestic business enterprises	1,555,073	1,274,434
Domestic non-bank financial institutions	45,515	30,022
	<u>1,600,588</u>	<u>1,304,456</u>
(iii) By interest rate sensitivity		
Variable rate:		
Cost plus	1,580,868	1,286,409
Fixed rate	19,720	18,047
	<u>1,600,588</u>	<u>1,304,456</u>
(iv) By residual contractual maturity		
Maturing within one year	963,574	830,755
More than one year to five years	400,175	252,332
More than five years	236,839	221,369
	<u>1,600,588</u>	<u>1,304,456</u>
(v) By geographical distribution		
In Malaysia	1,600,588	1,304,456
	<u>1,600,588</u>	<u>1,304,456</u>

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

	30-Sep 2022 RM'000	31-Dec 2021 RM'000
(vi) By Sector		
Mining & Quarrying	4,051	12,782
Manufacturing	731,820	663,410
Electricity, gas and water supply	236,839	221,369
Construction	17,861	2,000
Wholesale and retail	192,101	139,673
Transport, storage and communication	287,794	153,338
Financial services	45,514	30,022
Real estate activities	6,885	8,009
Other business services	77,723	73,853
	<u>1,600,588</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 September 2022				
Balance at beginning of financial year	1,388	1,183	-	2,571
Changes in credit risk	(37)	37	-	-
Allowances made/(written-back) during the financial period	1,453	(363)	-	1,090
Derecognised during the financial period	(121)	-	-	(121)
At end of financial period	<u>2,683</u>	<u>857</u>	<u>-</u>	<u>3,540</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 September 2022				
Balance at beginning of financial year	1,221,710	82,746	-	1,304,456
Changes in credit risk	(118,015)	118,015	-	-
Purchases and origination	473,125	42,379	-	515,504
Derecognised during the financial period	(197,742)	(21,600)	-	(219,342)
Exchange fluctuation	(30)	-	-	(30)
At end of financial period	<u>1,379,048</u>	<u>221,540</u>	<u>-</u>	<u>1,600,588</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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-Sep 2022 RM'000	31-Dec 2021 RM'000
Collateral assets	270,295	62,008
Other receivables	6,233	6,959
Deposit	803	812
Prepayments	951	786
	<u>278,282</u>	<u>70,565</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 September 2022								
Cost								
At beginning of the financial year	404	4,256	1,855	8,729	6	-	11,935	27,185
Additions	80	-	-	161	-	98	-	339
Disposals	-	-	-	-	-	-	(1,103)	(1,103)
At end of the financial period	<u>484</u>	<u>4,256</u>	<u>1,855</u>	<u>8,890</u>	<u>6</u>	<u>98</u>	<u>10,832</u>	<u>26,421</u>
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	34	16	34	658	1	-	1,630	2,373
Disposals	-	-	-	-	-	-	(1,103)	(1,103)
At end of the financial period	<u>329</u>	<u>4,244</u>	<u>1,840</u>	<u>7,182</u>	<u>2</u>	<u>-</u>	<u>10,080</u>	<u>23,677</u>
Net Book Value								
As of 30 September 2022	<u>155</u>	<u>12</u>	<u>15</u>	<u>1,708</u>	<u>4</u>	<u>98</u>	<u>752</u>	<u>2,744</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 PERIOD ENDED 30 SEPTEMBER 2022 (CONTD.)

8. INTANGIBLE ASSETS

	30-Sep 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-Sep 2022 RM'000	31-Dec 2021 RM'000
Type		
At amortised cost:		
Demand deposits	2,225,018	1,627,014
Fixed deposits	582,274	515,411
Commodity Murabahah	8,601	-
	<u>2,815,893</u>	<u>2,142,425</u>
(i) Maturity structure of fixed deposits and Commodity Murabahah are as follows:		
Due within six months	587,856	512,650
Six months to one year	3,019	2,708
More than one year	-	53
	<u>590,875</u>	<u>515,411</u>
(ii) The deposits are sourced from the following types of customers:		
Business enterprises	2,790,904	2,117,609
Non-bank financial institutions	24,989	24,816
	<u>2,815,893</u>	<u>2,142,425</u>

10. DEPOSITS AND PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	30-Sep 2022 RM'000	31-Dec 2021 RM'000
At amortised cost:		
Other financial institutions	1,249,305	416,102
	<u>1,249,305</u>	<u>416,102</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022 (CONTD.)

11. OTHER LIABILITIES

	30-Sep 2022 RM'000	31-Dec 2021 RM'000
Collateral deposits	1,372,161	1,057,583
Other payables	45,754	35,846
Accruals and charges	16,069	15,899
Lease Liabilities	937	2,487
Expected credit losses	182	220
	<u>1,435,103</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 September 2022				
Balance at beginning of financial year	121	99	-	220
Changes in credit risk	(29)	29	-	-
Allowances made/(written back) during the financial period	57	(95)	-	(38)
At end of financial period	<u>149</u>	<u>33</u>	<u>-</u>	<u>182</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-Sep 2022 RM'000	31-Dec 2021 RM'000
Ordinary shares issued and fully paid:		
Balance as at 30 September/31 December	<u>650,000</u>	<u>650,000</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022 (CONTD.)

13. RESERVES

	30-Sep 2022 RM'000	31-Dec 2021 RM'000
Non-distributable:		
Revaluation reserve financial investments at FVOCI	163	1,755
Regulatory reserve	15,566	14,369
Hedging reserve	2,010	893
	<u>17,739</u>	<u>17,017</u>

14. INTEREST INCOME

	30-Sep 2022 RM'000	30-Sep 2021 RM'000
Loans, advances and financing	29,616	21,961
Money at call and deposit placements with financial institutions	32,518	16,125
Financial assets at FVOCI	15,792	35,988
Financial assets at FVTPL	22,325	30,298
Reverse repurchase agreements	18,759	14,130
Other interest income	1,358	1,029
	<u>120,368</u>	<u>119,531</u>
Amortisation of premium less accretion of discount	(2,661)	(12,141)
Total Interest Income	<u>117,707</u>	<u>107,390</u>

15. INTEREST EXPENSE

	30-Sep 2022 RM'000	30-Sep 2021 RM'000
Deposits from customers	16,896	12,597
Deposits and placements from banks and other financial institutions	4,145	(3,653)
Repurchase agreements	306	1,143
Lease Liabilities	46	85
Subordinated term loan	2,550	502
Other interest expense	7,531	1,867
	<u>31,474</u>	<u>12,541</u>

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16. OTHER OPERATING INCOME/(LOSSES)

	30-Sep 2022 RM'000	30-Sep 2021 RM'000
Fee income:		
Commissions	197	160
Guarantee fees	1,109	1,059
Other fee income	1,738	2,932
	<u>3,044</u>	<u>4,151</u>
(Loss)/Gain arising from sale of:		
Financial assets at FVTPL	(11,131)	(21,898)
Financial assets at FVOCI	(3,143)	-
	<u>(14,274)</u>	<u>(21,898)</u>
Gain/(Loss) on derivatives trading:		
Realised gain	113,953	14,162
Unrealised loss	(75,099)	(28,555)
	<u>38,854</u>	<u>(14,393)</u>
Unrealised (loss)/gain on revaluation of:		
FVTPL	(2,284)	(2,883)
Net gain arising from hedging activities	893	-
Unrealised loss on reverse repurchase agreements	(488)	(307)
Unrealised gain on repurchase agreements	532	313
Other income:		
Foreign exchange:		
- Realised gain/(loss)	48,391	71,203
- Unrealised (loss)/gain	(58,424)	(81,158)
Others	7,080	1,868
	<u>(2,953)</u>	<u>(8,087)</u>
Total	<u>23,324</u>	<u>(43,104)</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022 (CONTD.)

17. OTHER OPERATING EXPENSES

	30-Sep 2022 RM'000	30-Sep 2021 RM'000
Personnel costs (Note a)	35,339	30,448
Establishment costs (Note b)	16,568	13,968
Marketing expenses (Note c)	396	231
Administration and general expenses (Note d)	12,643	9,734
	<u>64,946</u>	<u>54,381</u>

(a) Personnel costs

Salaries, bonuses and allowances	27,095	22,782
Defined contribution plan	4,680	3,666
Social security cost	77	93
Other staff related expenses	3,487	3,907
	<u>35,339</u>	<u>30,448</u>

(b) Establishment costs

Information technology costs	6,997	5,700
Depreciation of property, plant and equipment	2,373	1,971
Amortization of intangible asset	-	22
Others	7,198	6,275
	<u>16,568</u>	<u>13,968</u>

(c) Marketing Expenses

Advertising	37	42
Others	359	189
	<u>396</u>	<u>231</u>

(d) Administration and general expenses

Legal and professional fees	1,304	1,294
Communication & transportation	708	710
Others general expenses	10,631	7,730
	<u>12,643</u>	<u>9,734</u>

18. EXPECTED CREDIT LOSSES FOR IMPAIRMENT ON FINANCIAL ASSETS

	30-Sep 2022 RM'000	30-Sep 2021 RM'000
Expected credit losses:		
Allowance made during the financial period	<u>813</u>	<u>2,674</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022 (CONTD.)

19. CAPITAL ADEQUACY

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

	30-Sep 2022 RM'000	31-Dec 2021 RM'000
Tier-I capital		
Paid-up share capital	650,000	650,000
Retained profits	208,346	210,278
Other disclosed reserves	17,739	17,017
	<u>876,085</u>	<u>877,295</u>
<u>Less : Regulatory adjustments</u>		
Intangible assets	-	-
Deferred tax assets	(4,518)	(3,596)
55% of cumulative gains of financial instruments at FVOCI	(91)	(965)
Hedging reserve	(2,010)	(893)
Regulatory reserve	(15,566)	(14,369)
Total Tier-I capital	<u>853,900</u>	<u>857,472</u>
Tier-II Capital		
General provisions (Expected Credit Losses and regulatory reserve)	19,288	2,791
Subordinated term loan	374,004	387,635
Total Tier-II capital	<u>393,292</u>	<u>390,426</u>
Total capital base	<u>1,247,192</u>	<u>1,247,898</u>
Capital Ratios		
Common Equity Tier 1 Ratio	20.968%	24.584%
Tier 1 Capital Ratio	20.968%	24.584%
Total Capital Ratio	<u>30.627%</u>	<u>35.777%</u>

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

	30-Sep 2022 RM'000	31-Dec 2021 RM'000
Credit Risk	2,800,895	2,113,929
Market Risk	976,012	1,083,291
Operational Risk	295,475	290,757
Total risk-weighted assets	<u>4,072,382</u>	<u>3,487,977</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022 (CONTD.)

20. INTEREST RATE RISK

The following table represents the Bank's assets and liabilities at carrying amounts as at 30 September 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	2,691,114	-	-	-	-	-	1,829	2,692,943
Reverse repurchase agreements	-	-	-	-	-	1,328,477	4,382	1,332,859
Financial assets at fair value through profit or loss	-	-	-	-	-	418,716	-	418,716
Financial investments at fair value through other comprehensive income	605,946	359,447	100,317	-	-	-	460	1,066,170
Loans, advances and financing	764,699	697,621	133,491	-	-	-	1,237	1,597,048
Derivatives Financial assets	-	-	-	-	-	1,945,476	-	1,945,476
Other assets	-	-	-	-	-	-	276,528	276,528
Total Assets	4,061,759	1,057,068	233,808	-	-	3,692,669	284,436	9,329,740
Liabilities								
Deposits from customers	2,762,572	43,213	8,909	-	-	-	1,199	2,815,893
Deposits and placements from banks and other financial institutions	1,242,428	4,400	2,000	-	-	-	477	1,249,305
Repurchase agreements	-	-	-	-	-	764,431	216	764,647
Derivatives Financial Liabilities	-	-	-	-	-	1,800,658	-	1,800,658
Subordinated term loan	373,033	-	-	-	-	-	971	374,004
Other liabilities	-	-	-	-	-	-	1,435,103	1,435,103
Total Liabilities	4,378,033	47,613	10,909	-	-	2,565,089	1,437,966	8,439,610
Net interest rate gap	(316,274)	1,009,455	222,899	-	-	1,127,580	(1,153,530)	890,130

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 PERIOD ENDED 30 SEPTEMBER 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 principal amount of the commitments and contingencies of the Bank are as follows:

	30-Sep 2022 RM'000	31-Dec 2021 RM'000
<u>Commitments and Contingent Liabilities</u>		
Direct credit substitutes	278,230	295,283
Short-term self-liquidating trade-related contingencies	73	723
Irrevocable commitments to extend credit:		
Maturity more than one year	14,500	20,565
Total credit related commitment and contingencies	<u>292,803</u>	<u>316,571</u>
Foreign exchange derivatives:		
One year or less	83,244,645	57,925,295
Over one year to five years	4,939,947	2,216,232
Over five years	571,933	573,928
Interest rate derivatives:		
One year or less	23,061,378	13,592,483
Over one year to five years	33,492,301	28,981,380
Over five years	2,659,524	1,919,354
Credit Derivatives:		
One year or less	115,781	43,598
Over one year to five years	726,803	464,244
Total treasury related commitment and contingencies	<u>148,812,311</u>	<u>105,716,514</u>
Total commitment and contingencies	<u>149,105,115</u>	<u>106,033,085</u>

BNP PARIBAS MALAYSIA BERHAD
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22. Islamic Banking Window

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	Note	30-Sep 2022 RM'000	31-Dec 2021 RM'000
ASSETS			
Cash and short-term funds	(a)	37,940	39,411
Property, plant and equipment	(c)	-	-
Intangible assets	(d)	-	-
TOTAL ASSETS		<u>37,940</u>	<u>39,411</u>
LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits from customers	(e)	9,670	11,253
Other liabilities	(f)	5,838	5,968
Total liabilities		<u>15,508</u>	<u>17,221</u>
Capital fund		26,850	26,850
Accumulated losses		(4,418)	(4,660)
Reserves		-	-
Islamic banking funds		<u>22,432</u>	<u>22,190</u>
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS		<u>37,940</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 PERIOD ENDED 30 SEPTEMBER 2022

		30-Sep	30-Sep
		2022	2021
		RM'000	RM'000
Income derived from investment of			
Islamic banking funds and depositors' funds	(g)	511	397
Profit expense to depositors		<u>(67)</u>	<u>(54)</u>
Net income derived from investment of Islamic			
banking funds and depositors' funds		444	343
Other operating income	(h)	1,510	1,062
Other operating expenses	(i)	(1,712)	(1,250)
		<u> </u>	<u> </u>
Profit for the financial period before			
 taxation		242	155
Taxation		-	-
		<u> </u>	<u> </u>
Profit for the financial period after			
 taxation		<u>242</u>	<u>155</u>
		<u> </u>	<u> </u>
Total comprehensive profit for the period		<u><u>242</u></u>	<u><u>155</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 PERIOD ENDED 30 SEPTEMBER 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	-	-	242	242
At 30 September 2022	<u>26,850</u>	<u>-</u>	<u>(4,418)</u>	<u>22,432</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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

22. Islamic Banking Window

(a) CASH AND SHORT-TERM FUNDS

	30-Sep 2022 RM'000	31-Dec 2021 RM'000
<u>At Amortised Cost</u>		
Cash and balances with banks and other financial institutions	1,937	5,401
Money at call and deposit placements maturing within one month	36,003	34,010
	<u>37,940</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 Sep 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 PERIOD ENDED 30 SEPTEMBER 2022 (CONTD.)

22. Islamic Banking Window

(d) INTANGIBLE ASSETS

	30-Sep 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

	30-Sep 2022 RM'000	31-Dec 2021 RM'000
Type		
At Amortised Cost:		
Non-Mudharabah Fund		
Demand deposits	1,069	11,253
Commodity Murabahah	8,601	-
	<u>9,670</u>	<u>11,253</u>

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

	30-Sep 2022 RM'000	31-Dec 2021 RM'000
Due within six months	<u>8,601</u>	<u>-</u>

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

	30-Sep 2022 RM'000	31-Dec 2021 RM'000
Domestic non-bank financial institution	<u>9,670</u>	<u>11,253</u>
	<u>9,670</u>	<u>11,253</u>

(f) OTHER LIABILITIES

	30-Sep 2022 RM'000	31-Dec 2021 RM'000
Other payables	<u>5,838</u>	<u>5,968</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022 (CONTD.)

22. Islamic Banking Window

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

	30-Sep 2022 RM'000	30-Sep 2021 RM'000
Money at call and deposit placement with financial institutions	511	397

(h) OTHER OPERATING INCOME

	30-Sep 2022 RM'000	30-Sep 2021 RM'000
Fee income:		
Other fee income	-	83
Foreign exchange:		
- Unrealised gain	209	84
Others	1,301	895
Total	<u>1,510</u>	<u>1,062</u>

(i) OTHER OPERATING EXPENSES

	30-Sep 2022 RM'000	30-Sep 2021 RM'000
Personnel costs (Note i)	1,433	991
Establishment costs (Note ii)	83	81
Marketing expenses (Note iii)	35	1
Administration and general expenses (Note iv)	161	177
	<u>1,712</u>	<u>1,250</u>

(i) Personnel Costs

Salaries, bonuses and allowances	1,166	775
Defined contribution plan	210	132
Other staff related expenses	57	84
	<u>1,433</u>	<u>991</u>

(ii) Establishment costs

Rental of premises	57	58
Information technology costs	10	4
Others	16	19
	<u>83</u>	<u>81</u>

(iii) Marketing Expenses

Others	35	1
	<u>35</u>	<u>1</u>

(v) Administration and general expenses

Legal and professional fees	87	105
Communication & transportation	14	14
Others	60	58
	<u>161</u>	<u>177</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022 (CONTD.)

22. Islamic Banking Window

(j) CAPITAL ADEQUACY

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

	30-Sep 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	565.913%	525.331%
Tier 1 Capital Ratio	565.913%	525.331%
Total Capital Ratio	<u>565.913%</u>	<u>525.331%</u>

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

	30-Sep 2022 RM'000	31-Dec 2021 RM'000
Credit Risk	249	942
Market Risk	2,139	1,973
Operational Risk	1,533	1,309
Total risk-weighted assets	<u>3,921</u>	<u>4,224</u>