



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

**UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

1. PERFORMANCE REVIEW

The Bank registered profit after tax of RM52.65 million for the six month ended 30 June 2025, compared to RM49.71 million in the corresponding period last year.

Net interest income increased by RM14.95 million or 58% year on year attributable to lower funding costs subsequent to the initiation of interest rate cuts in Eurozone and United States last year, coupled with an increase in average loans during the period.

Global Markets derivative business recorded steady gains this period, with significantly higher income in the second quarter but nonetheless, closed 10% or RM8.54 million lower year on year.

Other operating expenses were lower by RM1.47 million or 3% mainly attributable to timing of provisions.

Expected Credit Loss charge amounted to RM2.35 million this period compared to a writeback of RM1.37 million last year mainly due to credit downgrade of a borrower.

Loans, advances and financing remained stable at RM1.83 billion against 31 December 2024 while deposits from customers decreased by RM305 million, or 11% during the period to close at RM2.60 billion.

The Bank remained well capitalised with CET 1 and Total Capital Ratio of 15.745% and 23.954% before deducting the proposed dividend in respect of six month period ended 30 June 2025, and 14.814% and 23.022% after deducting the proposed dividend, as at 30 June 2025.

2. CURRENT YEAR PROSPECTS

Strong performances across key economic sectors lifted Malaysia's Gross Domestic Product ("GDP") by 4.4% in the first quarter of 2025. Bank Negara Malaysia ("BNM") recently lowered its 2025 GDP growth forecast downwards to 4% - 4.8%, owing to tapering global demand, heightened geopolitical tensions and continued uncertainties on tariffs and their impact on international trade.

The recent US Federal Open Market Committee ("FOMC") meeting in June 2025 kept its policy rates unchanged, since December 2024, with market expectations shifting towards fewer or delayed rate cuts than previously anticipated. Meanwhile, BNM announced a 100-basis-point ("bps") reduction in the statutory reserve requirement from 2% to 1% to improve financial market stability and initiated its first Overnight Policy Rate ("OPR") cut of 25 bps to 2.75% on 9 July 2025.

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 whilst broadening its client base. The Bank remains cautiously optimistic of achieving a reasonable performance this year.

3. DIVIDEND

At the forthcoming Extraordinary General Meeting ("EGM"), to be held in the second half of financial year 2025, an interim single tier dividend of approximately 7.6923 sen per ordinary share amounting to RM50,000,000 in respect of six month period ended 30 June 2025 will be proposed for shareholder's approval.

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note	Bank 30-Jun 2025 RM'000	Bank 31-Dec 2024 RM'000
ASSETS			
Cash and short-term funds	2	336,528	974,907
Reverse repurchase agreements		2,412,937	1,980,300
Financial assets at fair value through profit or loss ('FVTPL')	3	2,085,969	1,258,871
Financial assets at fair value through other comprehensive income ('FVOCI')	4	631,135	1,155,219
Loans, advances and financing	5	1,828,699	1,813,673
Derivative financial assets		1,069,833	967,525
Other assets	6	82,978	123,125
Property, plant and equipment	7	8,865	10,346
Intangible assets	8	51	82
Tax recoverable		-	3,169
Deferred tax assets		4,209	4,462
TOTAL ASSETS		8,461,204	8,291,679
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits from customers	9	2,604,034	2,909,929
Deposits and placements from banks and other financial institutions	10	1,185,831	655,228
Repurchase agreements		1,041,508	1,391,725
Derivative financial liabilities		1,088,354	906,844
Subordinated term loan		407,559	384,907
Other liabilities	11	1,251,285	1,130,460
Tax liabilities		5,364	-
TOTAL LIABILITIES		7,583,935	7,379,093

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 2024.

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025 (CONTD.)

	Note	Bank 30-Jun 2025 RM'000	Bank 31-Dec 2024 RM'000
Share capital	12	650,000	650,000
Retained profits		198,788	239,793
Reserves	13	28,481	22,793
SHAREHOLDER'S EQUITY		877,269	912,586
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		8,461,204	8,291,679
COMMITMENTS AND CONTINGENCIES	22	153,239,947	144,962,591

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BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF TOTAL COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

	Note	Bank 30-Jun 2025 RM'000	Bank 30-Jun 2024 RM'000
Interest income	14	141,599	168,030
Interest expenses	15	<u>(100,845)</u>	<u>(142,223)</u>
Net interest income		40,754	25,807
Net income from Islamic banking business	22	<u>587</u>	<u>577</u>
		41,341	26,384
Other operating income	16	77,816	86,357
Other operating expenses	17	(46,856)	(48,325)
Expected credit losses (made)/written back	18	(2,354)	1,396
Profit before tax		<u>69,947</u>	<u>65,812</u>
Taxation		<u>(17,301)</u>	<u>(16,101)</u>
Profit for the financial period		<u>52,646</u>	<u>49,711</u>
Other comprehensive loss, net of income tax:			
Items that may be reclassified subsequently to profit or loss :			
Financial assets at fair value through other comprehensive income :			
Net changes in fair value		808	(265)
Net change in cash flow hedge			
Net changes in fair value		333	(853)
Other comprehensive income/(loss)		<u>1,141</u>	<u>(1,118)</u>
Total comprehensive income for the financial period		<u>53,787</u>	<u>48,593</u>

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BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

UNAUDITED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

	Bank 30-Jun 2025 RM'000	Bank 30-Jun 2024 RM'000
Cash Flows from/(Used In) Operating Activities		
Profit before tax	69,947	65,812
Adjustments for:		
Depreciation of property, plant and equipment	1,520	1,590
Amortisation of intangible assets	31	31
Expected credit losses on loans, advances and financing	2,354	(1,396)
Amortisation of premium less accretion of discount	654	(3,550)
Interest income on financial assets at FVOCI	(26,491)	(23,836)
Interest expense on lease liabilities	88	130
Unrealised gain on derivative financial instruments	(10,291)	(91,579)
Unrealised (gain)/loss on foreign exchange	(41,928)	83,972
Unrealised (gain)/loss on financial assets at FVTPL	(3,375)	546
Unrealised loss/(gain) on reverse repurchase agreements	68	(338)
Realised (gain)/loss on repurchase agreements	(126)	312
Right of use asset	-	2,291
Operating (loss)/gain before working capital changes	<u>(8,022)</u>	<u>33,985</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

UNAUDITED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025 (CONTD.)

	Bank 30-Jun 2025 RM'000	Bank 30-Jun 2024 RM'000
(Increase)/Decrease in:		
Reverse repurchase agreements	(432,705)	(404,285)
Financial assets at FVTPL	(823,723)	(459,330)
Loans, advances and financing	(17,296)	(35,640)
Other assets	40,147	27,445
(Decrease)/Increase in:		
Deposits from customers	(305,895)	461,324
Deposits and placements from banks and other financial institutions	530,603	611,959
Repurchase agreements	(350,091)	375,090
Derivative financial assets/liabilities	154,928	(78,573)
Subordinated term loan	(524)	(87)
Other liabilities	32,353	(315,243)
Net cash (used in)/from operations	(1,180,225)	216,645
Income taxes paid	(8,769)	(7,042)
Net cash (used in)/generated from operating activities	(1,188,994)	209,603
Cash Flows Used In Investing Activities		
Purchase of property, plant and equipment	(39)	(1,324)
Net sales of financial assets at FVOCI	523,583	319,803
Interest received on financial assets at FVOCI	27,875	17,118
Net cash generated from investing activities	551,419	335,597

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

UNAUDITED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025 (CONTD.)

	Bank 30-Jun 2025 RM'000	Bank 30-Jun 2024 RM'000
Cash Flows Used In Financing Activities		
Payment for lease liabilities	<u>(804)</u>	<u>(876)</u>
Net cash used in financing activities	<u>(804)</u>	<u>(876)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(638,379)	544,324
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>974,907</u>	<u>741,700</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>336,528</u>	<u>1,286,024</u>
Cash and cash equivalents comprise the following:		
Cash and short-term funds	<u>336,528</u>	<u>1,286,024</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 2024.

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

		← Non-distributable →		Revaluation reserve- financial assets at FVOCI	Retained profits	Total
	Share capital RM'000	Hedging reserves RM'000	Regulatory reserves RM'000	RM'000	RM'000	RM'000
At 1 January 2025	650,000	(597)	23,223	167	239,793	912,586
Profit for the period	-	-	-	-	52,646	52,646
Transfer to regulatory reserve	-	-	4,547	-	(4,547)	-
Other comprehensive income	-	333	-	808	-	1,141
Dividend paid on ordinary shares	-	-	-	-	(89,104)	(89,104)
At 30 June 2025	650,000	(264)	27,770	975	198,788	877,269

		← Non-distributable →		Revaluation reserve- financial assets at FVOCI	Retained profits	Total
	Share capital RM'000	Hedging reserves RM'000	Regulatory reserves RM'000	RM'000	RM'000	RM'000
At 1 January 2024	650,000	1,605	18,532	173	277,067	947,377
Profit for the period	-	-	-	-	89,104	89,104
Other comprehensive loss	-	(2,202)	-	(6)	-	(2,208)
Transfer to regulatory reserve	-	-	4,691	-	(4,691)	-
Dividend paid on ordinary shares	-	-	-	-	(121,687)	(121,687)
At 31 December 2024	650,000	(597)	23,223	167	239,793	912,586

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 2024.

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

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 2025 RM'000	31-Dec 2024 RM'000
At Amortised Cost:		
Cash and balances with banks and other financial institutions	100,509	56,831
Money at call and deposit placements maturing within one month	236,019	918,076
	<u>336,528</u>	<u>974,907</u>

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

	30-Jun 2025 RM'000	31-Dec 2024 RM'000
At Fair Value:		
Government Securities:		
Malaysian Government Securities	628,667	805,148
Malaysian Government Investment Issues	1,209,506	447,077
Malaysian Islamic Treasury Bills	247,796	6,646
	<u>2,085,969</u>	<u>1,258,871</u>

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

	30-Jun 2025 RM'000	31-Dec 2024 RM'000
At Fair Value:		
Government securities:		
Malaysian Government Securities	172,710	153,808
Malaysian Government Investment Issues	122,390	112,311
Bank Negara Malaysia Bills	336,035	889,100
	<u>631,135</u>	<u>1,155,219</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025 (CONTD.)
5. LOANS, ADVANCES AND FINANCING

	30-Jun 2025 RM'000	31-Dec 2024 RM'000
At amortised cost:		
(i) By type		
Revolving credit	847,130	905,042
Term loans	595,912	578,911
Bill receivables	3,640	2,259
Factoring receivables	380,412	291,007
Trust receipts	-	14,237
Overdrafts	6,650	25,001
Gross loans, advances and financing	1,833,744	1,816,457
Less: Expected Credit Losses ('ECL')	(5,045)	(2,784)
Net loans, advances and financing	<u>1,828,699</u>	<u>1,813,673</u>
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, the amount is RM40.02 million (31 December 2024: RM 14.24 million). The PSIA is a contract based on the Wakalah principle.		
(ii) By type of customer		
Domestic business enterprises	1,703,935	1,729,413
Domestic non-bank financial institutions	80,113	40,098
Financial institutions	49,696	46,946
	<u>1,833,744</u>	<u>1,816,457</u>
(iii) By interest rate sensitivity		
Variable rate:		
Cost plus	<u>1,833,744</u>	<u>1,816,457</u>
(iv) By residual contractual maturity		
Maturing within one year	1,238,355	1,239,819
More than one year to five years	308,161	286,562
More than five years	287,228	290,076
	<u>1,833,744</u>	<u>1,816,457</u>
(v) By geographical distribution		
In Malaysia	<u>1,833,744</u>	<u>1,816,457</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025 (CONTD.)
5. LOANS, ADVANCES AND FINANCING (CONTD.)

	30-Jun 2025 RM'000	31-Dec 2024 RM'000
(vi) By Sector		
Mining & Quarrying	4,022	4,022
Manufacturing	816,107	950,612
Electricity, gas and water supply	190,820	198,703
Construction	2,697	8,655
Wholesale and retail	261,981	222,095
Transport, storage and communication	156,558	139,681
Financial services	169,843	103,516
Real estate activities	-	1,157
Other business services	231,716	188,016
	<u>1,833,744</u>	<u>1,816,457</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 2025				
Balance at beginning of financial year	1,094	1,690	-	2,784
Changes in credit risk	28	(28)	-	-
Allowances made during the financial period	669	1,704	-	2,373
Derecognised during the financial period	(27)	(85)	-	(112)
Balance at end of financial period	<u>1,764</u>	<u>3,281</u>	<u>-</u>	<u>5,045</u>
31 December 2024				
Balance at beginning of financial year	2,307	1,880	-	4,187
Changes in credit risk	(295)	295	-	-
Allowances (written-back)/made during the financial period	(274)	1,292	-	1,018
Derecognised during the financial period	(644)	(1,777)	-	(2,421)
Balance at end of financial period	<u>1,094</u>	<u>1,690</u>	<u>-</u>	<u>2,784</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 2025				
Balance at beginning of financial year	1,548,320	268,137	-	1,816,457
Changes in credit risk	130,166	(130,166)	-	-
Purchases and origination	292,691	21,062	-	313,753
Derecognised during the financial period	(271,220)	(25,246)	-	(296,466)
Balance at end of financial period	<u>1,699,957</u>	<u>133,787</u>	<u>-</u>	<u>1,833,744</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025 (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 2024				
Balance at beginning of financial year	1,486,897	173,577	-	1,660,474
Changes in credit risk	(200,506)	200,506	-	-
Purchases and origination	692,513	-	-	692,513
Derecognised during the financial period	(430,584)	(105,946)	-	(536,530)
Balance at end of financial period	1,548,320	268,137	-	1,816,457

6. OTHER ASSETS

	30-Jun 2025 RM'000	31-Dec 2024 RM'000
Collateral assets	72,797	111,037
Other receivables	8,478	10,560
Deposit	617	606
Prepayments	1,086	922
	82,978	123,125

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025 (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	Right of use asset RM'000	Total RM'000
30 June 2025							
Cost							
At beginning of the financial year	656	2,557	1,369	5,061	6	8,318	17,967
Additions	7	-	4	28	-	-	39
At end of the financial period	<u>663</u>	<u>2,557</u>	<u>1,373</u>	<u>5,089</u>	<u>6</u>	<u>8,318</u>	<u>18,006</u>
Accumulated Depreciation							
At beginning of the financial year	381	505	432	3,127	4	3,172	7,621
Depreciation charged for financial period	43	208	119	427	-	723	1,520
At end of the financial period	<u>424</u>	<u>713</u>	<u>551</u>	<u>3,554</u>	<u>4</u>	<u>3,895</u>	<u>9,141</u>
Net Book Value							
As at 30 June 2025	<u>239</u>	<u>1,844</u>	<u>822</u>	<u>1,535</u>	<u>2</u>	<u>4,423</u>	<u>8,865</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025 (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	Right of use asset RM'000	Total RM'000
31 December 2024							
Cost							
At beginning of the financial year	638	1,589	1,049	10,664	6	10,609	24,555
Additions	111	968	320	518	-	-	1,917
Write-off	(93)	-	-	(6,121)	-	-	(6,214)
Lease remeasurement	-	-	-	-	-	(2,291)	(2,291)
At end of the financial year	<u>656</u>	<u>2,557</u>	<u>1,369</u>	<u>5,061</u>	<u>6</u>	<u>8,318</u>	<u>17,967</u>
Accumulated Depreciation							
At beginning of the financial year	378	86	197	8,339	3	1,656	10,659
Depreciation charged for financial period	89	419	235	909	1	1,516	3,169
Write-off	(86)	-	-	(6,121)	-	-	(6,207)
At end of the financial year	<u>381</u>	<u>505</u>	<u>432</u>	<u>3,127</u>	<u>4</u>	<u>3,172</u>	<u>7,621</u>
Net Book Value							
As at 31 December 2024	<u>275</u>	<u>2,052</u>	<u>937</u>	<u>1,934</u>	<u>2</u>	<u>5,146</u>	<u>10,346</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025 (CONTD.)

8. INTANGIBLE ASSETS

	30-Jun 2025 RM'000	31-Dec 2024 RM'000
<u>Computer Software:</u>		
Cost		
At beginning of the financial year	190	3,280
Write-off	-	(3,090)
At end of the financial period/year	<u>190</u>	<u>190</u>
Accumulated Amortisation		
At beginning of the financial year	108	3,135
Amortisation for the year	31	63
Write-off	-	(3,090)
At end of the financial period/year	<u>139</u>	<u>108</u>
Total Net Book Value	<u>51</u>	<u>82</u>

9. DEPOSITS FROM CUSTOMERS

	30-Jun 2025 RM'000	31-Dec 2024 RM'000
Type		
At amortised cost:		
Demand deposits	2,079,573	2,270,071
Fixed deposits	517,641	630,906
Commodity Murabahah	6,820	8,952
	<u>2,604,034</u>	<u>2,909,929</u>

(i) Maturity structure of fixed deposits and Commodity Murabahah are as follows:

Due within six months	524,461	635,136
Six months to one year	-	4,722
	<u>524,461</u>	<u>639,858</u>

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

Business enterprises	2,584,304	2,880,389
Non-bank financial institutions	19,730	29,540
	<u>2,604,034</u>	<u>2,909,929</u>

10. DEPOSITS AND PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	30-Jun 2025 RM'000	31-Dec 2024 RM'000
At amortised cost:		
Other financial institutions	<u>1,185,831</u>	<u>655,228</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025 (CONTD.)
11. OTHER LIABILITIES

	30-Jun 2025 RM'000	31-Dec 2024 RM'000
Collateral deposits	1,091,224	1,064,243
Other payables	52,980	44,900
Accruals and charges	13,321	16,028
Dividend payable	89,104	-
Expected credit losses on loans commitment and financial guarantee	151	68
Lease Liabilities	4,505	5,221
	<u>1,251,285</u>	<u>1,130,460</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 2025				
Balance at beginning of financial year	68	-	-	68
Changes in credit risk	(1)	1	-	-
Allowances made				
during the financial period	77	6	-	83
At end of financial period	<u>144</u>	<u>7</u>	<u>-</u>	<u>151</u>
31 December 2024				
Balance at beginning of financial year	204	15	-	219
Allowances written back				
during the financial period	(136)	(15)	-	(151)
At end of financial period	<u>68</u>	<u>-</u>	<u>-</u>	<u>68</u>

12. SHARE CAPITAL

	30-Jun 2025 RM'000	31-Dec 2024 RM'000
Ordinary shares issued and fully paid:		
Balance as at 30 June/31 December	<u>650,000</u>	<u>650,000</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025 (CONTD.)

13. RESERVES

	30-Jun 2025 RM'000	31-Dec 2024 RM'000
Non-distributable:		
Revaluation reserve - financial assets at FVOCI	975	167
Regulatory reserve	27,770	23,223
Hedging reserve	(264)	(597)
	<u>28,481</u>	<u>22,793</u>

14. INTEREST INCOME

	30-Jun 2025 RM'000	30-Jun 2024 RM'000
Loans and advances	45,650	41,261
Money at call and deposit placements with financial institutions	9,732	12,648
Reverse repurchase agreements	33,261	40,886
Financial assets at FVTPL	25,939	41,360
Financial assets at FVOCI	25,969	23,828
Other interest income	1,702	4,497
	<u>142,253</u>	<u>164,480</u>
Amortisation of premium less accretion of discount	(654)	3,550
	<u>141,599</u>	<u>168,030</u>

15. INTEREST EXPENSE

	30-Jun 2025 RM'000	30-Jun 2024 RM'000
Deposits from customers	28,027	32,087
Deposits and placements from banks and other financial institutions	18,705	26,714
Repurchase agreements	24,440	36,849
Lease Liabilities	88	130
Subordinated term loan	7,419	10,886
Financial collateral	21,951	35,028
Other interest expense	215	529
	<u>100,845</u>	<u>142,223</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025 (CONTD.)

16. OTHER OPERATING INCOME

	30-Jun 2025 RM'000	30-Jun 2024 RM'000
Fee income:		
Commissions	196	185
Guarantee fees	69	221
Other fee income	4,721	1,419
	<u>4,986</u>	<u>1,825</u>
Gain arising from sale of:		
Financial assets at FVTPL	10,837	2,569
Financial assets at FVOCI	473	-
	<u>11,310</u>	<u>2,569</u>
Gain on derivatives trading:		
Realised loss	(2,603)	(73,311)
Unrealised gain	10,291	91,579
	<u>7,688</u>	<u>18,268</u>
Unrealised gain/(loss) on revaluation of:		
Financial assets at FVTPL	3,375	(546)
Net loss arising from hedging activities	(378)	(40)
Unrealised (loss)/gain on reverse repurchase agreements	(68)	338
Realised gain/(loss) on repurchase agreements	126	(312)
Other income:		
Foreign exchange:		
- Realised gain	3,814	143,522
- Unrealised gain/(loss)	41,928	(83,972)
Others	5,035	4,705
	<u>50,777</u>	<u>64,255</u>
	<u>77,816</u>	<u>86,357</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025 (CONTD.)

17. OTHER OPERATING EXPENSES

	30-Jun 2025 RM'000	30-Jun 2024 RM'000
Personnel costs (Note a)	24,046	25,294
Establishment costs (Note b)	13,904	14,219
Marketing expenses	497	444
Administration and general expenses (Note c)	8,409	8,368
	<u>46,856</u>	<u>48,325</u>

(a) Personnel costs

Salaries, bonuses and allowances	18,696	20,038
Defined contribution plan	2,870	3,092
Other staff related expenses	2,480	2,164
	<u>24,046</u>	<u>25,294</u>

(b) Establishment costs

Information technology costs	5,257	5,079
Depreciation of property, plant and equipment	1,520	1,590
Amortization of intangible asset	31	31
Others	7,096	7,519
	<u>13,904</u>	<u>14,219</u>

(c) Administration and general expenses

Legal and professional fees	1,042	801
Communication & transportation	637	697
Others general expenses	6,730	6,870
	<u>8,409</u>	<u>8,368</u>

18. EXPECTED CREDIT LOSSES

	30-Jun 2025 RM'000	30-Jun 2024 RM'000
Expected credit losses:		
Allowance made/(written-back) during the financial period	<u>2,354</u>	<u>(1,396)</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025 (CONTD.)

19. CAPITAL ADEQUACY

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

	30-Jun 2025 RM'000	31-Dec 2024 RM'000
Tier-I capital		
Paid-up share capital	650,000	650,000
Retained profits	198,788	239,793
Other disclosed reserves	28,481	22,793
	<u>877,269</u>	<u>912,586</u>
<u>Less : Regulatory adjustments</u>		
Intangible assets	(51)	(82)
Deferred tax assets	(4,209)	(4,462)
55% of cumulative gains of financial instruments at FVOCI	(536)	(92)
Hedging reserve	264	597
Regulatory reserve	(27,770)	(23,223)
Total Tier-I capital	<u>844,967</u>	<u>885,324</u>
Tier-II Capital		
General provisions (Expected Credit Losses and regulatory reserve)	32,966	26,074
Subordinated term loan	407,559	384,907
Total Tier-II capital	<u>440,525</u>	<u>410,981</u>
Total capital base	<u>1,285,492</u>	<u>1,296,305</u>
Capital Ratios		
Before deducting proposed dividend		
Common Equity Tier 1 Ratio	15.745%	21.000%
Tier 1 Capital Ratio	15.745%	21.000%
Total Capital Ratio	<u>23.954%</u>	<u>30.748%</u>
After deducting proposed dividend		
Common Equity Tier 1 Ratio	14.814%*	18.886%
Tier 1 Capital Ratio	14.814%*	18.886%
Total Capital Ratio	<u>23.022%*</u>	<u>28.635%</u>

* The proposed dividend is in respect of financial period ended 30 June 2025.

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

	30-Jun 2025 RM'000	31-Dec 2024 RM'000
Credit Risk	3,074,415	3,042,104
Market Risk	1,977,341	930,764
Operational Risk	314,743	243,010
Total risk-weighted assets	<u>5,366,499</u>	<u>4,215,878</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025 (CONTD.)

20. INTEREST RATE RISK

The following table represents the Bank's assets and liabilities at carrying amounts as at 30 June 2025

		Non-Trading Book						
	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	Trading book RM'000	Non-interest sensitive RM'000	Total RM'000
Assets								
Cash and short-term funds	336,509	-	-	-	-	-	19	336,528
Reverse repurchase agreements	-	-	-	-	-	2,398,362	14,575	2,412,937
Financial assets at fair value through profit or loss	-	-	-	-	-	2,085,969	-	2,085,969
Financial assets at fair value through other comprehensive income	336,036	-	30,087	262,582	-	-	2,430	631,135
Loans, advances and financing	835,413	352,624	280,071	173,222	187,491	-	(122)	1,828,699
Derivatives Financial assets	-	-	-	-	-	1,069,833	-	1,069,833
Other assets	-	-	-	-	-	-	81,275	81,275
Total Assets	1,507,958	352,624	310,158	435,804	187,491	5,554,164	98,176	8,446,376
Liabilities								
Deposits from customers	2,430,058	145,886	27,126	-	-	-	964	2,604,034
Deposits and placements from banks and other financial institutions	884,253	297,727	3,750	-	-	-	101	1,185,831
Repurchase agreements	-	-	-	-	-	1,031,167	10,341	1,041,508
Derivatives Financial Liabilities	-	-	-	4,217	-	1,084,137	-	1,088,354
Subordinated term loan	-	-	-	-	405,117	-	2,442	407,559
Other liabilities	-	-	-	-	-	-	1,251,285	1,251,285
Total Liabilities	3,314,311	443,613	30,876	4,217	405,117	2,115,304	1,265,133	7,578,571
Net interest rate gap	(1,806,353)	(90,989)	279,282	431,587	(217,626)	3,438,860	(1,166,957)	867,805

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025 (CONTD.)

20. INTEREST RATE RISK (CONTD)

The following table represents the Bank's assets and liabilities at carrying amounts as of 31 December 2024

	Non-Trading Book							
	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	Trading book RM'000	Non-interest sensitive RM'000	Total RM'000
Assets								
Cash and short-term funds	974,831	-	-	-	-	-	76	974,907
Reverse repurchase agreements	-	-	-	-	-	1,964,373	15,927	1,980,300
Financial assets at fair value through profit or loss	-	-	-	-	-	1,258,871	-	1,258,871
Financial assets at fair value through other comprehensive income	445,970	443,130	20,121	242,314	-	-	3,684	1,155,219
Loans, advances and financing	631,955	888,218	250,903	40,000	-	-	2,597	1,813,673
Derivative financial assets	-	-	-	-	-	967,525	-	967,525
Other assets	-	-	-	-	-	-	121,597	121,597
Total Assets	2,052,756	1,331,348	271,024	282,314	-	4,190,769	143,881	8,272,092
Liabilities								
Deposits from customers	2,707,440	191,410	9,400	-	-	-	1,679	2,909,929
Deposits and placements from banks and other financial institutions	425,886	228,725	500	-	-	-	117	655,228
Repurchase agreements	-	-	-	-	-	1,371,952	19,773	1,391,725
Derivatives financial liabilities	-	-	-	-	-	906,844	-	906,844
Subordinated term loan	-	-	-	-	381,940	-	2,967	384,907
Other liabilities	-	-	-	-	-	-	1,130,460	1,130,460
Total Liabilities	3,133,326	420,135	9,900	-	381,940	2,278,796	1,154,996	7,379,093
Net interest rate gap	(1,080,570)	911,213	261,124	282,314	(381,940)	1,911,973	(1,011,115)	892,999

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025 (CONTD.)

21. CREDIT TRANSACTIONS AND EXPOSURES WITH CONNECTED PARTIES

	30-Jun 2025 RM'000	31-Dec 2024 RM'000
Outstanding credit exposures with connected parties	31,804	37,608
Total credit exposures	<u>3,787,752</u>	<u>3,584,607</u>
Percentage of outstanding credit exposure to connected parties as a proportion of total credit exposures	<u>0.84%</u>	<u>1.05%</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 2025 RM'000	31-Dec 2024 RM'000
<u>Commitments and Contingent Liabilities</u>		
Direct credit substitutes	305,552	215,349
Transaction-related contingent items	36,836	64,963
Short-term self-liquidating trade-related contingencies	21,926	1,442
Irrevocable commitments to extend credit:		
Maturity up to one year	225,000	-
Maturity more than one year	403,699	232,890
Total credit related commitments and contingencies	<u>993,013</u>	<u>514,644</u>
Foreign exchange derivatives:		
One year or less	56,341,669	61,555,463
Over one year to five years	3,217,038	4,199,783
Over five years	583,376	609,453
Interest rate derivatives:		
One year or less	17,416,283	19,783,793
Over one year to five years	71,672,181	55,533,496
Over five years	1,640,863	1,549,453
Credit Derivatives:		
One year or less	23,041	72,609
Over one year to five years	1,342,383	1,143,897
Over five years	10,100	-
Total treasury related commitments and contingencies	<u>152,246,934</u>	<u>144,447,947</u>
Total commitment and contingencies	<u>153,239,947</u>	<u>144,962,591</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

23. Islamic Banking Window

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note	30-Jun 2025 RM'000	31-Dec 2024 RM'000
ASSETS			
Cash and short-term funds	(a)	12,958	26,630
Financial assets at fair value through other comprehensive income ('FVOCI')	(b)	30,339	20,276
Property, plant and equipment	(d)	-	-
Intangible assets	(e)	-	-
Deferred tax assets		-	2
TOTAL ASSETS		43,297	46,908
LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits from customers	(f)	7,118	10,926
Other liabilities	(g)	11,594	11,713
Deferred tax liabilities		6	-
Total liabilities		18,718	22,639
Capital fund		26,850	26,850
Accumulated losses		(2,291)	(2,575)
Reserves		20	(6)
Islamic banking funds		24,579	24,269
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS		43,297	46,908

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 2024.

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

23. Islamic Banking Window

UNAUDITED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

		30-Jun 2025 RM'000	30-Jun 2024 RM'000
Income derived from investment of Islamic banking funds and depositors' funds	(h)	693	686
Profit expense to depositors		(106)	(109)
Net income derived from investment of Islamic banking funds and depositors' funds		587	577
Other operating income	(i)	544	332
Other operating expenses	(j)	(847)	(698)
Profit for the financial period before taxation		284	211
Taxation		-	-
Profit for the financial period after taxation		284	211
Other comprehensive income, net of income tax:			
Items that may be reclassified subsequently to profit or loss :			
Debt instruments at fair value through other comprehensive income :			
Net changes in fair value		26	(4)
Other comprehensive income/(loss)		26	(4)
Total comprehensive profit for the period		310	207

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 2024.

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

23. Islamic Banking Window

**UNAUDITED STATEMENT OF CHANGES IN EQUITY IN ISLAMIC BANKING FUNDS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

	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 2025	26,850	-	(6)	(2,575)	24,269
Profit for the period	-	-	-	284	284
Other comprehensive income	-	-	26	-	26
At 30 June 2025	<u>26,850</u>	<u>-</u>	<u>20</u>	<u>(2,291)</u>	<u>24,579</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 2024	26,850	-	4	(3,242)	23,612
Profit for the year	-	-	-	667	667
Other comprehensive loss	-	-	(10)	-	(10)
At 31 December 2024	<u>26,850</u>	<u>-</u>	<u>(6)</u>	<u>(2,575)</u>	<u>24,269</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 2024.

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

23. Islamic Banking Window

(a) CASH AND SHORT-TERM FUNDS

	30-Jun 2025 RM'000	31-Dec 2024 RM'000
<u>At Amortised Cost</u>		
Cash and balances with banks and other financial institutions	957	2,628
Money at call and deposit placements maturing within one month	12,001	24,002
	<u>12,958</u>	<u>26,630</u>

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

	30-Jun 2025 RM'000	31-Dec 2024 RM'000
<u>At Fair value</u>		
Government securities:		
Malaysian Government Investment Issues	30,339	20,276
	<u>30,339</u>	<u>20,276</u>

(c) LOANS, ADVANCES AND FINANCING

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, the amount is RM40.02 million (31 December 2024: RM 14.24 million). The PSIA is a contract based on the Wakalah principle.

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025 (CONTD.)

23. Islamic Banking Window

(d) PROPERTY, PLANT AND EQUIPEMENT

	30-Jun 2025 RM'000	31-Dec 2024 RM'000
<u>Computer Equipment:</u>		
Cost		
At 1 January	-	23
Write-off	-	(23)
At 31 December	-	-
Accumulated Amortisation		
At 1 January	-	23
Write-off	-	(23)
At 31 December	-	-
Net Book Value	-	-

(e) INTANGIBLE ASSETS

	30-Jun 2025 RM'000	31-Dec 2024 RM'000
<u>Computer Software:</u>		
Cost		
At 1 January	-	41
Write-off	-	(41)
At 31 December	-	-
Accumulated Amortisation		
At 1 January	-	41
Write-off	-	(41)
At 31 December	-	-
Net Book Value	-	-

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025 (CONTD.)

23. Islamic Banking Window

(f) DEPOSITS FROM CUSTOMERS

	30-Jun 2025 RM'000	31-Dec 2024 RM'000
Type		
At Amortised Cost:		
Non-Mudharabah Fund		
Demand deposits	298	1,974
Commodity Murabahah	6,820	8,952
	<u>7,118</u>	<u>10,926</u>

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

Due within six months	<u>6,820</u>	<u>8,952</u>
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(ii) The deposits are sourced from the following types of customers:

Business enterprises	3	18
Non-bank financial institution	7,115	10,908
	<u>7,118</u>	<u>10,926</u>

(g) OTHER LIABILITIES

	30-Jun 2025 RM'000	31-Dec 2024 RM'000
Other payables	<u>11,594</u>	<u>11,713</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025 (CONTD.)
23. Islamic Banking Window
(h) INCOME DERIVED FROM INVESTMENT OF ISLAMIC BANKING FUNDS AND DEPOSITORS' FUNDS

	30-Jun 2025 RM'000	30-Jun 2024 RM'000
Money at call and deposit placement with financial institutions	266	299
Financial assets at FVOCI	522	8
Amortisation of premium less accretion of discount	(95)	379
	<u>693</u>	<u>686</u>

(i) OTHER OPERATING INCOME

	30-Jun 2025 RM'000	30-Jun 2024 RM'000
Foreign exchange:		
- Unrealised gain	-	61
Others	544	271
	<u>544</u>	<u>332</u>

(j) OTHER OPERATING EXPENSES

	30-Jun 2025 RM'000	30-Jun 2024 RM'000
Personnel costs (Note i)	654	545
Establishment costs (Note ii)	61	39
Marketing expenses	3	5
Administration and general expenses (Note iii)	129	109
	<u>847</u>	<u>698</u>

(i) Personnel Costs

Salaries, bonuses and allowances	531	465
Defined contribution plan	110	50
Other staff related expenses	13	30
	<u>654</u>	<u>545</u>

(ii) Establishment costs

Rental of premises	28	27
Information technology costs	1	1
Others	32	11
	<u>61</u>	<u>39</u>

(iii) Administration and general expenses

Legal and professional fees	84	66
Communication & transportation	10	8
Others	35	35
	<u>129</u>	<u>109</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025 (CONTD.)

23. Islamic Banking Window

(k) CAPITAL ADEQUACY

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

	30-Jun 2025 RM'000	31-Dec 2024 RM'000
Tier-I capital		
Capital fund	26,850	26,850
Accumulated losses	(2,291)	(2,575)
Other disclosed reserves	20	(6)
	<u>24,579</u>	<u>24,269</u>
Less : Regulatory adjustments		
Deferred tax assets	-	(2)
55% of cumulative gains of financial instruments at FVOCI	(11)	-
	<u>(11)</u>	<u>(2)</u>
Total capital base	<u>24,568</u>	<u>24,267</u>
Capital Ratios		
Common Equity Tier 1 Capital Ratio	1192.621%	878.602%
Tier 1 Capital Ratio	1192.621%	878.602%
Total Capital Ratio	<u>1192.621%</u>	<u>878.602%</u>

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

	30-Jun 2025 RM'000	31-Dec 2024 RM'000
Credit Risk	5	548
Market Risk	25	23
Operational Risk	2,030	2,191
Total risk-weighted assets	<u>2,060</u>	<u>2,762</u>