



BNP PARIBAS MALAYSIA BERHAD
(Company No.201001034168 (918091 - T))
Incorporated in Malaysia

**UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

1. PERFORMANCE REVIEW

The Bank registered a profit before tax of RM23.76 million for the financial period ended 31 March 2023, compared to a loss of RM6.43 million in the corresponding period last year.

Other operating income improved by RM 35.92 million against last year, mainly driven by strong performance from Global Markets this year.

Net interest income however, saw a slight reduction of RM3.01 million, attributable to the rising cost of funding.

Other operating expenses remained flat against last year as we continue to exercise cost discipline.

Provision for Expected Credit Losses closed higher at RM3.37 million against RM0.06 million last year, mainly attributable to migration of 2 accounts to Stage 2 and prudential overlays. The Bank remains vigilant in monitoring the situation closely.

Loans, advances and financing declined by RM266.6 million to RM1.63 billion due to a few large seasonal repayments while deposits from customers continued to show strong momentum, with growth of RM500 million during the quarter to close at RM3.17 billion.

The Bank remains well capitalised with CET 1 and Total Capital Ratio of 21.720% and 31.936% respectively.

2. CURRENT YEAR PROSPECTS

Malaysia's GDP growth is forecasted at between 4.0% to 5.0% in 2023, while rate of inflation is expected to gradually decline to 2.2%. While the Ukraine conflict shows no signs of resolution, the gradual re-opening of China and its impact on the global economy has resulted in some cautious optimism. However, the risk of global recession remains as reflected by the World Bank's downward adjustment of its global economic growth forecast to 1.7% from 3.0% previously, coupled with adverse reactions from bank failures in the United States and Switzerland.

BNM kept OPR unchanged at 2.75% during the latest policy meeting on 9 March 2023. Market consensus is for BNM to raise market OPR to 3.0% by year end but the timing of the hike remains uncertain. Meanwhile, the US Federal Reserve is expected to raise their policy rates once more before gradual rate cuts in the second half of 2022.

While the economic outlook remains uncertain, the Bank continues to drive underlying growth momentum on its loans, financing, deposit taking and Global Market activities by deepening its existing relationships while broadening its client base.

Company No.201001034168 (918091-T)

BNP PARIBAS MALAYSIA BERHAD
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UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	Bank 31-Mar 2023 RM'000	Bank 31-Dec 2022 RM'000
ASSETS			
Cash and short-term funds	2	1,788,148	2,170,758
Reverse repurchase agreements		2,776,355	1,355,409
Financial assets at fair value through Profit or Loss ('FVTPL')	3	2,410,846	369,604
Financial assets at fair value through other comprehensive income ('FVOCI')	4	852,232	1,120,904
Loans, advances and financing	5	1,635,840	1,902,439
Derivative financial assets		1,016,739	1,568,425
Other assets	6	267,647	535,467
Property, plant and equipment	7	7,301	2,688
Intangible assets	8	-	-
Tax recoverable		5,374	8,935
Deferred tax assets		3,673	4,348
TOTAL ASSETS		10,764,155	9,038,977
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits from customers	9	3,169,129	2,669,101
Deposits and placements from banks and other financial institutions	10	1,800,434	420,153
Repurchase agreements		2,118,004	1,052,579
Derivative financial liabilities		974,878	1,668,958
Subordinated term loan		396,435	386,766
Other liabilities	11	1,361,498	1,912,812
TOTAL LIABILITIES		9,820,378	8,110,369

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 2022.

Company No.201001034168 (918091-T)

BNP PARIBAS MALAYSIA BERHAD
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UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023 (CONTD.)

	Note	Bank 31-Mar 2023 RM'000	Bank 31-Dec 2022 RM'000
Share capital	12	650,000	650,000
Retained profits		273,779	255,828
Reserves	13	19,998	22,780
SHAREHOLDER'S EQUITY		943,777	928,608
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		10,764,155	9,038,977
COMMITMENTS AND CONTINGENCIES	21	143,455,495	145,291,566

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 2022.

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BNP PARIBAS MALAYSIA BERHAD
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UNAUDITED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

	Note	Bank 31-Mar 2023 RM'000	Bank 31-Mar 2022 RM'000
Interest income	14	60,616	21,902
Interest income for financial asset at FVTPL	14	15,768	4,352
Interest expenses	15	(58,092)	(4,950)
Net interest income		18,292	21,304
Net income from Islamic banking business	22	229	136
Other operating income/(losses)	16	18,521	21,440
Other operating expenses	17	30,774	(5,142)
Expected credit losses	18	(22,166)	(22,675)
Profit/(Loss) before tax		(3,365)	(55)
Taxation		23,764	(6,432)
Profit/(Loss) for the financial period		(5,813)	(1,114)
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		264	599
Net change in cash flow hedge		(3,046)	3,917
Other comprehensive (loss)/income		(2,782)	4,516
Total comprehensive income/(loss) for the financial period		15,169	(3,030)

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 2022.

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BNP PARIBAS MALAYSIA BERHAD
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UNAUDITED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

	Bank 31-Mar 2023 RM'000	Bank 31-Mar 2022 RM'000
Cash Flows from/(Used In) Operating Activities		
Profit /(Loss) before tax	23,764	(6,432)
Adjustments for:		
Depreciation of property, plant and equipment	767	802
Amortisation of intangible assets	-	-
Expected credit losses on loans, advances and financing	3,365	55
Amortisation of premium less accretion of discount	(602)	1,558
Interest income on financial investments at FVOCI	(9,737)	(5,685)
Unrealised loss on derivative financial instrument	15,880	14,410
Unrealised (gain)/loss on foreign exchange	(115,640)	14,941
Unrealised (gain)/loss on financial assets at FVTPL	(1,199)	1,090
Unrealised gain on reverse repurchase agreements	(1,554)	(147)
Unrealised loss on repurchase agreements	831	-
Operating profit before working capital changes	(84,125)	20,592

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UNAUDITED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 (CONTD.)

	Bank	Bank
	31-Mar	31-Mar
	2023	2022
	RM'000	RM'000
(Increase)/Decrease in:		
Financial assets at FVTPL	(2,040,043)	(151,612)
Loans, advances and financing	263,234	131,171
Right of use asset	(5,358)	-
Reverse repurchase agreements	(1,419,392)	(464,847)
Other assets	267,821	(48,520)
Increase/(Decrease) in:		
Deposits from customers	500,028	78,700
Deposits and placements from banks and other financial institutions	1,380,281	1,133,123
Repurchase agreements	1,064,594	-
Derivative financial assets/liabilities	(36,530)	16,221
Subordinated term loan	518	(44)
Other liabilities	<u>(550,673)</u>	<u>(251,631)</u>
Net cash (used in)/generated from operations	(659,645)	463,153
Income taxes paid	<u>(1,660)</u>	<u>(1,953)</u>
Net cash (used in)/generated from operating activities	<u>(661,305)</u>	<u>461,200</u>
Cash Flows used in Investing Activities		
Purchase of property, plant and equipment	(22)	(11)
Net sales of financial investments at FVOCI	267,316	247,106
Interest income on financial investments at FVOCI	<u>12,043</u>	<u>5,279</u>
Net cash generated from investing activities	<u>279,337</u>	<u>252,374</u>

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BNP PARIBAS MALAYSIA BERHAD
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UNAUDITED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 (CONTD.)

	Bank	Bank
	31-Mar	31-Mar
	2023	2022
	RM'000	RM'000
Cash Flows Used In Financing Activities		
Payment for lease liabilities	(642)	(470)
Net cash used in financing activities	(642)	(470)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(382,610)	713,104
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,170,758	1,435,996
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,788,148	2,149,100
Cash and cash equivalents comprise the following:		
Cash and short-term funds	1,788,148	2,149,100

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 2022.

BNP PARIBAS MALAYSIA BERHAD
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UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

	← Non-distributable →				Retained profits	Total
	Share capital	Hedging reserves	Regulatory reserves	Revaluation reserve-financial assets at FVOCI		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	650,000	4,073	18,532	175	255,828	928,608
Profit for the period	-	-	-	-	17,951	17,951
Transfer to regulatory reserve	-	-	-	-	-	-
Other comprehensive (loss)/ income	-	(3,046)	-	264	-	(2,782)
At 31 March 2023	650,000	1,027	18,532	439	273,779	943,777

	← Non-distributable →				Retained profits	Total
	Share capital	Hedging reserves	Regulatory reserves	Revaluation reserve-financial investments at FVOCI		
	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 year	-	-	-	-	50,448	50,448
Transfer to regulatory reserve	-	-	4,163	-	(4,163)	-
Other comprehensive income/(loss)	-	3,180	-	(1,580)	-	1,600
Dividend paid on ordinary shares	-	-	-	-	(735)	(735)
At 31 December 2022	650,000	4,073	18,532	175	255,828	928,608

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 2022.

BNP PARIBAS MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2023

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 2023 RM'000	31-Dec 2022 RM'000
At Amortised Cost:		
Cash and balances with banks and other financial institutions	43,225	93,802
Money at call and deposit placements maturing within one month	1,744,923	2,076,956
	<u>1,788,148</u>	<u>2,170,758</u>

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

	31-Mar 2023 RM'000	31-Dec 2022 RM'000
At Fair Value:		
Government Securities:		
Malaysian Government Securities	921,674	261,121
Malaysian Government Investment Issues	1,489,172	108,483
	<u>2,410,846</u>	<u>369,604</u>

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

	31-Mar 2023 RM'000	31-Dec 2022 RM'000
At Fair Value:		
Government securities:		
Malaysian Government Securities	20,345	262,894
Malaysian Government Investment Issues	342,175	-
Bank Negara Malaysia Debt Securities	489,709	858,005
Money market instrument:		
Negotiable Instruments of Deposit	3	5
	<u>852,232</u>	<u>1,120,904</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 (CONTD.)

5. LOANS, ADVANCES AND FINANCING

	31-Mar 2023 RM'000	31-Dec 2022 RM'000
At amortised cost:		
(i) By type		
Revolving credit	756,510	898,985
Term loans	629,292	639,861
Trust receipts	75,126	219,365
Factoring receivables	157,984	128,375
Overdrafts	26,134	21,650
Gross loans, advances and financing ^	<u>1,645,046</u>	<u>1,908,236</u>
Less:Expected Credit Losses ('ECL')	(9,206)	(5,797)
Net loans, advances and financing	<u><u>1,635,840</u></u>	<u><u>1,902,439</u></u>
(ii) By type of customer		
Domestic business enterprises	1,518,376	1,791,057
Domestic non-bank financial institutions	78,324	70,033
Financial institutions	48,346	47,146
	<u><u>1,645,046</u></u>	<u><u>1,908,236</u></u>
(iii) By interest rate sensitivity		
Variable rate:		
Cost plus	1,633,014	1,896,205
Fixed rate	12,032	12,031
	<u><u>1,645,046</u></u>	<u><u>1,908,236</u></u>
(iv) By residual contractual maturity		
Maturing within one year	1,037,569	1,290,938
More than one year to five years	377,014	385,784
More than five years	230,463	231,514
	<u><u>1,645,046</u></u>	<u><u>1,908,236</u></u>
(v) By geographical distribution		
In Malaysia	1,645,046	1,908,236
	<u><u>1,645,046</u></u>	<u><u>1,908,236</u></u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 (CONTD.)

5. LOANS, ADVANCES AND FINANCING (CONTD.)

	31-Mar 2023 RM'000	31-Dec 2022 RM'000
(vi) By Sector		
Mining & Quarrying	4,068	4,023
Manufacturing	816,450	1,128,813
Electricity, gas and water supply	230,462	231,514
Construction	7,816	9,827
Wholesale and retail	129,918	142,840
Transport, storage and communication	307,293	251,117
Financial services	76,658	67,169
Real estate activities	6,136	6,513
Other business services	66,245	66,420
	<u>1,645,046</u>	<u>1,908,236</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 2023				
Balance at beginning of financial year	4,539	1,258	-	5,797
Changes in credit risk	(1,795)	1,795	-	-
Allowances made during the financial period	1,276	2,133	-	3,409
Balance at end of financial period	<u>4,020</u>	<u>5,186</u>	<u>-</u>	<u>9,206</u>
31 December 2022				
Balance at beginning of financial year	1,388	1,183	-	2,571
Changes in credit risk	43	(43)	-	-
Allowances made during the financial period	3,262	118	-	3,380
Derecognised during the financial period	(154)	-	-	(154)
Balance at end of financial period	<u>4,539</u>	<u>1,258</u>	<u>-</u>	<u>5,797</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 2023				
Balance at beginning of financial year	1,839,689	68,547	-	1,908,236
Changes in credit risk	(306,740)	306,740	-	-
Purchases and origination	105,455	66	-	105,521
Derecognised during the financial period	(325,961)	(44,897)	-	(370,858)
Exchange fluctuation	2,147	-	-	2,147
Balance at end of financial period	<u>1,314,590</u>	<u>330,456</u>	<u>-</u>	<u>1,645,046</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 (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 2022				
Balance at beginning of financial year	1,221,710	82,746	-	1,304,456
Changes in credit risk	(5,520)	5,520	-	-
Purchases and origination	890,984	4,053	-	895,037
Derecognised during the financial period	(267,450)	(23,772)	-	(291,222)
Exchange fluctuation	(35)	-	-	(35)
Balance at end of financial period	<u>1,839,689</u>	<u>68,547</u>	<u>-</u>	<u>1,908,236</u>

6. OTHER ASSETS

	31-Mar 2023 RM'000	31-Dec 2022 RM'000
Collateral assets	255,176	524,172
Other receivables	11,065	9,906
Deposit	822	803
Prepayments	584	586
	<u>267,647</u>	<u>535,467</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 (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 2023								
Cost								
At beginning of the financial year	490	4,256	1,855	9,450	6	99	12,088	28,244
Additions	3	-	-	19	-	-	5,358	5,380
Disposals	-	-	-	-	-	-	(12,088)	(12,088)
Write-off	-	-	-	-	-	-	-	-
Lease modification	-	-	-	-	-	-	-	-
At end of the financial period	493	4,256	1,855	9,469	6	99	5,358	21,536
Accumulated Depreciation								
At beginning of the financial year	342	4,250	1,849	7,404	2	-	11,709	25,556
Depreciation charged for financial period	13	4	2	219	-	-	529	767
Disposals	-	-	-	-	-	-	(12,088)	(12,088)
At end of the financial period	355	4,254	1,851	7,623	2	-	150	14,235
Net Book Value								
As of 31 March 2023	138	2	4	1,846	4	99	5,208	7,301

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 (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 2022								
Cost								
At beginning of the financial year	404	4,256	1,855	8,729	6	-	11,935	27,185
Additions	86	-	-	721	-	99	-	906
Lease re-measurement	-	-	-	-	-	-	153	153
At end of the financial year	490	4,256	1,855	9,450	6	99	12,088	28,244
Accumulated Depreciation								
At beginning of the financial year	295	4,228	1,806	6,524	1	-	9,553	22,407
Depreciation charged for financial year	47	22	43	880	1	-	2,156	3,149
At end of the financial year	342	4,250	1,849	7,404	2	-	11,709	25,556
Net Book Value								
As of 31 December 2022	148	6	6	2,046	4	99	379	2,688

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 (CONTD.)

8. INTANGIBLE ASSETS

	31-Mar 2023 RM'000	31-Dec 2022 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	3,090
Amortisation for the year	-	-
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 2023 RM'000	31-Dec 2022 RM'000
Type		
At amortised cost:		
Demand deposits	2,364,965	2,100,795
Fixed deposits	798,664	568,306
Commodity Murabahah	5,500	-
	<u>3,169,129</u>	<u>2,669,101</u>
(i) Maturity structure of fixed deposits and Commodity Murabahah are as follows:		
Due within six months	804,111	568,306
Six months to one year	53	-
More than one year	-	-
	<u>804,164</u>	<u>568,306</u>
(ii) The deposits are sourced from the following types of customers:		
Business enterprises	3,141,133	2,636,370
Non-bank financial institutions	27,996	32,731
	<u>3,169,129</u>	<u>2,669,101</u>

10. DEPOSITS AND PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	31-Mar 2023 RM'000	31-Dec 2022 RM'000
At amortised cost:		
Other financial institutions	<u>1,800,434</u>	<u>420,153</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 (CONTD.)

11. OTHER LIABILITIES

	31-Mar 2023 RM'000	31-Dec 2022 RM'000
Collateral deposits	1,309,520	1,849,159
Other payables	36,621	49,943
Accruals and charges	9,956	13,007
Lease Liabilities	5,182	454
Expected credit losses on loans commitment and financial guarantee	219	249
	<u>1,361,498</u>	<u>1,912,812</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 2023				
Balance at beginning of financial year	225	24	-	249
Changes in credit risk	16	(16)	-	-
Allowances written back				
during the financial period	(30)	-	-	(30)
At end of financial period	<u>211</u>	<u>8</u>	<u>-</u>	<u>219</u>
31 December 2022				
Balance at beginning of financial year	121	99	-	220
Changes in credit risk	(31)	31	-	-
Allowances made/(written back)				
during the financial period	135	(106)	-	29
At end of financial period	<u>225</u>	<u>24</u>	<u>-</u>	<u>249</u>

12. SHARE CAPITAL

	31-Mar 2023 RM'000	31-Dec 2022 RM'000
Ordinary shares issued and fully paid:		
Balance as at 31 March/31 December	<u>650,000</u>	<u>650,000</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 (CONTD.)

13. RESERVES

	31-Mar 2023 RM'000	31-Dec 2022 RM'000
Non-distributable:		
Revaluation reserve financial assets at FVOCI	439	175
Regulatory reserve	18,532	18,532
Hedging reserve	1,027	4,073
	<u>19,998</u>	<u>22,780</u>

14. INTEREST INCOME

	31-Mar 2023 RM'000	31-Mar 2022 RM'000
Loans, advances and financing	20,147	8,454
Money at call and deposit placements with financial institutions	10,145	6,347
Financial assets at FVOCI	9,737	5,685
Financial assets at FVTPL	15,768	4,352
Reverse repurchase agreements	15,611	2,825
Other interest income	4,374	149
	<u>75,782</u>	<u>27,812</u>
Amortisation of premium less accretion of discount	602	(1,558)
Total Interest Income	<u>76,384</u>	<u>26,254</u>

15. INTEREST EXPENSE

	31-Mar 2023 RM'000	31-Mar 2022 RM'000
Deposits from customers	12,937	3,851
Deposits and placements from banks and other financial institutions	8,067	(121)
Repurchase agreements	15,010	-
Lease Liabilities	13	19
Subordinated term loan	3,298	630
Financial collateral	18,730	570
Other interest expense	37	1
	<u>58,092</u>	<u>4,950</u>

BNP PARIBAS MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 (CONTD.)

16. OTHER OPERATING INCOME/(LOSSES)

	31-Mar 2023 RM'000	31-Mar 2022 RM'000
Fee income:		
Commissions	76	62
Guarantee fees	366	382
Other fee income	680	978
	<u>1,122</u>	<u>1,422</u>
Gain/(Loss) arising from sale of:		
Financial assets at FVTPL	1,897	(3,063)
	<u>1,897</u>	<u>(3,063)</u>
Gain/(Loss) on derivatives trading:		
Realised gain	16,619	18,617
Unrealised loss	(15,880)	(14,410)
	<u>739</u>	<u>4,207</u>
Unrealised gain/(loss) on revaluation of:		
FVTPL	1,199	(1,090)
Net loss arising from hedging activities	(431)	(1,230)
Unrealised gain on reverse repurchase agreements	1,554	147
Unrealised loss on repurchase agreements	(831)	-
Other income:		
Foreign exchange:		
- Realised (loss)/gain	(94,189)	8,271
- Unrealised gain/(loss)	115,640	(14,941)
Others	4,074	1,135
	<u>25,525</u>	<u>(5,535)</u>
Total	<u>30,774</u>	<u>(5,142)</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 (CONTD.)

17. OTHER OPERATING EXPENSES

	31-Mar 2023 RM'000	31-Mar 2022 RM'000
Personnel costs (Note a)	14,483	12,377
Establishment costs (Note b)	4,949	5,399
Marketing expenses (Note c)	288	125
Administration and general expenses (Note d)	2,446	4,774
	<u>22,166</u>	<u>22,675</u>
(a) Personnel costs		
Salaries, bonuses and allowances	12,142	10,040
Defined contribution plan	1,008	1,452
Social security cost	37	37
Other staff related expenses	1,296	848
	<u>14,483</u>	<u>12,377</u>
(b) Establishment costs		
Information technology costs	2,122	1,760
Depreciation of property, plant and equipment	767	802
Others	2,060	2,837
	<u>4,949</u>	<u>5,399</u>
(c) Marketing Expenses		
Advertising	-	14
Others	288	111
	<u>288</u>	<u>125</u>
(d) Administration and general expenses		
Legal and professional fees	421	426
Communication & transportation	416	245
Others general expenses	1,609	4,103
	<u>2,446</u>	<u>4,774</u>

18. EXPECTED CREDIT LOSSES FOR IMPAIRMENT ON FINANCIAL ASSETS

	31-Mar 2023 RM'000	31-Mar 2022 RM'000
Expected credit losses:		
Allowance made during the financial period	3,365	55
	<u>3,365</u>	<u>55</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 (CONTD.)

19. CAPITAL ADEQUACY

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

	31-Mar 2023 RM'000	31-Dec 2022 RM'000
Tier-I capital		
Paid-up share capital	650,000	650,000
Retained profits	255,828	255,828
Other disclosed reserves	19,998	22,780
	<u>925,826</u>	<u>928,608</u>
<u>Less : Regulatory adjustments</u>		
Intangible assets	-	-
Deferred tax assets	(3,673)	(4,348)
55% of cumulative gains of financial instruments at FVOCI	(241)	(96)
Hedging reserve	(1,027)	(4,073)
Regulatory reserve	(18,532)	(18,532)
Total Tier-I capital	<u>902,353</u>	<u>901,559</u>
Tier-II Capital		
General provisions (Expected Credit Losses and regulatory reserve)	27,957	24,578
Subordinated term loan	396,435	386,766
Total Tier-II capital	<u>424,392</u>	<u>411,344</u>
Total capital base	<u>1,326,745</u>	<u>1,312,903</u>
Capital Ratios		
Before deducting proposed dividend		
Common Equity Tier 1 Ratio	21.720%	19.630%
Tier 1 Capital Ratio	21.720%	19.630%
Total Capital Ratio	<u>31.936%</u>	<u>28.586%</u>
Capital Ratios		
After deducting proposed dividend*		
Common Equity Tier 1 Ratio	20.506%	18.532%
Tier 1 Capital Ratio	20.506%	18.532%
Total Capital Ratio	<u>30.722%</u>	<u>27.488%</u>

* The proposed dividend is in respect of financial year ended 31 December 2022.

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

	31-Mar 2023 RM'000	31-Dec 2022 RM'000
Credit Risk	2,469,442	3,002,722
Market Risk	1,502,055	1,386,747
Operational Risk	182,909	203,294
Total risk-weighted assets	<u>4,154,406</u>	<u>4,592,763</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 (CONTD.)

20. INTEREST RATE RISK

The following table represents the Bank's assets and liabilities at carrying amounts as at 31 March 2023

	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	1,787,225	-	-	-	-	-	923	1,788,148
Reverse repurchase agreements	-	-	-	-	-	2,757,738	18,617	2,776,355
Financial assets at fair value through profit or loss	-	-	-	-	-	2,410,846	-	2,410,846
Financial investments at fair value through other comprehensive income	460,056	49,665	342,175	-	-	-	336	852,232
Loans, advances and financing	931,323	353,251	354,302	-	-	-	(3,036)	1,635,840
Derivatives Financial assets	-	-	-	-	-	1,016,739	-	1,016,739
Other assets	-	-	-	-	-	-	266,241	266,241
Total Assets	3,178,603	402,916	696,477	-	-	6,185,323	283,081	10,746,401
Liabilities								
Deposits from customers	3,035,105	117,707	15,546	-	-	-	770	3,169,129
Deposits and placements from banks and other financial institutions	1,600,610	196,979	2,000	-	-	-	846	1,800,434
Repurchase agreements	-	-	-	-	-	2,102,250	15,754	2,118,004
Derivatives Financial Liabilities	-	-	-	-	-	974,878	-	974,878
Subordinated term loan	-	-	-	-	393,967	-	2,469	396,435
Other liabilities	-	-	-	-	-	-	1,361,498	1,361,498
Total Liabilities	4,635,715	314,686	17,546	-	393,967	3,077,128	1,381,336	9,820,378
Net interest rate gap	(1,457,111)	88,230	678,931	-	(393,967)	3,108,195	(1,098,255)	926,023

BNP PARIBAS MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 (CONTD.)

20. INTEREST RATE RISK (CONTD)

The following table represents the Bank's assets and liabilities at carrying amounts as of 31 December 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	2,170,102	-	-	-	-	-	656	2,170,758
Reverse repurchase agreements	-	-	-	-	-	1,348,246	7,163	1,355,409
Financial assets at fair value through profit or loss	-	-	-	-	-	369,604	-	369,604
Financial assets at fair value through other comprehensive income	659,414	440,273	20,036	-	-	-	1,181	1,120,904
Loans, advances and financing	839,222	858,721	204,176	-	-	-	320	1,902,439
Derivative financial assets	-	-	-	-	-	1,568,425	-	1,568,425
Other assets	-	-	-	-	-	-	534,078	534,078
Total Assets	3,668,738	1,298,994	224,212	-	-	3,286,275	543,398	9,021,617
Liabilities								
Deposits from customers	2,588,304	74,304	5,775	-	-	-	718	2,669,101
Deposits and placements from banks and other financial institutions	413,356	1,300	3,500	-	-	-	1,997	420,153
Repurchase agreements	-	-	-	-	-	1,051,171	1,408	1,052,579
Derivatives financial liabilities	-	-	-	-	-	1,668,958	-	1,668,958
Subordinated term loan	-	-	-	-	384,815	-	1,951	386,766
Other liabilities	-	-	-	-	-	-	1,912,812	1,912,812
Total Liabilities	3,001,660	75,604	9,275	-	384,815	2,720,129	1,918,886	8,110,369
Net interest rate gap	667,078	1,223,390	214,937	-	(384,815)	566,146	(1,375,488)	911,248

BNP PARIBAS MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 (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:

	31-Mar 2023 RM'000	31-Dec 2022 RM'000
<u>Commitments and Contingent Liabilities</u>		
Direct credit substitutes	168,261	212,297
Transaction-related contingent items	92,404	71,840
Short-term self-liquidating trade-related contingencies	6,265	-
Irrevocable commitments to extend credit:		
Maturity up to one year	78,971	78,971
Maturity more than one year	-	7,500
Total credit related commitment and contingencies	<u>345,901</u>	<u>370,608</u>
Foreign exchange derivatives:		
One year or less	68,738,682	80,040,873
Over one year to five years	4,776,840	4,485,225
Over five years	522,639	551,633
Interest rate derivatives:		
One year or less	27,117,015	20,397,682
Over one year to five years	39,124,113	36,243,053
Over five years	1,913,204	2,296,424
Credit Derivatives:		
One year or less	255,062	252,678
Over one year to five years	662,039	653,390
Total treasury related commitment and contingencies	<u>143,109,594</u>	<u>144,920,958</u>
Total commitment and contingencies	<u>143,455,495</u>	<u>145,291,566</u>

BNP PARIBAS MALAYSIA BERHAD
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22. Islamic Banking Window

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	31-Mar 2023 RM'000	31-Dec 2022 RM'000
ASSETS			
Cash and short-term funds	(a)	42,196	42,180
Property, plant and equipment	(b)	-	-
Intangible assets	(c)	-	-
TOTAL ASSETS		<u>42,196</u>	<u>42,180</u>
LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits from customers	(d)	13,563	13,763
Other liabilities	(e)	5,877	5,499
Total liabilities		<u>19,440</u>	<u>19,262</u>
Capital fund		26,850	26,850
Accumulated losses		(4,094)	(3,932)
Reserves		-	-
Islamic banking funds		<u>22,756</u>	<u>22,918</u>
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS		<u>42,196</u>	<u>42,180</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 2022.

BNP PARIBAS MALAYSIA BERHAD
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22. Islamic Banking Window

UNAUDITED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

		31-Mar 2023 RM'000	31-Mar 2022 RM'000
Income derived from investment of			
Islamic banking funds and depositors' funds	(f)	249	157
Profit expense to depositors		(21)	(21)
Net income derived from investment of Islamic		228	136
banking funds and depositors' funds			
Other operating (loss)/income	(g)	(9)	285
Other operating expenses	(h)	(381)	(518)
Loss for the financial period before			
 taxation		(162)	(97)
Taxation		-	-
Loss for the financial period after			
 taxation		(162)	(97)
Total comprehensive loss for the period		(162)	(97)

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 2022.

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 31 MARCH 2023

	Capital fund RM'000	Regulatory reserve RM'000	Accumulated losses RM'000	Total RM'000
At 1 January 2023	26,850	-	(3,932)	22,918
Profit for the period	-	-	(162)	(162)
At 31 March 2023	<u>26,850</u>	<u>-</u>	<u>(4,094)</u>	<u>22,756</u>

	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 year	-	-	728	728
At 31 December 2022	<u>26,850</u>	<u>-</u>	<u>(3,932)</u>	<u>22,918</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 2022.

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

22. Islamic Banking Window

(a) CASH AND SHORT-TERM FUNDS

	31-Mar 2023 RM'000	31-Dec 2022 RM'000
<u>At Amortised Cost</u>		
Cash and balances with banks and other financial institutions	7,991	3,652
Money at call and deposit placements maturing within one month	34,205	38,528
	<u>42,196</u>	<u>42,180</u>

(b) PROPERTY, PLANT AND EQUIPMENT

	Office Equipment and Machinery RM'000	Computer Equipment RM'000	Total RM'000
31 March 2023/31 Dec 2022			
Cost			
At beginning of year/At end of the financial period	<u>6</u>	<u>23</u>	<u>29</u>
Accumulated Depreciation			
At beginning of year/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>

BNP PARIBAS MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 (CONTD.)

22. Islamic Banking Window

(c) INTANGIBLE ASSETS

	31-Mar 2023 RM'000	31-Dec 2022 RM'000
<u>Computer Software:</u>		
Cost		
At beginning of year/At end of the financial period	41	41
Accumulated Amortisation		
At beginning of year/At end of the financial period	41	41
Net Book Value	-	-

(d) DEPOSITS FROM CUSTOMERS

	31-Mar 2023 RM'000	31-Dec 2022 RM'000
Type		
At Amortised Cost:		
Non-Mudharabah Fund		
Demand deposits	8,063	13,763
Commodity Murabahah	5,500	-
	<u>13,563</u>	<u>13,763</u>

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

	31-Mar 2023 RM'000	31-Dec 2022 RM'000
Due within six months	5,500	-

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

	31-Mar 2023 RM'000	31-Dec 2022 RM'000
Domestic non-bank financial institution	13,563	13,763
	<u>13,563</u>	<u>13,763</u>

(e) OTHER LIABILITIES

	31-Mar 2023 RM'000	31-Dec 2022 RM'000
Other payables	5,877	5,499

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 (CONTD.)

22. Islamic Banking Window

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

	31-Mar 2023 RM'000	31-Mar 2022 RM'000
Money at call and deposit placement with financial institutions	249	157

(g) OTHER OPERATING (LOSS)/INCOME

	31-Mar 2023 RM'000	31-Mar 2022 RM'000
Foreign exchange:		
- Unrealised gain	3	14
Others	(12)	271
Total	<u>(9)</u>	<u>285</u>

(h) OTHER OPERATING EXPENSES

	31-Mar 2023 RM'000	31-Mar 2022 RM'000
Personnel costs (Note i)	283	458
Establishment costs (Note ii)	31	25
Administration and general expenses (Note iii)	67	35
	<u>381</u>	<u>518</u>
(i) Personnel Costs		
Salaries, bonuses and allowances	226	387
Defined contribution plan	43	69
Other staff related expenses	14	2
	<u>283</u>	<u>458</u>
(ii) Establishment costs		
Rental of premises	22	17
Information technology costs	2	3
Others	7	5
	<u>31</u>	<u>25</u>
(iii) Administration and general expenses		
Legal and professional fees	39	26
Communication & transportation	4	5
Others	24	4
	<u>67</u>	<u>35</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 (CONTD.)

22. Islamic Banking Window

(i) CAPITAL ADEQUACY

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

	31-Mar 2023 RM'000	31-Dec 2022 RM'000
Tier-I capital		
Capital fund	26,850	26,850
Accumulated losses	(4,094)	(3,932)
	<u>22,756</u>	<u>22,918</u>
 Total capital base	 <u>22,756</u>	 <u>22,918</u>
Capital Ratios		
Common Equity Tier 1 Capital Ratio	457.223%	576.408%
Tier 1 Capital Ratio	457.223%	576.408%
Total Capital Ratio	<u>457.223%</u>	<u>576.408%</u>

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

	31-Mar 2023 RM'000	31-Dec 2022 RM'000
Credit Risk	1,621	628
Market Risk	2,039	2,038
Operational Risk	1,317	1,310
Total risk-weighted assets	<u>4,977</u>	<u>3,976</u>