



BNP PARIBAS

BNP PARIBAS MALAYSIA BERHAD

(Company No.201001034168 (918091 - T))

Incorporated in Malaysia

**UNAUDITED STATEMENT OF FINANCIAL POSITION
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

1. PERFORMANCE REVIEW

The Bank reported a loss before taxation of RM5.17 million for the financial period ended 30 June 2021 compared to RM82.69 million profit before taxation in the corresponding period last year.

The decrease in Bank's profit before taxation for the period is attributable to lower non-interest income of RM112.95 million mainly due to loss from derivatives trading. The decrease is also contributed by higher impairment allowances on loans and advances of RM7.28 million compared to a writeback of RM2.19 million to the same corresponding period last year.

2. CURRENT YEAR PROSPECTS

Minister of Finance in his statement dated 12th July announced that there would be a downward revision to Malaysia's gross domestic product (GDP) growth for 2021 indicating it will be around 4%. This is due to the effect of movement restrictions implemented to combat Covid-19 pandemic. In addition, the government will be proposing to increase the debt ceiling level from 60% to 65% of GDP.

In an effort to address the economic recovery, the government had set up the National Recovery Plan. The Minister of Finance has been tasked to monitor the implementation. The National Recovery Plan consists of a four-phase exit strategy based on three indicators i.e number of daily Covid-19 cases, bed utilisation rate in intensive care unit (ICU) wards and percentage of population that have received two doses of vaccines.

The various economic stimulus packages as contained in Budget 2021, supported by the aggressive roll-out of the National Covid-19 Immunisation Program since June and the newly established National Recovery Council to assist in the orderly transition between the four phases under the National Recovery Plan are amongst the measures aimed at accelerating the economic recovery for this year.

In the light of these uncertainties, the Bank aims to continuously improve and provide the best level of service and support to its customers during this challenging period.

Company No.201001034168 (918091-T)

BNP PARIBAS MALAYSIA BERHAD

(Incorporated in Malaysia)

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

	Note	Bank 30-Jun 2021 RM'000	Bank 31-Dec 2020 RM'000
ASSETS			
Cash and short-term funds	2	1,149,482	1,072,884
Reverse repurchase agreements		768,663	974,678
Financial assets at fair value through Profit or Loss (‘FVTPL’)	3	755,723	413,967
Financial investments at fair value through other comprehensive income (‘FVOCI’)	4	1,815,690	1,335,231
Loans, advances and financing	5	1,109,007	1,338,407
Derivative financial assets		713,090	1,296,293
Other assets	6	45,144	195,077
Property, plant and equipment	7	5,919	7,532
Intangible assets	8	7	24
Tax recoverable		7,717	7,717
Deferred tax assets		3,336	3,416
TOTAL ASSETS		6,373,778	6,645,226
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits from customers	9	2,101,652	2,300,820
Deposits and placements from banks and other financial institutions	10	1,849,628	840,883
Repurchase agreements		-	285,353
Derivative financial liabilities		417,704	1,111,173
Other liabilities	11	1,132,332	1,226,532
TOTAL LIABILITIES		5,501,316	5,764,761

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 2020.

Company No.201001034168 (918091-T)

BNP PARIBAS MALAYSIA BERHAD

(Incorporated in Malaysia)

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021 (CONTD.)**

	Note	Bank 30-Jun 2021 RM'000	Bank 31-Dec 2020 RM'000
Share capital	12	650,000	650,000
Retained profits		218,000	223,911
Reserves	13	4,462	6,554
SHAREHOLDER'S EQUITY		872,462	880,465
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		6,373,778	6,645,226
COMMITMENTS AND CONTINGENCIES	21	114,132,355	98,187,436

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Company No.201001034168 (918091-T)

BNP PARIBAS MALAYSIA BERHAD

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**UNAUDITED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021**

	Note	Bank 30-Jun 2021 RM'000	Bank 30-Jun 2020 RM'000
Interest income	14	54,142	69,453
Interest income for financial asset at FVTPL	14	22,546	11,711
Interest expenses	15	<u>(7,693)</u>	<u>(21,689)</u>
Net interest income		68,995	59,475
Net income from Islamic banking business	22	<u>215</u>	<u>217</u>
		69,210	59,692
Other operating income	16	(32,775)	80,177
Operating expenses	17	(36,518)	(59,369)
Expected credit losses	18	(5,088)	2,190
Profit before tax		<u>(5,171)</u>	82,690
Taxation		<u>(740)</u>	<u>(20,080)</u>
Profit for the financial period		<u>(5,911)</u>	<u>62,610</u>
Other comprehensive income, 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		<u>(2,092)</u>	<u>(1,765)</u>
Other comprehensive (loss)/ income		<u>(2,092)</u>	<u>(1,765)</u>
Total comprehensive income for the financial period		<u>(8,003)</u>	<u>60,845</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 2020.

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BNP PARIBAS MALAYSIA BERHAD

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**UNAUDITED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021**

	Bank 30-Jun 2021 RM'000	Bank 30-Jun 2020 RM'000
Cash Flows from/(Used In) Operating Activities		
(Loss)/Profit before tax	(5,171)	57,647
Adjustments for:		
Depreciation of property, plant and equipment	1,172	107
Amortisation of intangible assets	17	220
Expected credit losses on loans, advances and financing	5,088	(1,714)
Amortisation of premium less accretion of discount	10,179	1,514
Realised gain on financial investments at FVOCI	-	(498)
Interest income on financial investments at FVOCI	(27,127)	(11,031)
Unrealised loss/(gain) on derivative financial instrument	11,546	(30,089)
Unrealised loss/(gain) on foreign exchange	(18,804)	(67,369)
Unrealised loss on financial assets at FVTPL	1,153	319
Unrealised loss/(gain) on financial investments at FVOCI	-	(15,806)
Unrealised loss/(gain) on reverse repurchase agreements	1,638	-
Unrealised loss/(gain) on repurchase agreements	(313)	-
Operating profit before working capital changes	<u>(20,622)</u>	<u>(66,700)</u>

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UNAUDITED STATEMENTS OF CASH FLOW

FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021 (CONTD.)

	Bank 30-Jun 2021 RM'000	Bank 30-Jun 2020 RM'000
(Increase)/Decrease in:		
Financial assets at FVTPL	(342,909)	(17,470)
Loans, advances and financing	224,312	3,617
Right of use asset	821	859
Reverse repurchase agreements	204,377	(1,146,452)
Other assets	149,934	2,209
Increase/(Decrease) in:		
Deposits from customers	(199,168)	368,430
Deposits and placements from banks and other financial institutions	1,008,745	1,336,459
Repurchase agreements	(285,040)	-
Derivative financial assets/liabilities	(103,008)	(85,077)
Other liabilities	(93,435)	569,641
Net cash generated from operations	544,007	965,516
Income taxes paid	-	(14,206)
Net cash generated from operating activities	544,007	951,310
Cash Flows used in Investing Activities		
Purchase of property, plant and equipment	(382)	(133)
Net purchase of financial investments at FVOCI	(487,436)	(383,836)
Interest income on financial investments at FVOCI	21,172	1,353
Net cash used in investing activities	(466,646)	(382,616)

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UNAUDITED STATEMENTS OF CASH FLOW

FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021 (CONTD.)

	Bank	Bank
	30-Jun	30-Jun
	2021	2020
	RM'000	RM'000
Cash Flows Used In Financing Activities		
Payment for lease liabilities	<u>(763)</u>	<u>(513)</u>
Net cash used in financing activities	<u>(763)</u>	<u>(513)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	76,598	568,181
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,072,884</u>	<u>1,431,636</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>1,149,482</u>	<u>1,999,817</u>
Cash and cash equivalents comprise the following:		
Cash and short-term funds	<u>1,149,482</u>	<u>1,999,817</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 2020.

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UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021

	←—Non-distributable —→				
	Share capital	Regulatory reserves	Revaluation reserve- financial investments at FVOCI	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	650,000	-	6,554	223,911	880,465
Loss for the quarter ended	-	-	-	(5,911)	(5,911)
Other comprehensive income	-	-	(2,092)	-	(2,092)
At 30 June 2021	<u>650,000</u>	<u>-</u>	<u>4,462</u>	<u>218,000</u>	<u>872,462</u>

	←—Non-distributable —→				
	Share capital	Regulatory reserves	Revaluation reserve- financial investments at FVOCI	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	650,000	9,584	1,618	125,086	786,288
Profit for the year	-	-	-	89,241	89,241
Transfer to retained profits	-	(9,584)	-	9,584	-
Other comprehensive income	-	-	4,936	-	4,936
At 31 December 2020	<u>650,000</u>	<u>-</u>	<u>6,554</u>	<u>223,911</u>	<u>880,465</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 2020.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021

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 2021 RM'000	31-Dec 2020 RM'000
At Amortised Cost:		
Cash and balances with banks and other financial institutions	113,874	29,608
Money at call and deposit placements maturing within one month	1,035,608	1,043,276
	<u>1,149,482</u>	<u>1,072,884</u>

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

	30-Jun 2021 RM'000	31-Dec 2020 RM'000
At Fair Value:		
Government Securities:		
Malaysian Government Securities	584,015	381,477
Malaysian Government Investment Issues	171,708	32,490
	<u>755,723</u>	<u>413,967</u>

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

	30-Jun 2021 RM'000	31-Dec 2020 RM'000
At Fair Value:		
Government securities:		
Malaysian Government Securities	308,406	311,624
Malaysian Government Investment Issues	884,746	422,248
Bank Negara Malaysia Debt Securities	622,538	601,359
	<u>1,815,690</u>	<u>1,335,231</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021 (CONTD.)

5. LOANS, ADVANCES AND FINANCING

	30-Jun 2021 RM'000	31-Dec 2020 RM'000
At amortised cost:		
(i) By type		
Revolving credit	479,765	827,750
Term loans	480,150	376,129
Trust receipts	145,952	131,880
Overdrafts	13,651	7,544
	<u>1,119,518</u>	<u>1,343,303</u>
Less:Expected Credit Losses ('ECL')	(10,511)	(4,896)
Net loans, advances and financing	<u><u>1,109,007</u></u>	<u><u>1,338,407</u></u>
(ii) By type of customer		
Domestic business enterprises	1,119,518	1,323,534
Financial institutions	-	19,769
	<u>1,119,518</u>	<u>1,343,303</u>
(iii) By interest rate sensitivity		
Variable rate:		
Cost plus	1,119,518	1,343,303
	<u>1,119,518</u>	<u>1,343,303</u>
(iv) By residual contractual maturity		
Maturing within one year	639,368	1,015,886
More than one year to five years	292,452	211,467
More than five years	187,698	115,950
	<u>1,119,518</u>	<u>1,343,303</u>
(v) By geographical distribution		
In Malaysia	1,119,518	1,343,303
	<u>1,119,518</u>	<u>1,343,303</u>
(vi) By Sector		
Manufacturing	639,327	940,551
Mining & Quarrying	15,135	36,157
Construction	3,000	3,000
Wholesale and retail	83,606	65,575
Financial services	-	19,769
Other business services	282,184	197,740
Real estate and business activities	96,266	80,511
	<u>1,119,518</u>	<u>1,343,303</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021 (CONTD.)

5. LOANS, ADVANCES AND FINANCING (CONTD.)

(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 2021				
Balance at beginning of financial year	2,310	2,586	-	4,896
Changes in credit risk	(81)	81	-	-
Allowances made during the financial period	(110)	6,409	-	6,299
Derecognised during the financial period	(684)	-	-	(684)
At end of financial period	<u>1,435</u>	<u>9,076</u>	<u>-</u>	<u>10,511</u>
31 December 2020				
Balance at beginning of financial year	1,168	4,603	-	5,771
Changes in credit risk	49	(49)	-	-
Allowances made during the financial period	1,301	2,430	-	3,731
Derecognised during the financial period	(208)	(4,398)	-	(4,606)
At end of financial period	<u>2,310</u>	<u>2,586</u>	<u>-</u>	<u>4,896</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 2021				
Balance at beginning of financial year	1,240,718	102,585	-	1,343,303
Changes in credit risk	(22,545)	22,545	-	-
Purchases and origination	202,567	501	-	203,068
Derecognised during the financial period	(411,497)	(15,356)	-	(426,853)
At end of financial period	<u>1,009,243</u>	<u>110,275</u>	<u>-</u>	<u>1,119,518</u>
31 December 2020				
Balance at beginning of financial year	1,061,318	134,340	-	1,195,658
Changes in credit risk	(27,007)	27,007	-	-
Purchases and origination	517,175	51,565	-	568,740
Derecognised during the financial period	(310,768)	(110,327)	-	(421,095)
At end of financial period	<u>1,240,718</u>	<u>102,585</u>	<u>-</u>	<u>1,343,303</u>

6. OTHER ASSETS

	30-Jun 2021 RM'000	31-Dec 2020 RM'000
Collateral assets	39,510	184,563
Other receivables	3,378	8,631
Deposit	812	812
Prepayments	1,444	1,071
	<u>45,144</u>	<u>195,077</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021 (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 2021								
Cost								
At beginning of the financial year	378	4,256	1,855	7,914	15	-	12,397	26,815
Additions	24	-	-	350	6	-	-	380
Disposals	-	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	-	-
Lease modification	-	-	-	-	-	-	(821)	(821)
At end of the financial period	<u>402</u>	<u>4,256</u>	<u>1,855</u>	<u>8,264</u>	<u>21</u>	<u>-</u>	<u>11,576</u>	<u>26,374</u>
Accumulated Depreciation								
At beginning of the financial year	258	4,200	1,725	5,513	15	-	7,572	19,283
Depreciation charged for financial period	19	18	41	496	-	-	598	1,172
Disposals	-	-	-	-	-	-	-	-
Lease modification	-	-	-	-	-	-	-	-
At end of the financial period	<u>277</u>	<u>4,218</u>	<u>1,766</u>	<u>6,009</u>	<u>15</u>	<u>-</u>	<u>8,170</u>	<u>20,455</u>
Net Book Value								
At end of the financial period	<u>125</u>	<u>38</u>	<u>89</u>	<u>2,255</u>	<u>6</u>	<u>-</u>	<u>3,406</u>	<u>5,919</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021 (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 2020								
Cost								
At beginning of the financial year	310	4,256	1,851	6,236	15	228	13,231	26,127
Additions	68	-	4	1,373	-	77	-	1,522
Reclassification	-	-	-	305	-	(305)	-	-
Lease modification	-	-	-	-	-	-	(834)	(834)
At end of the financial year	<u>378</u>	<u>4,256</u>	<u>1,855</u>	<u>7,914</u>	<u>15</u>	<u>-</u>	<u>12,397</u>	<u>26,815</u>
Accumulated Depreciation								
At beginning of the financial year	227	4,109	1,642	4,789	15	-	5,640	16,422
Depreciation charged for financial year	31	91	83	724	-	-	1,646	2,575
Lease modification	-	-	-	-	-	-	286	286
At end of the financial year	<u>258</u>	<u>4,200</u>	<u>1,725</u>	<u>5,513</u>	<u>15</u>	<u>-</u>	<u>7,572</u>	<u>19,283</u>
Net Book Value								
At end of the financial year	<u>120</u>	<u>56</u>	<u>130</u>	<u>2,401</u>	<u>-</u>	<u>-</u>	<u>4,825</u>	<u>7,532</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021 (CONTD.)

8. INTANGIBLE ASSETS

	30-Jun 2021 RM'000	31-Dec 2020 RM'000
<u>Computer Software:</u>		
Cost		
At beginning of the financial year	3,090	3,090
At end of the financial period/year	<u>3,090</u>	<u>3,090</u>
Accumulated Amortisation		
At beginning of the financial year	3,066	2,180
Amortisation for the year	17	886
At end of the financial period/year	<u>3,083</u>	<u>3,066</u>
Total Net Book Value	<u><u>7</u></u>	<u><u>24</u></u>

9. DEPOSITS FROM CUSTOMERS

	30-Jun 2021 RM'000	31-Dec 2020 RM'000
Type		
At amortised cost:		
Demand deposits	1,396,269	1,409,123
Fixed deposits	699,383	886,190
Commodity Murabahah	6,000	5,507
	<u>2,101,652</u>	<u>2,300,820</u>
(i) Maturity structure of fixed deposits and Commodity Murabahah are as follows:		
Due within six months	701,019	887,209
Six months to one year	4,311	4,488
More than one year	53	
	<u>705,383</u>	<u>891,697</u>
(ii) The deposits are sourced from the following types of customers:		
Business enterprises	2,083,051	2,278,943
Non-bank financial institutions	18,601	21,877
	<u>2,101,652</u>	<u>2,300,820</u>

10. DEPOSITS AND PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	30-Jun 2021 RM'000	31-Dec 2020 RM'000
At amortised cost:		
Other financial institutions	1,849,628	840,883
	<u>1,849,628</u>	<u>840,883</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021 (CONTD.)

11. OTHER LIABILITIES

	30-Jun 2021 RM'000	31-Dec 2020 RM'000
Collateral deposits	1,055,564	1,151,905
Other payables	61,104	50,330
Accruals and charges	11,971	18,692
Lease Liabilities	3,387	4,913
Expected credit losses	306	692
	<u>1,132,332</u>	<u>1,226,532</u>

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

	Lifetime ECL 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 2021				
Balance at beginning of financial year	194	498	-	692
Changes in credit risk	(21)	21	-	-
Allowances made/(written back) during the financial period	4	(390)	-	(386)
At end of financial period	<u>177</u>	<u>129</u>	<u>-</u>	<u>306</u>
31 December 2020				
Balance at beginning of financial year	244	1,900	-	2,144
Allowances made/(written back) during the financial period	(50)	(1,402)	-	(1,452)
At end of financial period	<u>194</u>	<u>498</u>	<u>-</u>	<u>692</u>

12. SHARE CAPITAL

	30-Jun 2021 RM'000	31-Dec 2020 RM'000
Ordinary shares issued and fully paid:		
Balance as at 30 June/December	<u>650,000</u>	<u>650,000</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021 (CONTD.)

13. RESERVES

	30-Jun 2021 RM'000	31-Dec 2020 RM'000
Non-distributable:		
Revaluation reserve financial investments at FVOCI	4,462	6,554

14. INTEREST INCOME

	30-Jun 2021 RM'000	30-Jun 2020 RM'000
Loans, advances and financing	14,702	21,841
Money at call and deposit placements with financial institutions	10,002	19,864
Financial investment at FVOCI	27,127	22,633
Financial assets at FVTPL	22,546	11,711
Reverse repurchase agreements	11,561	8,781
Other interest income	929	376
	<u>86,867</u>	<u>85,206</u>
Amortisation of premium less accretion of discount	(10,179)	(4,042)
Total Interest Income	<u>76,688</u>	<u>81,164</u>

15. INTEREST EXPENSE

	30-Jun 2021 RM'000	30-Jun 2020 RM'000
Deposits and placements from banks and other financial institutions	(3,030)	3,306
Deposits from customers	8,411	14,713
Repurchase agreements	1,143	39
Lease Liabilities	58	76
Other interest expense	1,111	3,555
	<u>7,693</u>	<u>21,689</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021 (CONTD.)

16. OTHER OPERATING INCOME

	30-Jun 2021 RM'000	30-Jun 2020 RM'000
Fee income:		
Commissions	101	113
Guarantee fees	669	1,003
Other fee income	2,681	1,358
	<u>3,451</u>	<u>2,474</u>
(Loss)/Gain arising from sale of:		
Financial assets at FVTPL	(14,056)	15,398
Financial investments at FVOCI	-	841
	<u>(14,056)</u>	<u>16,239</u>
(Loss)/Gain on derivatives trading:		
Realised (loss)/gain	(4,225)	(54,106)
Unrealised (loss)/gain	(11,546)	110,030
	<u>(15,771)</u>	<u>55,924</u>
Unrealised (loss)/gain on revaluation of:		
FVTPL	(1,153)	164
Unrealised (loss)/gain on reverse repurchase agreements	(1,638)	1,601
Unrealised gain/(loss) on repurchase agreements	313	(305)
Other income:		
Foreign exchange:		
- Realised (loss)/gain	(22,935)	48,065
- Unrealised gain/(loss)	18,804	(59,756)
Others	210	15,771
	<u>(3,921)</u>	<u>4,080</u>
Total	<u>(32,775)</u>	<u>80,177</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021 (CONTD.)

17. OTHER OPERATING EXPENSES

	30-Jun 2021 RM'000	30-Jun 2020 RM'000
Personnel costs (Note a)	19,690	22,262
Establishment costs (Note b)	9,504	7,267
Marketing expenses (Note c)	183	202
Administration and general expenses (Note d)	7,141	29,638
	<u>36,518</u>	<u>59,369</u>
(a) Personnel costs		
Salaries, bonuses and allowances	15,157	16,403
Defined contribution plan	2,088	2,349
Social security cost	44	79
Other staff related expenses	2,401	3,431
	<u>19,690</u>	<u>22,262</u>
(b) Establishment costs		
Information technology costs	3,839	4,115
Depreciation of property, plant and equipment	1,172	900
Amortization of intangible asset	17	441
Others	4,476	1,811
	<u>9,504</u>	<u>7,267</u>
(c) Marketing Expenses		
Advertising	28	38
Others	155	164
	<u>183</u>	<u>202</u>
(d) Administration and general expenses		
Legal and professional fees	814	969
Communication & transportation	481	492
Others general expenses	5,846	28,177
	<u>7,141</u>	<u>29,638</u>

18. EXPECTED CREDIT LOSSES FOR IMPAIRMENT ON FINANCIAL ASSETS

	30-Jun 2021 RM'000	30-Jun 2020 RM'000
Expected credit losses:		
Allowance made/(write-back) during the financial period	<u>5,088</u>	<u>(2,190)</u>

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19. CAPITAL ADEQUACY

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

	30-Jun 2021 RM'000	31-Dec 2020 RM'000
Tier-I capital		
Paid-up share capital	650,000	650,000
Retained profits	218,000	223,911
Other disclosed reserves	4,462	6,554
	<u>872,462</u>	<u>880,465</u>
<u>Less : Regulatory adjustments</u>		
Intangible assets	(7)	(24)
Deferred tax assets	(3,336)	(3,416)
55% of cumulative gains of financial instruments at FVOCI	(2,454)	(3,605)
Total Tier-I capital	<u>866,665</u>	<u>873,420</u>
Tier-II Capital		
Expected Credit Losses	10,817	5,588
Regulatory reserve	-	-
Total Tier-II capital	<u>10,817</u>	<u>5,588</u>
Total capital base	<u>877,482</u>	<u>879,008</u>
Capital Ratios		
Common Equity Tier 1 Ratio	26.300%	18.905%
Tier 1 Capital Ratio	26.300%	18.905%
Total Capital Ratio	<u>26.628%</u>	<u>19.026%</u>

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

	30-Jun 2021 RM'000	31-Dec 2020 RM'000
Credit Risk	2,032,371	2,347,059
Market Risk	910,582	1,868,985
Operational Risk	352,322	403,981
Total risk-weighted assets	<u>3,295,275</u>	<u>4,620,025</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021 (CONTD.)

20. INTEREST RATE RISK

The following table represents the Bank's assets and liabilities at carrying amounts as at 30 June 2021

	Non-Trading Book					Trading book RM'000	Non-interest sensitive RM'000	Total RM'000
	Up to 1 month RM'000	1 - 3 months RM'000	3 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000			
Assets								
Cash and short-term funds	1,148,874	-	-	-	-	-	608	1,149,482
Reverse repurchase agreements	-	-	-	-	-	766,037	2,626	768,663
Financial assets at fair value through profit or loss	-	-	-	-	-	755,723	-	755,723
Financial investments at fair value through other comprehensive income	535,186	719,559	90,858	456,214	-	-	13,873	1,815,690
Loans, advances and financing	609,696	277,543	230,344	-	-	-	(8,576)	1,109,007
Derivatives Financial assets	-	-	-	-	-	713,090	-	713,090
Other assets	-	-	-	-	-	-	42,888	42,888
Total Assets	2,293,756	997,102	321,202	456,214	-	2,234,850	51,419	6,354,543
Liabilities								
Deposits from customers	1,945,030	137,000	18,711	53	-	-	858	2,101,652
Deposits and placements from banks and other financial institutions	1,341,556	506,707	1,000	-	-	-	365	1,849,628
Repurchase agreements	-	-	-	-	-	-	-	-
Derivatives Financial Liabilities	-	-	-	-	-	417,704	-	417,704
Other liabilities	-	-	-	-	-	-	1,132,332	1,132,332
Total Liabilities	3,286,586	643,707	19,711	53	-	417,704	1,133,555	5,501,316
Net interest rate gap	(992,830)	353,395	301,491	456,161	-	1,817,146	(1,082,136)	853,227

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021 (CONTD.)

20. INTEREST RATE RISK (CONTD)

The following table represents the Bank's assets and liabilities at carrying amounts as of 31 December 2020

	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	1,072,608	-	-	-	-	-	276	1,072,884
Reverse repurchase agreements	-	-	-	-	-	971,952	2,726	974,678
Financial assets at fair value through profit or loss	-	-	-	-	-	413,967	-	413,967
Financial investments at fair value through other comprehensive income	-	631,483	192,598	502,654	-	-	8,496	1,335,231
Loans, advances and financing	782,901	323,907	234,151	-	-	-	(2,552)	1,338,407
Derivative financial assets	-	-	-	-	-	1,296,293	-	1,296,293
Other assets	-	-	-	-	-	-	193,194	193,194
Total Assets	1,855,509	955,390	426,749	502,654	-	2,682,212	202,140	6,624,654
Liabilities								
Deposits from customers	2,228,015	67,500	4,511	-	-	-	794	2,300,820
Deposits and placements from banks and other financial institutions	839,406	500	1,000	-	-	-	(23)	840,883
Repurchase agreements	-	-	-	-	-	284,878	475	285,353
Derivatives financial liabilities	-	-	-	-	-	1,111,173	-	1,111,173
Other liabilities	-	-	-	-	-	-	1,226,532	1,226,532
Total Liabilities	3,067,421	68,000	5,511	-	-	1,396,051	1,227,778	5,764,761
Net interest rate gap	(1,211,912)	887,390	421,238	502,654	-	1,286,161	(1,025,638)	859,893

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021 (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 commitments and contingencies are not secured against the Bank's assets.

The commitments and contingencies and their related counterparty credit risk of the Bank are as follows:

	30-Jun 2021 RM'000	31-Dec 2020 RM'000
<u>Commitments and Contingent Liabilities</u>		
Direct credit substitutes	312,556	375,527
Short-term self-liquidating trade-related contingencies	11,053	6,904
Irrevocable commitments to extend credit:		
Maturity more than one year	63,067	353,470
Total credit related commitment and contingencies	<u>386,676</u>	<u>735,901</u>
Foreign exchange derivatives:		
One year or less	63,713,843	48,467,361
Over one year to five years	2,064,851	2,161,244
Over five years	431,193	17,000
Interest rate derivatives:		
One year or less	14,402,978	13,308,092
Over one year to five years	30,516,775	31,127,563
Over five years	1,898,204	1,459,071
Credit Derivatives:		
One year or less	287,829	290,264
Over one year to five years	430,006	620,940
Total treasury related commitment and contingencies	<u>113,745,679</u>	<u>97,451,535</u>
Total commitment and contingencies	<u>114,132,355</u>	<u>98,187,436</u>

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22. Islamic Banking Window

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	30-Jun 2021 RM'000	31-Dec 2020 RM'000
ASSETS			
Cash and short-term funds	(a)	34,072	22,202
Other assets	(b)	-	9,766
Property, plant and equipment	(c)	-	-
Intangible assets	(d)	-	-
TOTAL ASSETS		<u>34,072</u>	<u>31,968</u>
LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits from customers	(e)	7,494	10,079
Other liabilities	(f)	4,650	82
Total liabilities		<u>12,144</u>	<u>10,161</u>
Capital fund		26,850	26,850
Accumulated losses		(4,922)	(5,043)
Reserves		-	-
Islamic banking funds		<u>21,928</u>	<u>21,807</u>
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS		<u>34,072</u>	<u>31,968</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 2020.

BNP PARIBAS MALAYSIA BERHAD
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22. Islamic Banking Window

UNAUDITED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021

		30-Jun	30-Jun
		2021	2020
		RM'000	RM'000
Income derived from investment of			
Islamic banking funds and depositors' funds	(g)	248	238
Profit expense to depositors		<u>(33)</u>	<u>(21)</u>
Net income derived from investment of Islamic			
banking funds and depositors' funds		215	217
Other operating income	(h)	697	355
Other operating expenses	(i)	(791)	(898)
Profit/(Loss) for the financial period before			
 taxation		<u>121</u>	<u>(326)</u>
Taxation		-	-
Profit/(Loss) for the financial period after			
 taxation		<u>121</u>	<u>(326)</u>
Total comprehensive profit/(loss) for the period		<u><u>121</u></u>	<u><u>(326)</u></u>

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 December 2020.

BNP PARIBAS MALAYSIA BERHAD

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Islamic Banking Operations

UNAUDITED STATEMENT OF CHANGES IN EQUITY IN ISLAMIC BANKING FUNDS

FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021

	Capital fund RM'000	Regulatory reserve RM'000	Accumulated losses RM'000	Total RM'000
At 1 January 2021	26,850	-	(5,043)	21,807
Profit for the financial period	-	-	121	121
At 30 June 2021	<u>26,850</u>	<u>-</u>	<u>(4,922)</u>	<u>21,928</u>

	Capital fund RM'000	Regulatory reserve RM'000	Accumulated losses RM'000	Total RM'000
At 1 January 2020	26,850	-	(4,567)	22,283
Loss for the financial year	-	-	(476)	(476)
At 31 December 2020	<u>26,850</u>	<u>-</u>	<u>(5,043)</u>	<u>21,807</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 2020.

BNP PARIBAS MALAYSIA BERHAD
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22. Islamic Banking Window

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021

(a) CASH AND SHORT-TERM FUNDS

	30-Jun 2021 RM'000	31-Dec 2020 RM'000
<u>At Amortised Cost</u>		
Cash and balances with banks and other financial institutions	2,074	3,205
Money at call and deposit placements maturing within one month	31,998	18,997
	<u>34,072</u>	<u>22,202</u>

(b) OTHER ASSETS

	30-Jun 2021 RM'000	31-Dec 2020 RM'000
Other receivables	-	9,766
	<u>-</u>	<u>9,766</u>

(c) PROPERTY, PLANT AND EQUIPMENT

	Office Equipment and Machinery RM'000	Computer Equipment RM'000	Total RM'000
30 June 2021/31 Dec 2020			
Cost			
At beginning of the financial period	6	23	29
At end of the financial period	<u>6</u>	<u>23</u>	<u>29</u>
Accumulated Depreciation			
At beginning of the financial period	6	23	29
At end of the financial period	<u>6</u>	<u>23</u>	<u>29</u>
Net Book Value			
At end of the financial period	<u>-</u>	<u>-</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021 (CONTD.)

22. Islamic Banking Window

(d) INTANGIBLE ASSETS

	30-Jun 2021 RM'000	31-Dec 2020 RM'000
<u>Computer Software:</u>		
Cost		
At 1 January	41	41
At end of the financial period	<u>41</u>	<u>41</u>
Accumulated Amortisation		
At 1 January	41	37
Amortisation for the year	-	4
At end of the financial period	<u>41</u>	<u>41</u>
Net Book Value	<u>-</u>	<u>-</u>

(e) DEPOSITS FROM CUSTOMERS

	30-Jun 2021 RM'000	31-Dec 2020 RM'000
Type		
At Amortised Cost:		
Non-Mudharabah Fund		
Demand deposits	1,494	4,572
Commodity Murabahah	6,000	5,507
	<u>7,494</u>	<u>10,079</u>

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

	30-Jun 2021 RM'000	31-Dec 2020 RM'000
Due within six months	<u>6,000</u>	<u>5,507</u>

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

	30-Jun 2021 RM'000	31-Dec 2020 RM'000
Business enterprise	1	2
Domestic non-bank financial institution	7,493	10,077
	<u>7,494</u>	<u>10,079</u>

(f) OTHER LIABILITIES

	30-Jun 2021 RM'000	31-Dec 2020 RM'000
Other payables	<u>4,650</u>	<u>82</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021 (CONTD.)

22. Islamic Banking Window

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

	30-Jun 2021 RM'000	30-Jun 2020 RM'000
Money at call and deposit placement with financial institutions	248	238

(h) OTHER OPERATING INCOME

	30-Jun 2021 RM'000	30-Jun 2020 RM'000
Fee income:		
Other fee income	83	19
Foreign exchange:		
- Unrealised gain	67	119
Others	547	217
Total	697	355

(i) OTHER OPERATING EXPENSES

	30-Jun 2021 RM'000	30-Jun 2020 RM'000
Personnel costs (Note i)	618	725
Establishment costs (Note ii)	52	48
Administration and general expenses (Note iii)	121	125
	791	898

(i) Personnel Costs

Salaries, bonuses and allowances	482	578
Defined contribution plan	82	100
Other staff related expenses	54	47
	618	725

(ii) Establishment costs

Rental of premises	36	33
Information technology costs	3	5
Others	13	10
	52	48

(iii) Administration and general expenses

Legal and professional fees	74	75
Communication & transportation	10	8
Others	37	42
	121	125

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021 (CONTD.)

22. Islamic Banking Window

(j) CAPITAL ADEQUACY

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

	30-Jun 2021 RM'000	31-Dec 2020 RM'000
Tier-I capital		
Capital fund	26,850	26,850
Accumulated losses	(5,043)	(5,043)
	<u>21,807</u>	<u>21,807</u>
<u>Less : Regulatory adjustments</u>		
Intangible assets	-	-
Total Tier-I capital	<u>21,807</u>	<u>21,807</u>
 Total capital base	 <u>21,807</u>	 <u>21,807</u>
 Capital Ratios		
Tier 1 Capital Ratio	352.922%	165.606%
Tier 1 Capital Ratio	352.922%	165.606%
Total Capital Ratio	<u>352.922%</u>	<u>165.606%</u>

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

	30-Jun 2021 RM'000	31-Dec 2020 RM'000
Credit Risk	2,896	9,891
Market Risk	1,920	1,941
Operational Risk	1,364	1,336
Total risk-weighted assets	<u>6,179</u>	<u>13,168</u>