



**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 2023**

**BNP PARIBAS MALAYSIA BERHAD**  
**(Incorporated in Malaysia)**

**1. PERFORMANCE REVIEW**

The Bank registered a profit after tax of RM48.07 million for the nine month financial period ended 30 September 2023, compared to RM33.42 million in the corresponding period last year.

Other operating income improved by RM78.35 million against last year, mainly driven by stronger performance from our Global Market's Derivatives business.

Net interest income however, saw a reduction of RM64.03 million, attributable to the significantly higher cost of funding.

Other operating expenses were lower by RM3.45 million against last year mostly due to lower transfer pricing expenses during the year, partially offset by higher staff costs.

Provision for Expected Credit Losses was a writeback of RM0.28 million compared to a charge of RM0.81 million last year, mainly attributable to releases from a credit rating upgrade and from repayments.

Loans, advances and financing declined by RM249.08 million to RM1.65 billion due to several seasonal post festive period repayments in the first quarter. Deposits from customers showed strong momentum, with growth of RM172 million during the period to close at RM2.84 billion.

The Bank remained well capitalised with CET 1 and Total Capital Ratio of 21.286% and 32.190% respectively as of 30 September 2023.

**2. CURRENT YEAR PROSPECTS**

The Malaysian government has forecasted GDP growth of 4% for 2023 in its recent Budget announcement. While the global economy is expected to grow by 3.0% in 2023 according to OECD's estimates, the macroeconomic outlook remains gloomy amid persistent inflation in the Eurozone and the United States, elevated debt and weakness in China's property sector and weaker than expected impact of its reopening. Recent geopolitical tensions in the Middle East have created further uncertainty.

BNM kept its OPR on hold at 3.0% since its last policy meeting on 3 May 2023, predicated on Malaysia's inflation rate remaining moderate for the rest of 2023. Meanwhile, the US Federal Reserve continued its rate hike by 25 basis points in July 2023. Market views are mixed, with the possibility of one more US rate hike in the last quarter of 2023.

The Ringgit weakened to 4.70 against the US Dollar at the end of September 2023, almost matching the lows seen in October 2022.

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

**BNP PARIBAS MALAYSIA BERHAD**  
(Incorporated in Malaysia)

**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2023**

	Note	Bank 30-Sep 2023 RM'000	Bank 31-Dec 2022 RM'000
<b>ASSETS</b>			
Cash and short-term funds	2	711,033	2,170,758
Reverse repurchase agreements		3,188,730	1,355,409
Financial assets at fair value through Profit or Loss ('FVTPL')	3	1,370,681	369,604
Financial assets at fair value through other comprehensive income ('FVOCI')	4	1,887,266	1,120,904
Loans, advances and financing	5	1,653,353	1,902,439
Derivative financial assets		1,088,655	1,568,425
Other assets	6	311,530	535,467
Property, plant and equipment	7	7,859	2,688
Intangible assets	8	161	-
Tax recoverable		1,519	8,935
Deferred tax assets		4,405	4,348
<b>TOTAL ASSETS</b>		<b>10,225,192</b>	<b>9,038,977</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Deposits from customers	9	2,841,004	2,669,101
Deposits and placements from banks and other financial institutions	10	1,330,769	420,153
Repurchase agreements		2,691,998	1,052,579
Derivative financial liabilities		1,029,897	1,668,958
Subordinated term loan		411,390	386,766
Other liabilities	11	995,312	1,912,812
<b>TOTAL LIABILITIES</b>		<b>9,300,370</b>	<b>8,110,369</b>

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**  
**(Incorporated in Malaysia)**

**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2023 (CONTD.)**

	<b>Note</b>	<b>Bank 30-Sep 2023 RM'000</b>	<b>Bank 31-Dec 2022 RM'000</b>
Share capital	12	650,000	650,000
Retained profits		253,447	255,828
Reserves	13	21,375	22,780
<b>SHAREHOLDER'S EQUITY</b>		<b>924,822</b>	<b>928,608</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>		<b>10,225,192</b>	<b>9,038,977</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	21	<b>126,058,464</b>	<b>145,291,566</b>

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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 2023**

	Note	Bank 30-Sep 2023 RM'000	Bank 30-Sep 2022 RM'000
Interest income	14	197,085	95,382
Interest income for financial asset at FVTPL	14	47,142	22,325
Interest expenses	15	(222,026)	(31,474)
Net interest income		22,201	86,233
Net income from Islamic banking business	22	668	444
Other operating income	16	101,670	23,324
Other operating expenses	17	(61,495)	(64,946)
Expected credit losses	18	276	(813)
Profit before tax		63,320	44,242
Taxation		(15,253)	(10,820)
Profit for the financial period		48,067	33,422
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		96	(1,592)
Net change in cash flow hedge		(1,501)	1,117
Other comprehensive loss		(1,405)	(475)
Total comprehensive income for the financial period		46,662	32,947

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**BNP PARIBAS MALAYSIA BERHAD**  
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**UNAUDITED STATEMENTS OF CASH FLOW**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

	<b>Bank 30-Sep 2023 RM'000</b>	<b>Bank 30-Sep 2022 RM'000</b>
<b>Cash Flows from/(Used In) Operating Activities</b>		
Profit before tax	63,320	44,242
Adjustments for:		
Depreciation of property, plant and equipment	2,296	2,373
Amortisation of intangible assets	29	-
Expected credit losses on loans, advances and financing	(276)	813
Amortisation of premium less accretion of discount	(18,851)	2,661
Interest income on financial investments at FVOCI	(27,946)	(15,792)
Unrealised loss on derivative financial instrument	21,800	75,099
Unrealised loss on foreign exchange	136,350	58,424
Unrealised (gain)/loss on financial assets at FVTPL	(1,460)	2,284
Realised loss on financial investments at FVOCI	-	3,143
Unrealised (gain)/loss on reverse repurchase agreements	(478)	488
Unrealised gain on repurchase agreements	(1,005)	(532)
Operating profit before working capital changes	173,779	173,203

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**UNAUDITED STATEMENTS OF CASH FLOW**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTD.)**

	<b>Bank</b>	<b>Bank</b>
	<b>30-Sep</b>	<b>30-Sep</b>
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
(Increase)/Decrease in:		
Financial assets at FVTPL	(999,617)	23,422
Loans, advances and financing	249,362	(295,976)
Right of use asset	(5,763)	-
Reverse repurchase agreements	(1,832,843)	(1,018,715)
Other assets	223,938	(207,717)
Increase/(Decrease) in:		
Deposits from customers	171,903	673,468
Deposits and placements from banks and other financial institutions	910,616	833,203
Repurchase agreements	1,640,424	765,179
Derivative financial assets/liabilities	(296,007)	(137,398)
Subordinated term loan	1,689	472
Other liabilities	(915,579)	324,665
Net cash (used in)/generated from operations	(678,098)	1,133,806
Income taxes paid	(7,925)	(7,813)
Net cash (used in)/generated from operating activities	(686,023)	1,125,993
<b>Cash Flows used in Investing Activities</b>		
Purchase of property, plant and equipment	(1,803)	(338)
Purchase of intangible assets	(91)	-
Net (purchase)/sales of financial investments at FVOCI	(750,027)	112,588
Interest income on financial investments at FVOCI	30,589	21,036
Net cash (used in)/generated from investing activities	(721,332)	133,286

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**UNAUDITED STATEMENTS OF CASH FLOW**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTD.)**

	<b>Bank</b>	<b>Bank</b>
	<b>30-Sep</b>	<b>30-Sep</b>
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows Used In Financing Activities</b>		
Dividend paid	(50,448)	(735)
Payment for lease liabilities	(1,922)	(1,597)
	<hr/>	<hr/>
Net cash used in financing activities	(52,370)	(2,332)
	<hr/>	<hr/>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(1,459,725)	1,256,947
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	2,170,758	1,435,996
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	711,033	2,692,943
	<hr/>	<hr/>
<b>Cash and cash equivalents comprise the following:</b>		
Cash and short-term funds	711,033	2,692,943
	<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 2022.



**BNP PARIBAS MALAYSIA BERHAD**  
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**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

	← Non-distributable →			→	Retained profits RM'000	Total RM'000
	Share capital RM'000	Hedging reserves RM'000	Regulatory reserves RM'000	Revaluation reserve- financial assets at FVOCI RM'000		
At 1 January 2023	650,000	4,073	18,532	175	255,828	928,608
Profit for the period	-	-	-	-	48,067	48,067
Transfer to regulatory reserve	-	-	-	-	-	-
Other comprehensive (loss)/ income	-	(1,501)	-	96	-	(1,405)
Dividend paid on ordinary shares	-	-	-	-	(50,448)	(50,448)
At 30 September 2023	650,000	2,572	18,532	271	253,447	924,822

	← Non-distributable →			→	Retained profits RM'000	Total RM'000
	Share capital RM'000	Hedging reserves RM'000	Regulatory reserves RM'000	Revaluation reserve- financial investments at FVOCI RM'000		
At 1 January 2022	650,000	893	14,369	1,755	210,278	877,295
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 30 SEPTEMBER 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**

	<b>30-Sep 2023 RM'000</b>	<b>31-Dec 2022 RM'000</b>
At Amortised Cost:		
Cash and balances with banks and other financial institutions	58,926	93,802
Money at call and deposit placements maturing within one month	652,107	2,076,956
	<u>711,033</u>	<u>2,170,758</u>

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

	<b>30-Sep 2023 RM'000</b>	<b>31-Dec 2022 RM'000</b>
At Fair Value:		
Government Securities:		
Malaysian Government Securities	200,396	261,121
Malaysian Government Investment Issues	807,874	108,483
Treasury Bills	362,411	-
	<u>1,370,681</u>	<u>369,604</u>

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

	<b>30-Sep 2023 RM'000</b>	<b>31-Dec 2022 RM'000</b>
At Fair Value:		
Government securities:		
Malaysian Government Securities	-	262,894
Malaysian Government Investment Issues	347,100	-
Bank Negara Malaysia Debt Securities	1,540,166	858,005
Money market instrument:		
Negotiable Instruments of Deposit	-	5
	<u>1,887,266</u>	<u>1,120,904</u>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTD.)**

**5. LOANS, ADVANCES AND FINANCING**

	<b>30-Sep 2023 RM'000</b>	<b>31-Dec 2022 RM'000</b>
At amortised cost:		
<b>(i) By type</b>		
Revolving credit	888,120	898,985
Term loans	613,577	639,861
Trust receipts	344	111,990
Factoring receivables	91,846	235,750
Other trade bills discounted	335	-
Overdrafts	64,823	21,650
Gross loans, advances and financing	<u>1,659,045</u>	<u>1,908,236</u>
Less: Expected Credit Losses ('ECL')	<u>(5,692)</u>	<u>(5,797)</u>
Net loans, advances and financing	<u><u>1,653,353</u></u>	<u><u>1,902,439</u></u>
<b>(ii) By type of customer</b>		
Domestic business enterprises	1,588,326	1,791,057
Domestic non-bank financial institutions	20,539	70,033
Financial institutions	50,180	47,146
	<u>1,659,045</u>	<u>1,908,236</u>
<b>(iii) By interest rate sensitivity</b>		
Variable rate:		
Cost plus	1,647,010	1,896,205
Fixed rate	12,035	12,031
	<u>1,659,045</u>	<u>1,908,236</u>
<b>(iv) By residual contractual maturity</b>		
Maturing within one year	1,108,751	1,290,938
More than one year to five years	327,405	385,784
More than five years	222,889	231,514
	<u>1,659,045</u>	<u>1,908,236</u>
<b>(v) By geographical distribution</b>		
In Malaysia	<u>1,659,045</u>	<u>1,908,236</u>
	<u><u>1,659,045</u></u>	<u><u>1,908,236</u></u>

**BNP PARIBAS MALAYSIA BERHAD**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTD.)**

**5. LOANS, ADVANCES AND FINANCING (CONTD.)**

	<b>30-Sep 2023 RM'000</b>	<b>31-Dec 2022 RM'000</b>
<b>(vi) By Sector</b>		
Mining & Quarrying	4,069	4,023
Manufacturing	849,720	1,128,813
Electricity, gas and water supply	222,888	231,514
Construction	8,269	9,827
Wholesale and retail	221,436	142,840
Transport, storage and communication	199,563	251,117
Financial services	80,799	67,169
Real estate activities	5,382	6,513
Other business services	66,919	66,420
	<u>1,659,045</u>	<u>1,908,236</u>

**(vii) Movements in ECL on loans, advances and financing are as follows:**

	<b>12 mth ECL (Stage 1) RM'000</b>	<b>Lifetime ECL not credit impaired (Stage 2) RM'000</b>	<b>Lifetime ECL credit impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b>30 September 2023</b>				
Balance at beginning of financial year	4,539	1,258	-	5,797
Changes in credit risk	(279)	279	-	-
Allowances made during the financial period	228	1,255	-	1,483
Derecognised during the financial period	(745)	(843)	-	(1,588)
Balance at end of financial period	<u>3,743</u>	<u>1,949</u>	<u>-</u>	<u>5,692</u>
<b>31 December 2022</b>				
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:**

	<b>12 mth ECL (Stage 1) RM'000</b>	<b>Lifetime ECL not credit impaired (Stage 2) RM'000</b>	<b>Lifetime ECL credit impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b>30 September 2023</b>				
Balance at beginning of financial year	1,839,689	68,547	-	1,908,236
Changes in credit risk	(181,701)	181,701	-	-
Purchases and origination	296,829	64	-	296,893
Derecognised during the financial period	(486,658)	(64,828)	-	(551,486)
Exchange rate fluctuation	5,402	-	-	5,402
Balance at end of financial period	<u>1,473,561</u>	<u>185,484</u>	<u>-</u>	<u>1,659,045</u>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTD.)**

**5. LOANS, ADVANCES AND FINANCING (CONTD.)**

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

	<b>12 mth ECL (Stage 1) RM'000</b>	<b>Lifetime ECL not credit impaired (Stage 2) RM'000</b>	<b>Lifetime ECL credit impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b>31 December 2022</b>				
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 rate 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**

	<b>30-Sep 2023 RM'000</b>	<b>31-Dec 2022 RM'000</b>
Collateral assets	301,406	524,172
Other receivables	8,390	9,906
Deposit	820	803
Prepayments	914	586
	<u>311,530</u>	<u>535,467</u>

**BNP PARIBAS MALAYSIA BERHAD**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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
<b>30 September 2023</b>								
<b>Cost</b>								
At beginning of the financial year	490	4,256	1,855	9,450	6	99	12,088	28,244
Additions	5	-	-	1,102	-	695	5,855	7,657
Disposals	-	-	-	-	-	-	(12,088)	(12,088)
Reclassification	-	-	-	-	-	(190)	-	(190)
At end of the financial period	495	4,256	1,855	10,552	6	604	5,855	23,623
<b>Accumulated Depreciation</b>								
At beginning of the financial year	342	4,250	1,849	7,404	2	-	11,709	25,556
Depreciation charged for financial period	38	6	5	695	1	-	1,551	2,296
Disposals	-	-	-	-	-	-	(12,088)	(12,088)
At end of the financial period	380	4,256	1,854	8,099	3	-	1,172	15,764
<b>Net Book Value</b>								
As of 30 Sept 2023	115	-	1	2,453	3	604	4,683	7,859

*\*The addition to the Right of use asset during the year mainly comprises of the office premises which was further renewed by 3 years on 1 March 2023.*

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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
<b>31 December 2022</b>								
<b>Cost</b>								
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
<b>Accumulated Depreciation</b>								
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
<b>Net Book Value</b>								
As of 31 December 2022	148	6	6	2,046	4	99	379	2,688

**BNP PARIBAS MALAYSIA BERHAD**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTD.)**

**8. INTANGIBLE ASSETS**

	<b>30-Sep 2023 RM'000</b>	<b>31-Dec 2022 RM'000</b>
<u>Computer Software:</u>		
<b>Cost</b>		
At beginning of the financial year	3,090	3,090
Additions	190	-
At end of the financial period/year	<u>3,280</u>	<u>3,090</u>
<b>Accumulated Amortisation</b>		
At beginning of the financial year	3,090	3,090
Amortisation for the year	29	-
At end of the financial period/year	<u>3,119</u>	<u>3,090</u>
<b>Total Net Book Value</b>	<u>161</u>	<u>-</u>

**9. DEPOSITS FROM CUSTOMERS**

	<b>30-Sep 2023 RM'000</b>	<b>31-Dec 2022 RM'000</b>
<b>Type</b>		
At amortised cost:		
Demand deposits	1,835,344	2,100,795
Fixed deposits	1,005,660	568,306
	<u>2,841,004</u>	<u>2,669,101</u>
(i) Maturity structure of fixed deposits are as follows:		
Due within six months	<u>1,005,660</u>	<u>568,306</u>
(ii) The deposits are sourced from the following types of customers:		
Business enterprises	2,813,591	2,636,370
Non-bank financial institutions	27,413	32,731
	<u>2,841,004</u>	<u>2,669,101</u>

**10. DEPOSITS AND PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS**

	<b>30-Sep 2023 RM'000</b>	<b>31-Dec 2022 RM'000</b>
At amortised cost:		
Other financial institutions	<u>1,330,769</u>	<u>420,153</u>



**BNP PARIBAS MALAYSIA BERHAD**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTD.)**

**11. OTHER LIABILITIES**

	<b>30-Sep 2023 RM'000</b>	<b>31-Dec 2022 RM'000</b>
Collateral deposits	956,106	1,849,159
Other payables	19,954	49,943
Accruals and charges	14,478	13,007
Lease Liabilities	4,491	454
Expected credit losses on loans commitment and financial guarantee	283	249
	<u>995,312</u>	<u>1,912,812</u>

(i) Movements in ECL on loans commitments and financial guarantee are as follows:

	<b>12 mth ECL (Stage 1) RM'000</b>	<b>Lifetime ECL not credit impaired (Stage 2) RM'000</b>	<b>Lifetime ECL credit impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b>30 September 2023</b>				
Balance at beginning of financial year	225	24	-	249
Changes in credit risk	6	(6)	-	-
Allowances made/(written back) during the financial period	48	(14)	-	34
At end of financial period	<u>279</u>	<u>4</u>	<u>-</u>	<u>283</u>
<b>31 December 2022</b>				
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**

	<b>30-Sep 2023 RM'000</b>	<b>31-Dec 2022 RM'000</b>
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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**13. RESERVES**

	<b>30-Sep 2023 RM'000</b>	<b>31-Dec 2022 RM'000</b>
Non-distributable:		
Revaluation reserve financial assets at FVOCI	271	175
Regulatory reserve	18,532	18,532
Hedging reserve	2,572	4,073
	<u>21,375</u>	<u>22,780</u>

**14. INTEREST INCOME**

	<b>30-Sep 2023 RM'000</b>	<b>30-Sep 2022 RM'000</b>
Loans, advances and financing	58,461	29,616
Money at call and deposit placements with financial institutions	27,934	32,518
Financial assets at FVOCI	27,946	15,792
Financial assets at FVTPL	47,142	22,325
Reverse repurchase agreements	54,546	18,759
Other interest income	9,347	1,358
	<u>225,376</u>	<u>120,368</u>
Amortisation of premium less accretion of discount	18,851	(2,661)
Total Interest Income	<u>244,227</u>	<u>117,707</u>

**15. INTEREST EXPENSE**

	<b>30-Sep 2023 RM'000</b>	<b>30-Sep 2022 RM'000</b>
Deposits from customers	42,846	16,896
Deposits and placements from banks and other financial institutions	42,942	4,145
Repurchase agreements	76,060	306
Lease Liabilities	104	46
Subordinated term loan	12,705	2,550
Financial collateral	47,233	7,518
Other interest expense	136	13
	<u>222,026</u>	<u>31,474</u>

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**16. OTHER OPERATING INCOME**

	<b>30-Sep 2023 RM'000</b>	<b>30-Sep 2022 RM'000</b>
Fee income:		
Commissions	235	197
Guarantee fees	1,079	1,109
Other fee income	1,447	1,738
	<u>2,761</u>	<u>3,044</u>
Gain/(Loss) arising from sale of:		
Financial assets at FVTPL	(549)	(11,131)
Financial assets at FVOCI	-	(3,143)
	<u>(549)</u>	<u>(14,274)</u>
(Loss)/Gain on derivatives trading:		
Realised gain	19,780	113,953
Unrealised loss	(21,800)	(75,099)
	<u>(2,020)</u>	<u>38,854</u>
Unrealised loss on revaluation of:		
FVTPL	1,460	(2,284)
Net (loss)/gain arising from hedging activities	(986)	893
Unrealised gain/(loss) on reverse repurchase agreements	478	(488)
Unrealised gain on repurchase agreements	1,005	532
Other income:		
Foreign exchange:		
- Realised gain	227,627	48,391
- Unrealised loss	(136,350)	(58,424)
Others	8,244	7,080
	<u>99,521</u>	<u>(2,953)</u>
Total	<u>101,670</u>	<u>23,324</u>

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**17. OTHER OPERATING EXPENSES**

	<b>30-Sep 2023 RM'000</b>	<b>30-Sep 2022 RM'000</b>
Personnel costs (Note a)	37,536	35,339
Establishment costs (Note b)	15,394	16,568
Marketing expenses (Note c)	804	396
Administration and general expenses (Note d)	7,761	12,643
	<u>61,495</u>	<u>64,946</u>
<b>(a) Personnel costs</b>		
Salaries, bonuses and allowances	29,667	27,095
Defined contribution plan	4,043	4,680
Social security cost	150	77
Other staff related expenses	3,676	3,487
	<u>37,536</u>	<u>35,339</u>
<b>(b) Establishment costs</b>		
Information technology costs	6,738	6,997
Depreciation of property, plant and equipment	2,296	2,373
Amortization of intangible asset	29	-
Others	6,331	7,198
	<u>15,394</u>	<u>16,568</u>
<b>(c) Marketing Expenses</b>		
Advertising	(37)	37
Others	841	359
	<u>804</u>	<u>396</u>
<b>(d) Administration and general expenses</b>		
Legal and professional fees	1,778	1,304
Communication & transportation	1,057	708
Others general expenses	4,926	10,631
	<u>7,761</u>	<u>12,643</u>

**18. EXPECTED CREDIT LOSSES**

	<b>30-Sep 2023 RM'000</b>	<b>30-Sep 2022 RM'000</b>
Expected credit losses:		
Allowance (write-back)/made during the financial period	(276)	813
	<u>(276)</u>	<u>813</u>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTD.)**

**19. CAPITAL ADEQUACY**

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

	<b>30-Sep 2023 RM'000</b>	<b>31-Dec 2022 RM'000</b>
<b>Tier-I capital</b>		
Paid-up share capital	650,000	650,000
Retained profits	205,380	255,828
Other disclosed reserves	21,375	22,780
	<u>876,755</u>	<u>928,608</u>
<u>Less : Regulatory adjustments</u>		
Intangible assets	(161)	-
Deferred tax assets	(4,405)	(4,348)
55% of cumulative gains of financial instruments at FVOCI	(149)	(96)
Hedging reserve	(2,572)	(4,073)
Regulatory reserve	(18,532)	(18,532)
Total Tier-I capital	<u>850,936</u>	<u>901,559</u>
<b>Tier-II Capital</b>		
General provisions (Expected Credit Losses and regulatory reserve)	24,507	24,578
Subordinated term loan	411,390	386,766
Total Tier-II capital	<u>435,897</u>	<u>411,344</u>
Total capital base	<u>1,286,833</u>	<u>1,312,903</u>
<b>Capital Ratios</b>		
<b>Before deducting proposed dividend</b>		
Common Equity Tier 1 Ratio	21.286%	19.630%
Tier 1 Capital Ratio	21.286%	19.630%
Total Capital Ratio	<u>32.190%</u>	<u>28.586%</u>
<b>Capital Ratios</b>		
<b>After deducting proposed dividend*</b>		
Common Equity Tier 1 Ratio	21.286%	18.532%
Tier 1 Capital Ratio	21.286%	18.532%
Total Capital Ratio	<u>32.190%</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:

	<b>30-Sep 2023 RM'000</b>	<b>31-Dec 2022 RM'000</b>
Credit Risk	2,609,477	3,002,722
Market Risk	1,114,657	1,386,747
Operational Risk	273,471	203,294
Total risk-weighted assets	<u>3,997,605</u>	<u>4,592,763</u>

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**20. INTEREST RATE RISK**

The following table represents the Bank's assets and liabilities at carrying amounts as at 30 September 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			
<b>Assets</b>								
Cash and short-term funds	710,926	-	-	-	-	-	107	711,033
Reverse repurchase agreements	-	-	-	-	-	3,171,097	17,633	3,188,730
Financial assets at fair value through profit or loss	-	-	-	-	-	1,370,681	-	1,370,681
Financial investments at fair value through other comprehensive income	1,074,971	664,453	147,842	-	-	-	-	1,887,266
Loans, advances and financing	802,275	813,184	37,297	-	-	-	597	1,653,353
Derivatives Financial assets	-	-	-	-	-	1,088,655	-	1,088,655
Other assets	-	-	-	-	-	-	309,796	309,796
<b>Total Assets</b>	<b>2,588,172</b>	<b>1,477,637</b>	<b>185,139</b>	<b>-</b>	<b>-</b>	<b>5,630,433</b>	<b>328,133</b>	<b>10,209,514</b>
<b>Liabilities</b>								
Deposits from customers	2,764,348	63,056	12,360	-	-	-	1,240	2,841,004
Deposits and placements from banks and other financial institutions	826,875	501,256	1,300	-	-	-	1,338	1,330,769
Repurchase agreements	-	-	-	-	-	2,665,818	26,180	2,691,998
Derivatives Financial Liabilities	-	-	-	-	-	1,029,897	-	1,029,897
Subordinated term loan	-	-	-	-	407,750	-	3,640	411,390
Other liabilities	-	-	-	-	-	-	995,312	995,312
<b>Total Liabilities</b>	<b>3,591,223</b>	<b>564,312</b>	<b>13,660</b>	<b>-</b>	<b>407,750</b>	<b>3,695,715</b>	<b>1,027,710</b>	<b>9,300,370</b>
<b>Net interest rate gap</b>	<b>(1,003,051)</b>	<b>913,325</b>	<b>171,479</b>	<b>-</b>	<b>(407,750)</b>	<b>1,934,718</b>	<b>(699,577)</b>	<b>909,144</b>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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			
<b>Assets</b>								
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
<b>Total Assets</b>	<b>3,668,738</b>	<b>1,298,994</b>	<b>224,212</b>	<b>-</b>	<b>-</b>	<b>3,286,275</b>	<b>543,398</b>	<b>9,021,617</b>
<b>Liabilities</b>								
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
<b>Total Liabilities</b>	<b>3,001,660</b>	<b>75,604</b>	<b>9,275</b>	<b>-</b>	<b>384,815</b>	<b>2,720,129</b>	<b>1,918,886</b>	<b>8,110,369</b>
<b>Net interest rate gap</b>	<b>667,078</b>	<b>1,223,390</b>	<b>214,937</b>	<b>-</b>	<b>(384,815)</b>	<b>566,146</b>	<b>(1,375,488)</b>	<b>911,248</b>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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:

	<b>30-Sep 2023 RM'000</b>	<b>31-Dec 2022 RM'000</b>
<u>Commitments and Contingent Liabilities</u>		
Direct credit substitutes	197,631	212,297
Transaction-related contingent items	87,346	71,840
Short-term self-liquidating trade-related contingencies	10,928	-
Irrevocable commitments to extend credit:		
Maturity up to one year	90,000	78,971
Maturity more than one year	-	7,500
Miscellaneous Commitments and Contingencies	299,174	
Total credit related commitments and contingencies	<u>685,079</u>	<u>370,608</u>
Foreign exchange derivatives:		
One year or less	50,938,840	80,040,873
Over one year to five years	3,872,319	4,485,225
Over five years	544,376	551,633
Interest rate derivatives:		
One year or less	24,421,761	20,397,682
Over one year to five years	42,908,327	36,243,053
Over five years	1,802,204	2,296,424
Credit Derivatives:		
One year or less	164,458	252,678
Over one year to five years	721,100	653,390
Over five years	-	-
Total treasury related commitments and contingencies	<u>125,373,385</u>	<u>144,920,958</u>
Total commitment and contingencies	<u>126,058,464</u>	<u>145,291,566</u>



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**22. Islamic Banking Window**

**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2023**

	Note	30-Sep 2023 RM'000	31-Dec 2022 RM'000
<b>ASSETS</b>			
Cash and short-term funds	(a)	43,071	42,180
Property, plant and equipment	(b)	-	-
Intangible assets	(c)	-	-
<b>TOTAL ASSETS</b>		43,071	42,180
<b>LIABILITIES AND ISLAMIC BANKING FUNDS</b>			
Deposits from customers	(d)	14,290	13,763
Other liabilities	(e)	5,862	5,499
<b>Total liabilities</b>		20,152	19,262
Capital fund		26,850	26,850
Accumulated losses		(3,931)	(3,932)
Reserves		-	-
<b>Islamic banking funds</b>		22,919	22,918
<b>TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS</b>		43,071	42,180

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 30 SEPTEMBER 2023**

		<b>30-Sep</b>	<b>30-Sep</b>
		<b>2023</b>	<b>2022</b>
		<b>RM'000</b>	<b>RM'000</b>
Income derived from investment of Islamic banking funds and depositors' funds	(f)	777	511
Profit expense to depositors		(109)	(67)
Net income derived from investment of Islamic banking funds and depositors' funds		668	444
Other operating income	(g)	743	1,510
Other operating expenses	(h)	(1,410)	(1,712)
<b>Profit for the financial period before taxation</b>		<b>1</b>	<b>242</b>
Taxation		-	-
<b>Profit for the financial period after taxation</b>		<b>1</b>	<b>242</b>
<b>Total comprehensive profit for the period</b>		<b>1</b>	<b>242</b>

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 30 SEPTEMBER 2023**

	<b>Capital fund RM'000</b>	<b>Regulatory reserve RM'000</b>	<b>Accumulated losses RM'000</b>	<b>Total RM'000</b>
At 1 January 2023	26,850	-	(3,932)	22,918
Profit for the period	-	-	1	1
At 30 September 2023	<u>26,850</u>	<u>-</u>	<u>(3,931)</u>	<u>22,919</u>

	<b>Capital fund RM'000</b>	<b>Regulatory reserve RM'000</b>	<b>Accumulated losses RM'000</b>	<b>Total RM'000</b>
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.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

**22. Islamic Banking Window**

**(a) CASH AND SHORT-TERM FUNDS**

	<b>30-Sep 2023 RM'000</b>	<b>31-Dec 2022 RM'000</b>
<u>At Amortised Cost</u>		
Cash and balances with banks and other financial institutions	2,064	3,652
Money at call and deposit placements maturing within one month	41,007	38,528
	<u>43,071</u>	<u>42,180</u>

**(b) PROPERTY, PLANT AND EQUIPMENT**

	<b>Office Equipment and Machinery RM'000</b>	<b>Computer Equipment RM'000</b>	<b>Total RM'000</b>
<b>30 Sep 2023/31 Dec 2022</b>			
<b>Cost</b>			
At beginning of year/At end of the financial period	<u>6</u>	<u>23</u>	<u>29</u>
<b>Accumulated Depreciation</b>			
At beginning of year/At end of the financial period	<u>6</u>	<u>23</u>	<u>29</u>
<b>Net Book Value</b>			
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 2023 (CONTD.)**

**22. Islamic Banking Window**

**(c) INTANGIBLE ASSETS**

	<b>30-Sep 2023 RM'000</b>	<b>31-Dec 2022 RM'000</b>
<u>Computer Software:</u>		
<b>Cost</b>		
At beginning of year/At end of the financial period	41	41
<b>Accumulated Amortisation</b>		
At beginning of year/At end of the financial period	41	41
<b>Net Book Value</b>	-	-

**(d) DEPOSITS FROM CUSTOMERS**

	<b>30-Sep 2023 RM'000</b>	<b>31-Dec 2022 RM'000</b>
<b>Type</b>		
At Amortised Cost:		
Non-Mudharabah Fund		
Demand deposits	7,589	13,763
Commodity Murabahah	6,701	-
	14,290	13,763

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

	<b>30-Sep 2023 RM'000</b>	<b>31-Dec 2022 RM'000</b>
Due within six months	6,701	-

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

	<b>30-Sep 2023 RM'000</b>	<b>31-Dec 2022 RM'000</b>
Business enterprises	9	-
Domestic non-bank financial institution	14,281	13,763
	14,290	13,763

**(e) OTHER LIABILITIES**

	<b>30-Sep 2023 RM'000</b>	<b>31-Dec 2022 RM'000</b>
Other payables	5,862	5,499

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTD.)**

**22. Islamic Banking Window**

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

	<b>30-Sep 2023 RM'000</b>	<b>30-Sep 2022 RM'000</b>
Money at call and deposit placement with financial institutions	650	511
	650	511
Amortisation of premium less accretion of discount	127	-
Total	<u>777</u>	<u>511</u>

**(g) OTHER OPERATING INCOME**

	<b>30-Sep 2023 RM'000</b>	<b>30-Sep 2022 RM'000</b>
Foreign exchange:		
- Unrealised gain	130	209
Others	613	1,301
Total	<u>743</u>	<u>1,510</u>

**(h) OTHER OPERATING EXPENSES**

	<b>30-Sep 2023 RM'000</b>	<b>30-Sep 2022 RM'000</b>
Personnel costs (Note i)	1,125	1,433
Establishment costs (Note ii)	91	83
Marketing expenses (Note iii)	4	35
Administration and general expenses (Note iv)	190	161
	<u>1,410</u>	<u>1,712</u>
<b>(i) Personnel Costs</b>		
Salaries, bonuses and allowances	896	1,166
Defined contribution plan	162	210
Other staff related expenses	67	57
	<u>1,125</u>	<u>1,433</u>
<b>(ii) Establishment costs</b>		
Rental of premises	67	57
Information technology costs	4	10
Others	20	16
	<u>91</u>	<u>83</u>
<b>(iii) Marketing Expenses</b>		
Others	3	35
	<u>3</u>	<u>35</u>
<b>(iv) Administration and general expenses</b>		
Legal and professional fees	133	87
Communication & transportation	11	14
Others	46	60
	<u>190</u>	<u>161</u>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTD.)**

**22. Islamic Banking Window**

**(i) CAPITAL ADEQUACY**

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

	<b>30-Sep 2023 RM'000</b>	<b>31-Dec 2022 RM'000</b>
<b>Tier-I capital</b>		
Capital fund	26,850	26,850
Accumulated losses	(3,932)	(3,932)
	<u>22,918</u>	<u>22,918</u>
 Total capital base	 <u>22,918</u>	 <u>22,918</u>
<b>Capital Ratios</b>		
Common Equity Tier 1 Capital Ratio	565.403%	576.408%
Tier 1 Capital Ratio	565.403%	576.408%
Total Capital Ratio	<u>565.403%</u>	<u>576.408%</u>

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

	<b>30-Sep 2023 RM'000</b>	<b>31-Dec 2022 RM'000</b>
Credit Risk	250	628
Market Risk	2,168	2,038
Operational Risk	1,636	1,310
Total risk-weighted assets	<u>4,053</u>	<u>3,976</u>