



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

**UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

1. PERFORMANCE REVIEW

The Bank registered profit after tax of RM49.71 million for the six month financial period ended 30 June 2024, compared to RM29.50 million in the corresponding period last year.

Other operating income improved by RM30.8 million or 56% against last year, mainly driven by stronger performance from our Global Market business.

Net interest income however, saw a reduction of RM7.05 million or 21% year on year attributable mainly to higher funding cost.

Other operating expenses were relatively flat at RM48.3 million.

There was a net writeback in Provision for Expected Credit Losses amounting to RM1.40 million this period compared to a charge of RM0.97 million last year as our portfolio credit quality remains strong.

Loans, advances and financing was relatively flat at RM1.69 billion while Deposits from customers showed strong growth momentum, increasing by RM461.32 million during the period to close at RM3.25 billion, mainly driven by current account deposits.

The Bank remained well capitalised with CET 1 and Total Capital Ratio of 16.036% and 24.332% respectively as at 30 June 2024.

2. CURRENT YEAR PROSPECTS

At the 2024 Budget announcements, the government forecasted Malaysia's 2024 GDP growth at between 4% to 5%, supported by resilient private consumption and investment and a rebound in public spending, while the rate of inflation was expected to moderate at 2.7%. The European Central Bank initiated its first interest rate cut in June this year. Recent signs that inflation is easing may pave the way for the US Federal Reserve to initiate rate cuts in the second half of 2024. For Malaysia, the market consensus is for BNM to keep the OPR at 3.00% throughout the year, subject to developments in the US Federal Reserve policy.

Amidst this outlook, the Bank plans to continue driving the underlying growth momentum of its loans, financing, Transaction Banking 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 JUNE 2024

	Note	Bank 30-Jun 2024 RM'000	Bank 31-Dec 2023 RM'000
ASSETS			
Cash and short-term funds	2	1,286,024	741,700
Reverse repurchase agreements		2,315,511	1,910,888
Financial assets at fair value through profit or loss ('FVTPL')	3	2,655,677	2,196,893
Financial assets at fair value through other comprehensive income ('FVOCI')	4	1,077,672	1,387,556
Loans, advances and financing	5	1,693,323	1,656,287
Derivative financial assets		732,840	1,113,207
Other assets	6	167,423	194,868
Property, plant and equipment	7	11,339	13,896
Intangible assets	8	114	145
Tax recoverable		-	4,276
Deferred tax assets		2,872	2,946
TOTAL ASSETS		9,942,795	9,222,662
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits from customers	9	3,253,630	2,792,306
Deposits and placements from banks and other financial institutions	10	1,972,683	1,360,724
Repurchase agreements		1,428,297	1,052,895
Derivative financial liabilities		644,095	1,107,193
Subordinated term loan		417,506	420,188
Other liabilities	11	1,297,677	1,541,979
Tax liabilities		4,624	-
TOTAL LIABILITIES		9,018,512	8,275,285

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 2023.

Company No.201001034168 (918091-T)

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024 (CONTD.)

	Note	Bank 30-Jun 2024 RM'000	Bank 31-Dec 2023 RM'000
Share capital	12	650,000	650,000
Retained profits		253,873	277,067
Reserves	13	20,410	20,310
SHAREHOLDER'S EQUITY		<u>924,283</u>	<u>947,377</u>
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		<u>9,942,795</u>	<u>9,222,662</u>
COMMITMENTS AND CONTINGENCIES	22	<u>138,640,951</u>	<u>143,555,210</u>

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BNP PARIBAS MALAYSIA BERHAD
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UNAUDITED STATEMENT OF TOTAL COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	Note	Bank 30-Jun 2024 RM'000	Bank 30-Jun 2023 RM'000
Interest income	14	126,669	121,075
Interest income for financial asset at FVTPL	14	41,361	36,611
Interest expenses	15	<u>(142,223)</u>	<u>(124,830)</u>
Net interest income		25,807	32,856
Net income from Islamic banking business	23	<u>577</u>	<u>443</u>
		26,384	33,299
Other operating income	16	86,357	55,522
Other operating expenses	17	(48,325)	(48,729)
Expected credit losses written back/(made)	18	1,396	(965)
Profit before tax		<u>65,812</u>	<u>39,127</u>
Taxation		<u>(16,101)</u>	<u>(9,623)</u>
Profit for the financial period		<u>49,711</u>	<u>29,504</u>
Other comprehensive loss, net of income tax:			
Items that may be reclassified subsequently to profit or loss :			
Revaluation reserve - financial assets at FVOCI :			
Net changes in fair value		(265)	323
Net change in cash flow hedge		<u>(853)</u>	<u>(3,661)</u>
Other comprehensive loss		<u>(1,118)</u>	<u>(3,338)</u>
Total comprehensive income for the financial period		<u>48,593</u>	<u>26,166</u>

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BNP PARIBAS MALAYSIA BERHAD
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UNAUDITED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	Bank 30-Jun 2024 RM'000	Bank 30-Jun 2023 RM'000
Cash Flows from/(Used In) Operating Activities		
Profit before tax	65,812	39,127
Adjustments for:		
Depreciation of property, plant and equipment	1,590	1,510
Amortisation of intangible assets	31	-
Expected credit losses on loans, advances and financing	(1,396)	965
Amortisation of premium less accretion of discount	(3,550)	(3,570)
Unrealised (gain)/loss on derivative financial instruments	(91,579)	39,793
Unrealised loss/(gain) on foreign exchange	83,972	(140,709)
Unrealised loss on financial assets at FVTPL	546	2,204
Unrealised gain on reverse repurchase agreements	(338)	(810)
Realised loss on repurchase agreements	312	(1,110)
Interest income on financial assets at FVOCI	(23,836)	(19,612)
Interest expense on lease liabilities	130	13
Operating profit/(loss) before working capital changes	31,694	(82,199)

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UNAUDITED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTD.)

	Bank 30-Jun 2024 RM'000	Bank 30-Jun 2023 RM'000
(Increase)/Decrease in:		
Financial assets at FVTPL	(459,330)	(1,513,989)
Loans, advances and financing	(35,640)	351,025
Right of use asset	2,291	(5,855)
Reverse repurchase agreements	(404,285)	(1,275,605)
Other assets	27,445	174,958
Increase/(Decrease) in:		
Deposits from customers	461,324	191,741
Deposits and placements from banks and other financial institutions	611,959	1,092,032
Repurchase agreements	375,090	1,164,923
Derivative financial assets/liabilities	(78,573)	(251,865)
Subordinated term loan	(87)	1,356
Other liabilities	(315,243)	(587,076)
Net cash generated from/(used in) operations	216,645	(740,554)
Income taxes paid	(7,042)	(3,321)
Net cash generated from/(used in) operating activities	<u>209,603</u>	<u>(743,875)</u>
Cash Flows used in Investing Activities		
Purchase of property, plant and equipment	(1,324)	(33)
Purchase of intangible assets	-	(91)
Net sales/(purchase) of financial assets at FVOCI	319,803	(786,957)
Interest income on financial assets at FVOCI	17,118	22,254
Net cash generated from/(used in) investing activities	<u>335,597</u>	<u>(764,827)</u>

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UNAUDITED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTD.)

	Bank	Bank
	30-Jun	30-Jun
	2024	2023
	RM'000	RM'000
Cash Flows Used In Financing Activities		
Payment for lease liabilities	<u>(876)</u>	<u>(1,282)</u>
Net cash used in financing activities	<u>(876)</u>	<u>(1,282)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	544,324	(1,509,984)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>741,700</u>	<u>2,170,758</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>1,286,024</u>	<u>660,774</u>
Cash and cash equivalents comprise the following:		
Cash and short-term funds	<u>1,286,024</u>	<u>1,788,148</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 2023.

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UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	← 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 2024	650,000	1,605	18,532	173	277,067	947,377
Profit for the period	-	-	-	-	49,711	49,711
Transfer to regulatory reserve	-	-	1,218	-	(1,218)	-
Other comprehensive loss	-	(853)	-	(265)	-	(1,118)
Dividend paid on ordinary shares	-	-	-	-	(71,687)	(71,687)
At 30 June 2024	650,000	752	19,750	(92)	253,873	924,283

	← 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	-	-	-	-	71,687	71,687
Other comprehensive loss	-	(2,468)	-	(2)	-	(2,470)
Dividend paid on ordinary shares	-	-	-	-	(50,448)	(50,448)
At 31 December 2023	650,000	1,605	18,532	173	277,067	947,377

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 2023.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of the Financial Statements

The financial statement of the Bank have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

2. CASH AND SHORT-TERM FUNDS

	30-Jun 2024 RM'000	31-Dec 2023 RM'000
At Amortised Cost:		
Cash and balances with banks and other financial institutions	35,716	51,530
Money at call and deposit placements maturing within one month	1,250,308	690,170
	<u>1,286,024</u>	<u>741,700</u>

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

	30-Jun 2024 RM'000	31-Dec 2023 RM'000
At Fair Value:		
Government Securities:		
Malaysian Government Securities	1,453,589	1,666,370
Malaysian Government Investment Issues	693,589	530,523
Treasury Bills	508,499	-
	<u>2,655,677</u>	<u>2,196,893</u>

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

	30-Jun 2024 RM'000	31-Dec 2023 RM'000
At Fair Value:		
Government securities:		
Malaysian Government Securities	358,047	-
Malaysian Government Investment Issues	20,177	149,058
Bank Negara Malaysia Debt Securities	699,448	1,238,498
	<u>1,077,672</u>	<u>1,387,556</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTD.)

5. LOANS, ADVANCES AND FINANCING

	30-Jun 2024 RM'000	31-Dec 2023 RM'000
At amortised cost:		
(i) By type		
Revolving credit	920,911	817,043
Term loans	607,904	599,057
Bridging loans	-	90,554
Bill receivables	-	801
Factoring receivables	134,380	101,740
Overdrafts	32,920	51,279
Gross loans, advances and financing	<u>1,696,115</u>	<u>1,660,474</u>
Less: Expected Credit Losses ('ECL')	<u>(2,792)</u>	<u>(4,187)</u>
Net loans, advances and financing	<u><u>1,693,323</u></u>	<u><u>1,656,287</u></u>
<p>Funding extended to BNP Paribas Najmah (an Islamic Banking window in the Bank) under Profit Sharing Investment Account ("PSIA") are included as Loans, Advances and Financing. As at current reporting date, there is no such balance outstanding (31 December 2023: RM 110.35 million). The PSIA is a contract based on the Wakalah principle.</p>		
(ii) By type of customer		
Domestic business enterprises	1,593,424	1,567,190
Domestic non-bank financial institutions	51,765	42,009
Financial institutions	50,926	51,275
	<u>1,696,115</u>	<u>1,660,474</u>
(iii) By interest rate sensitivity		
Variable rate:		
Cost plus	1,690,098	1,654,457
Fixed rate	6,017	6,017
	<u>1,696,115</u>	<u>1,660,474</u>
(iv) By residual contractual maturity		
Maturing within one year	1,113,775	1,130,655
More than one year to five years	292,417	309,345
More than five years	289,923	220,474
	<u>1,696,115</u>	<u>1,660,474</u>
(v) By geographical distribution		
In Malaysia	1,696,115	1,660,474
	<u>1,696,115</u>	<u>1,660,474</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTD.)

5. LOANS, ADVANCES AND FINANCING (CONTD.)

	30-Jun 2024 RM'000	31-Dec 2023 RM'000
(vi) By Sector		
Mining & Quarrying	4,023	4,023
Manufacturing	870,903	756,851
Electricity, gas and water supply	207,862	215,441
Construction	7,502	8,588
Wholesale and retail	123,021	247,415
Transport, storage and communication	139,101	142,706
Financial services	102,691	93,284
Real estate activities	3,471	5,006
Other business services	237,541	187,160
	<u>1,696,115</u>	<u>1,660,474</u>

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

	12 mth ECL (Stage 1) RM'000	Lifetime ECL not credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
30 June 2024				
Balance at beginning of financial year	2,307	1,880	-	4,187
Changes in credit risk	236	(236)	-	-
Allowances (written-back)/made during the financial period	(150)	122	-	(28)
Derecognised during the financial period	(438)	(929)	-	(1,367)
Balance at end of financial period	<u>1,955</u>	<u>837</u>	<u>-</u>	<u>2,792</u>
31 December 2023				
Balance at beginning of financial year	4,539	1,258	-	5,797
Changes in credit risk	(255)	255	-	-
Allowances (written-back)/made during the financial period	(825)	503	-	(322)
Derecognised during the financial period	(1,152)	(136)	-	(1,288)
Balance at end of financial period	<u>2,307</u>	<u>1,880</u>	<u>-</u>	<u>4,187</u>

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

	12 mth ECL (Stage 1) RM'000	Lifetime ECL not credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
30 June 2024				
Balance at beginning of financial year	1,486,897	173,577	-	1,660,474
Changes in credit risk	22,373	(22,373)	-	-
Purchases and origination	489,725	2,214	-	491,939
Derecognised during the financial period	(367,064)	(89,234)	-	(456,298)
Balance at end of financial period	<u>1,631,931</u>	<u>64,184</u>	<u>-</u>	<u>1,696,115</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (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 2023				
Balance at beginning of financial year	1,839,689	68,547	-	1,908,236
Changes in credit risk	(166,740)	166,740	-	-
Purchases and origination	564,772	-	-	564,772
Derecognised during the financial period	(750,824)	(61,710)	-	(812,534)
Balance at end of financial period	<u>1,486,897</u>	<u>173,577</u>	<u>-</u>	<u>1,660,474</u>

6. OTHER ASSETS

	30-Jun 2024 RM'000	31-Dec 2023 RM'000
Collateral assets	153,546	185,353
Other receivables	11,535	7,784
Deposit	688	820
Prepayments	1,654	911
	<u>167,423</u>	<u>194,868</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTD.)

7. PROPERTY, PLANT AND EQUIPMENT

	Office equipment and machinery RM'000	Renovation and installation RM'000	Furniture, fixtures and fittings RM'000	Computer equipment and hardware RM'000	Motor vehicles RM'000	Work-in progress RM'000	Right of use asset RM'000	Total RM'000
30 June 2024								
Cost								
At beginning of the financial year	638	1,589	1,049	10,664	6	-	10,609	24,555
Additions	54	968	242	60	-	-	-	1,324
Lease remeasurement	-	-	-	-	-	-	(2,291)	(2,291)
At end of the financial period	692	2,557	1,291	10,724	6	-	8,318	23,588
Accumulated Depreciation								
At beginning of the financial year	378	86	197	8,339	3	-	1,656	10,659
Depreciation charged for financial period	42	208	112	438	-	-	790	1,590
At end of the financial period	420	294	309	8,777	3	-	2,446	12,249
Net Book Value								
As at 30 June 2024	272	2,263	982	1,947	3	-	5,872	11,339

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (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 2023								
Cost								
At beginning of the financial year	490	4,256	1,855	9,450	6	99	12,088	28,244
Additions	167	1,549	877	1,214	-	91	10,609	14,507
Write-off	(19)	(4,216)	(1,683)	-	-	-	-	(5,918)
Matured during the financial year	-	-	-	-	-	-	(12,088)	(12,088)
Reclassification to intangible assets	-	-	-	-	-	(190)	-	(190)
At end of the financial year	638	1,589	1,049	10,664	6	-	10,609	24,555
Accumulated Depreciation								
At beginning of the financial year	342	4,250	1,849	7,404	2	-	11,709	25,556
Depreciation charged for financial year	55	52	31	935	1	-	2,035	3,109
Write-off	(19)	(4,216)	(1,683)	-	-	-	-	(5,918)
Matured during the financial year	-	-	-	-	-	-	(12,088)	(12,088)
At end of the financial year	378	86	197	8,339	3	-	1,656	10,659
Net Book Value								
As at 31 December 2023	260	1,503	852	2,325	3	-	8,953	13,896

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTD.)

8. INTANGIBLE ASSETS

	30-Jun 2024 RM'000	31-Dec 2023 RM'000
<u>Computer Software:</u>		
Cost		
At beginning of the financial year	3,280	3,090
Reclassification from property, plant and equipment	-	190
At end of the financial period/year	<u>3,280</u>	<u>3,280</u>
Accumulated Amortisation		
At beginning of the financial year	3,135	3,090
Amortisation for the year	31	45
At end of the financial period/year	<u>3,166</u>	<u>3,135</u>
Total Net Book Value	<u>114</u>	<u>145</u>

9. DEPOSITS FROM CUSTOMERS

	30-Jun 2024 RM'000	31-Dec 2023 RM'000
Type		
At amortised cost:		
Demand deposits	2,560,409	1,997,329
Fixed deposits	690,820	794,977
Commodity Murabahah	2,401	-
	<u>3,253,630</u>	<u>2,792,306</u>
(i) Maturity structure of fixed deposits and Commodity Murabahah are as follows:		
Due within six months	<u>693,221</u>	<u>794,977</u>
(ii) The deposits are sourced from the following types of customers:		
Business enterprises	3,230,430	2,761,409
Non-bank financial institutions	23,200	30,897
	<u>3,253,630</u>	<u>2,792,306</u>

10. DEPOSITS AND PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	30-Jun 2024 RM'000	31-Dec 2023 RM'000
At amortised cost:		
Other financial institutions	<u>1,972,683</u>	<u>1,360,724</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTD.)

11. OTHER LIABILITIES

	30-Jun 2024 RM'000	31-Dec 2023 RM'000
Collateral deposits	1,157,645	1,479,373
Other payables	48,400	39,662
Accruals and charges	13,789	13,760
Dividend payable	71,687	-
Lease Liabilities	5,928	8,965
Expected credit losses on loans commitment and financial guarantee	228	219
	<u>1,297,677</u>	<u>1,541,979</u>

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

	12 mth ECL (Stage 1) RM'000	Lifetime ECL not credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
30 June 2024				
Balance at beginning of financial year	204	15	-	219
Changes in credit risk	(2)	2	-	-
Allowances made/(written back)				
during the financial period	25	(16)	-	9
At end of financial period	<u>227</u>	<u>1</u>	<u>-</u>	<u>228</u>
31 December 2023				
Balance at beginning of financial year	225	24	-	249
Changes in credit risk	5	(5)	-	-
Allowances written back				
during the financial period	(26)	(4)	-	(30)
At end of financial period	<u>204</u>	<u>15</u>	<u>-</u>	<u>219</u>

12. SHARE CAPITAL

	30-Jun 2024 RM'000	31-Dec 2023 RM'000
Ordinary shares issued and fully paid:		
Balance as at 30 June/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 JUNE 2024 (CONTD.)

13. RESERVES

	30-Jun 2024 RM'000	31-Dec 2023 RM'000
Non-distributable:		
Revaluation reserve financial assets at FVOCI	(92)	173
Regulatory reserve	19,750	18,532
Hedging reserve	752	1,605
	<u>20,410</u>	<u>20,310</u>

14. INTEREST INCOME

	30-Jun 2024 RM'000	30-Jun 2023 RM'000
Loans, advances and financing	41,261	39,018
Money at call and deposit placements with financial institutions	12,648	22,454
Financial assets at FVTPL	41,360	36,611
Financial assets at FVOCI	23,828	19,612
Reverse repurchase agreements	40,886	30,037
Other interest income	4,497	6,384
	<u>164,480</u>	<u>154,116</u>
Amortisation of premium less accretion of discount	3,550	3,570
	<u>168,030</u>	<u>157,686</u>

15. INTEREST EXPENSE

	30-Jun 2024 RM'000	30-Jun 2023 RM'000
Deposits from customers	32,087	28,006
Deposits and placements from banks and other financial institutions	26,714	24,087
Repurchase agreements	36,849	32,018
Lease Liabilities	130	62
Subordinated term loan	10,886	7,634
Financial collateral	35,028	32,966
Other interest expense	529	57
	<u>142,223</u>	<u>124,830</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTD.)

16. OTHER OPERATING INCOME

	30-Jun 2024 RM'000	30-Jun 2023 RM'000
Fee income:		
Commissions	185	144
Guarantee fees	221	799
Other fee income	1,419	969
	<u>1,825</u>	<u>1,912</u>
Gain arising from sale of:		
Financial assets at FVTPL	<u>2,569</u>	<u>260</u>
Gain/(Loss) on derivatives trading:		
Realised (loss)/gain	(73,311)	38,201
Unrealised gain/(loss)	91,579	(39,793)
	<u>18,268</u>	<u>(1,592)</u>
Unrealised loss on revaluation of:		
Financial assets at FVTPL	(546)	(2,204)
Net loss arising from hedging activities	(40)	(1,311)
Unrealised gain on reverse repurchase agreements	338	810
Realised (loss)/gain on repurchase agreements	(312)	1,110
Other income:		
Foreign exchange:		
- Realised gain/(loss)	143,522	(89,346)
- Unrealised (loss)/gain	(83,972)	140,709
Others	4,705	5,174
	<u>64,255</u>	<u>56,537</u>
	<u>86,357</u>	<u>55,522</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTD.)

17. OTHER OPERATING EXPENSES

	30-Jun 2024 RM'000	30-Jun 2023 RM'000
Personnel costs (Note a)	25,848	26,139
Establishment costs (Note b)	13,665	10,172
Marketing expenses	444	668
Administration and general expenses (Note c)	8,368	11,750
	<u>48,325</u>	<u>48,729</u>
(a) Personnel costs		
Salaries, bonuses and allowances	20,038	21,125
Defined contribution plan	3,011	2,468
Social security cost	81	110
Other staff related expenses	2,718	2,436
	<u>25,848</u>	<u>26,139</u>
(b) Establishment costs		
Information technology costs	5,079	4,468
Depreciation of property, plant and equipment	1,590	1,510
Amortization of intangible asset	31	13
Others	6,965	4,181
	<u>13,665</u>	<u>10,172</u>
(c) Administration and general expenses		
Legal and professional fees	801	1,209
Communication & transportation	697	783
Others general expenses	6,870	9,758
	<u>8,368</u>	<u>11,750</u>

18. EXPECTED CREDIT LOSSES

	30-Jun 2024 RM'000	30-Jun 2023 RM'000
Expected credit losses:		
Allowance (written-back)/made during the financial period	<u>(1,396)</u>	<u>965</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTD.)

19. CAPITAL ADEQUACY

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

	30-Jun 2024 RM'000	31-Dec 2023 RM'000
Tier-I capital		
Paid-up share capital	650,000	650,000
Retained profits	204,162	277,067
Other disclosed reserves	20,410	20,310
	<u>874,572</u>	<u>947,377</u>
<u>Less : Regulatory adjustments</u>		
Intangible assets	(114)	(145)
Deferred tax assets	(2,872)	(2,946)
55% of cumulative gains of financial instruments at FVOCI	-	(95)
Hedging reserve	(752)	(1,605)
Regulatory reserve	(19,750)	(18,532)
Total Tier-I capital	<u>851,084</u>	<u>924,054</u>
Tier-II Capital		
General provisions (Expected Credit Losses and regulatory reserve)	22,770	22,938
Subordinated term loan	417,506	420,188
Total Tier-II capital	<u>440,276</u>	<u>443,126</u>
Total capital base	<u>1,291,360</u>	<u>1,367,180</u>
Capital Ratios		
Before deducting proposed dividend		
Common Equity Tier 1 Ratio	16.036%	21.215%
Tier 1 Capital Ratio	16.036%	21.215%
Total Capital Ratio	<u>24.332%</u>	<u>31.389%</u>
After deducting proposed dividend*		
Common Equity Tier 1 Ratio	16.036%	19.569%
Tier 1 Capital Ratio	16.036%	19.569%
Total Capital Ratio	<u>24.332%</u>	<u>29.743%</u>

* The proposed dividend is in respect of financial year ended 31 December 2023.

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

	30-Jun 2024 RM'000	31-Dec 2023 RM'000
Credit Risk	2,853,565	2,553,149
Market Risk	2,176,822	1,658,933
Operational Risk	276,851	143,527
Total risk-weighted assets	<u>5,307,238</u>	<u>4,355,609</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTD.)

20. INTEREST RATE RISK

The following table represents the Bank's assets and liabilities at carrying amounts as at 30 June 2024

	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	1,285,716	-	-	-	-	-	308	1,286,024
Reverse repurchase agreements	-	-	-	-	-	2,309,968	5,543	2,315,511
Financial assets at fair value through profit or loss	-	-	-	-	-	2,655,677	-	2,655,677
Financial assets at fair value through other comprehensive income	203,691	466,934	252,682	152,201	-	-	2,164	1,077,672
Loans, advances and financing	561,663	865,254	264,182	-	-	-	2,224	1,693,323
Derivatives Financial assets	-	-	-	7,669	-	725,171	-	732,840
Other assets	-	-	-	-	-	-	165,081	165,081
Total Assets	2,051,070	1,332,188	516,864	159,870	-	5,690,816	175,319	9,926,128
Liabilities								
Deposits from customers	3,212,788	12,451	27,253	-	-	-	1,138	3,253,630
Deposits and placements from banks and other financial institutions	1,197,434	770,139	3,500	-	-	-	1,610	1,972,683
Repurchase agreements	-	-	-	-	-	1,423,589	4,708	1,428,297
Derivatives Financial Liabilities	-	-	-	-	-	644,095	-	644,095
Subordinated term loan	-	-	-	-	413,817	-	3,689	417,506
Other liabilities	-	-	-	-	-	-	1,297,677	1,297,677
Total Liabilities	4,410,222	782,590	30,753	-	413,817	2,067,684	1,308,822	9,013,888
Net interest rate gap	(2,359,152)	549,598	486,111	159,870	(413,817)	3,623,132	(1,133,503)	912,240

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTD.)

20. INTEREST RATE RISK (CONTD)

The following table represents the Bank's assets and liabilities at carrying amounts as of 31 December 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	741,530	-	-	-	-	-	170	741,700
Reverse repurchase agreements	-	-	-	-	-	1,903,928	6,960	1,910,888
Financial assets at fair value through profit or loss	-	-	-	-	-	2,196,893	-	2,196,893
Financial assets at fair value through other comprehensive income	557,743	829,813	-	-	-	-	-	1,387,556
Loans, advances and financing	717,852	813,995	123,231	-	-	-	1,209	1,656,287
Derivative financial assets	-	-	-	11,257	-	1,101,950	-	1,113,207
Other assets	-	-	-	-	-	-	193,137	193,137
Total Assets	2,017,125	1,643,808	123,231	11,257	-	5,202,771	201,476	9,199,668
Liabilities								
Deposits from customers	2,639,917	151,436	-	-	-	-	953	2,792,306
Deposits and placements from banks and other financial institutions	825,761	529,932	3,500	-	-	-	1,531	1,360,724
Repurchase agreements	-	-	-	-	-	1,042,822	10,073	1,052,895
Derivatives financial liabilities	-	-	-	-	-	1,107,193	-	1,107,193
Subordinated term loan	-	-	-	-	416,411	-	3,777	420,188
Other liabilities	-	-	-	-	-	-	1,541,979	1,541,979
Total Liabilities	3,465,678	681,368	3,500	-	416,411	2,150,015	1,558,313	8,275,285
Net interest rate gap	(1,448,553)	962,440	119,731	11,257	(416,411)	3,052,756	(1,356,837)	924,383

BNP PARIBAS MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTD.)

21. CREDIT TRANSACTIONS AND EXPOSURES WITH CONNECTED PARTIES

	30-Jun 2024 RM'000	31-Dec 2023 RM'000
Outstanding credit exposures with connected parties	20,696	22,905
Total credit exposures	<u>3,429,296</u>	<u>3,023,087</u>
Percentage of outstanding credit exposure to connected parties as a proportion of total credit exposures	<u>0.60%</u>	<u>0.76%</u>
Percentage of outstanding credit exposures with connected parties which is non-performing or in default	<u>0.00%</u>	<u>0.00%</u>

22. 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-Jun 2024 RM'000	31-Dec 2023 RM'000
<u>Commitments and Contingent Liabilities</u>		
Direct credit substitutes	185,223	245,694
Transaction-related contingent items	81,108	93,908
Short-term self-liquidating trade-related contingencies	229	379
Irrevocable commitments to extend credit:		
Maturity more than one year	278,627	98,200
Total credit related commitments and contingencies	<u>545,187</u>	<u>438,181</u>
Foreign exchange derivatives:		
One year or less	58,593,304	64,800,281
Over one year to five years	3,067,985	3,656,876
Over five years	542,513	527,735
Interest rate derivatives:		
One year or less	21,110,356	24,681,158
Over one year to five years	52,071,671	47,006,980
Over five years	1,639,133	1,615,133
Credit Derivatives:		
One year or less	61,397	38,675
Over one year to five years	978,115	790,191
Over five years	31,290	-
Total treasury related commitments and contingencies	<u>138,095,764</u>	<u>143,117,029</u>
Total commitment and contingencies	<u>138,640,951</u>	<u>143,555,210</u>

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23. Islamic Banking Window

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	30-Jun 2024 RM'000	31-Dec 2023 RM'000
ASSETS			
Cash and short-term funds	(a)	24,319	24,758
Financial assets at fair value through other comprehensive income ('FVOCI')	(b)	20,177	29,949
Other assets	(d)	-	114
Property, plant and equipment	(e)	-	-
Intangible assets	(f)	-	-
TOTAL ASSETS		<u>44,496</u>	<u>54,821</u>
LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits from customers	(g)	11,400	20,787
Other liabilities	(h)	9,277	10,422
Total liabilities		<u>20,677</u>	<u>31,209</u>
Capital fund		26,850	26,850
Accumulated losses		(3,031)	(3,242)
Reserves		-	4
Islamic banking funds		<u>23,819</u>	<u>23,612</u>
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS		<u>44,496</u>	<u>54,821</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 2023.

BNP PARIBAS MALAYSIA BERHAD
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23. Islamic Banking Window

UNAUDITED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

		30-Jun 2024 RM'000	30-Jun 2023 RM'000
Income derived from investment of Islamic banking funds and depositors' funds	(i)	686	503
Profit expense to depositors		(109)	(60)
Net income derived from investment of Islamic banking funds and depositors' funds		577	443
Other operating income	(j)	332	283
Other operating expenses	(k)	(698)	(849)
Profit/(Loss) for the financial period before taxation		211	(123)
Taxation		-	-
Profit/(Loss) for the financial period after taxation		211	(123)
Other comprehensive loss, net of income tax: Items that may be reclassified subsequently to profit or loss : Revaluation reserve - financial assets at FVOCI : Net changes in fair value		(4)	-
Other comprehensive loss		(4)	-
Total comprehensive profit/(loss) for the period		207	(123)

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 2023.

BNP PARIBAS MALAYSIA BERHAD
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Islamic Banking Window

UNAUDITED STATEMENT OF CHANGES IN EQUITY IN ISLAMIC BANKING FUNDS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	Capital fund RM'000	Regulatory reserve RM'000	Revaluation reserve- financial assets at FVOCI RM'000	Accumulated losses RM'000	Total RM'000
At 1 January 2024	26,850	-	4	(3,242)	23,612
Profit for the period	-	-	-	211	211
Other comprehensive loss	-	-	(4)	-	(4)
At 30 June 2024	<u>26,850</u>	<u>-</u>	<u>-</u>	<u>(3,031)</u>	<u>23,819</u>

	Capital fund RM'000	Regulatory reserve RM'000	Revaluation reserve- financial assets at FVOCI RM'000	Accumulated losses RM'000	Total RM'000
At 1 January 2023	26,850	-	-	(3,932)	22,918
Profit for the year	-	-	-	690	690
Other comprehensive income	-	-	4	-	4
At 31 December 2023	<u>26,850</u>	<u>-</u>	<u>4</u>	<u>(3,242)</u>	<u>23,612</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 2023.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

23. Islamic Banking Window

(a) CASH AND SHORT-TERM FUNDS

	30-Jun 2024 RM'000	31-Dec 2023 RM'000
<u>At Amortised Cost</u>		
Cash and balances with banks and other financial institutions	1,541	8,525
Money at call and deposit placements maturing within one month	22,778	16,233
	<u>24,319</u>	<u>24,758</u>

(b) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ('FVOCI')

	30-Jun 2024 RM'000	31-Dec 2023 RM'000
At Fair value		
Government securities:		
Malaysian Government Investment Issues	20,177	-
Bank Negara Malaysia Debt Securities	-	29,949
	<u>20,177</u>	<u>29,949</u>

(c) LOANS, ADVANCES AND FINANCING

Funding extended to BNP Paribas Najmah under Profit Sharing Investment Account ("PSIA") are included in the Bank's loans, advances and financing. As at current reporting date, there is no such balance outstanding (31 December 2023: RM 110.35 million). The PSIA is a contract based on the Wakalah principle.

(d) OTHER ASSETS

	30-Jun 2024 RM'000	31-Dec 2023 RM'000
Other receivables	<u>-</u>	<u>114</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTD.)

23. Islamic Banking Window

(e) PROPERTY, PLANT AND EQUIPMENT

	Office Equipment and Machinery RM'000	Computer Equipment RM'000	Total RM'000
30 June 2024			
Cost			
At beginning of year/At end of the financial period	-	23	23
Accumulated Depreciation			
At beginning of year/At end of the financial period	-	23	23
Net Book Value	-	-	-
31 December 2023			
Cost			
At 1 January	6	23	29
Write-off	(6)	-	(6)
At beginning of year/At end of the financial period	-	23	23
Accumulated Depreciation			
At 1 January	6	23	29
Write-off	(6)	-	(6)
At beginning of year/At end of the financial period	-	23	23
Net Book Value	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTD.)

23. Islamic Banking Window

(f) INTANGIBLE ASSETS

	30-Jun 2024 RM'000	31-Dec 2023 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	-	-

(g) DEPOSITS FROM CUSTOMERS

Type	30-Jun 2024 RM'000	31-Dec 2023 RM'000
At Amortised Cost:		
Non-Mudharabah Fund		
Demand deposits	9,000	20,787
Commodity Murabahah	2,400	-
	11,400	20,787

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

	30-Jun 2024 RM'000	31-Dec 2023 RM'000
Due within six months	2,400	-

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

	30-Jun 2024 RM'000	31-Dec 2023 RM'000
Business enterprises	18	-
Domestic non-bank financial institution	11,382	20,787
	11,400	20,787

(h) OTHER LIABILITIES

	30-Jun 2024 RM'000	31-Dec 2023 RM'000
Other payables	9,277	10,422

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTD.)

23. Islamic Banking Window

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

	30-Jun 2024 RM'000	30-Jun 2023 RM'000
Money at call and deposit placement with financial institutions	299	503
Financial assets at FVOCI	8	-
Amortisation of premium less accretion of discount	379	-
	<u>686</u>	<u>503</u>

(j) OTHER OPERATING INCOME

	30-Jun 2024 RM'000	30-Jun 2023 RM'000
Foreign exchange:		
- Unrealised gain	61	122
Others	271	161
	<u>332</u>	<u>283</u>

(k) OTHER OPERATING EXPENSES

	30-Jun 2024 RM'000	30-Jun 2023 RM'000
Personnel costs (Note i)	545	658
Establishment costs (Note ii)	39	62
Marketing expenses	5	3
Administration and general expenses (Note iii)	109	126
	<u>698</u>	<u>849</u>
(i) Personnel Costs		
Salaries, bonuses and allowances	465	538
Defined contribution plan	50	98
Other staff related expenses	30	22
	<u>545</u>	<u>658</u>
(ii) Establishment costs		
Rental of premises	27	45
Information technology costs	1	4
Others	11	13
	<u>39</u>	<u>62</u>
(iii) Administration and general expenses		
Legal and professional fees	66	92
Communication & transportation	8	8
Others	35	26
	<u>109</u>	<u>126</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTD.)

23. Islamic Banking Window

(i) CAPITAL ADEQUACY

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

	30-Jun 2024 RM'000	31-Dec 2023 RM'000
Tier-I capital		
Capital fund	26,850	26,850
Accumulated losses	(3,242)	(3,242)
Other disclosed reserves	-	4
	<u>23,608</u>	<u>23,612</u>
Less : Regulatory adjustments		
55% of cumulative gains of financial instruments at FVOCI	-	(2)
	<u>-</u>	<u>(2)</u>
Total capital base	<u>23,608</u>	<u>23,610</u>
Capital Ratios		
Common Equity Tier 1 Capital Ratio	444.451%	405.936%
Tier 1 Capital Ratio	444.451%	405.936%
Total Capital Ratio	<u>444.451%</u>	<u>405.936%</u>

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

	30-Jun 2024 RM'000	31-Dec 2023 RM'000
Credit Risk	1,042	1,717
Market Risk	2,180	2,231
Operational Risk	2,090	1,868
Total risk-weighted assets	<u>5,312</u>	<u>5,816</u>