

Company No. 918091-T

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS OF 31 MARCH 2016

	Note	Bank 31-Mar 2016 RM'000	Bank 31-Dec 2015 RM'000
ASSETS			
Cash and short-term funds	2	859,399	1,283,074
Reverse repurchase agreements	3	10,086	203,907
Deposits and placements with banks and other financial institutions	4	-	-
Financial assets held-for-trading	5	192,514	45,182
Financial assets available-for-sale	6	386,485	479,672
Loans and advances	7	605,338	584,765
Derivative financial assets		507,390	948,973
Statutory deposits with Bank Negara Malaysia	8	-	-
Other assets	9	376,261	97,271
Property, plant and equipment	10	2,258	2,499
Intangible assets	11	2,739	2,600
Deferred tax assets		-	-
Tax recoverable		4,640	3,940
TOTAL ASSETS		2,947,110	3,651,883
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits from customers	12	1,229,089	1,641,010
Deposits and placements of banks and other financial institutions	13	291,615	1,022,385
Derivative financial liabilities		401,642	328,339
Other liabilities	14	341,790	38,593
Deferred tax liabilities		4,054	527
			-
TOTAL LIABILITIES		2,268,190	3,030,854

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UNAUDITED STATEMENT OF FINANCIAL POSITION
AS OF 31 MARCH 2016 (CONTD.)

	Note	Bank 31-Mar 2016 RM'000	Bank 31-Dec 2015 RM'000
Share capital	15	650,000	601,920
Accumulated losses		(5,110)	(15,480)
Reserves	16	34,030	34,589
SHAREHOLDER'S EQUITY		678,920	621,029
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		2,947,110	3,651,883
COMMITMENTS AND CONTINGENCIES	24	28,207,885	35,054,742

The accompanying notes form an integral part of the financial statements.

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BNP PARIBAS MALAYSIA BERHAD
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UNAUDITED INCOME STATEMENT
AS OF 31 MARCH 2016

	Note	Bank 31-Mar 2016 RM'000	Bank 31-Mar 2015 RM'000
Operating Revenue		<u>38,725</u>	<u>26,165</u>
Interest income	17	18,714	19,112
Interest expenses	18	(7,364)	(9,201)
Net interest income		11,350	9,911
Net income from Islamic banking business	25	439	156
Other operating income	19	20,011	7,053
Operating expenses	20	(17,343)	(17,030)
Write back/(Allowance made) for impairment on loans and advances	21	(148)	554
Allowance for doubtful debt on other receivables		-	-
Profit/(Loss) before tax		14,309	644
Taxation		<u>(3,839)</u>	<u>(803)</u>
Net profit/(loss) for the financial quarter		<u>10,470</u>	<u>(159)</u>

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UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
AS OF 31 MARCH 2016

	Note	Bank 31-Mar 2016 RM'000	Bank 31-Mar 2015 RM'000
Profit for the period		10,470	(159)
Other comprehensive income/(loss):			
Net income/(loss) on revaluation of financial assets available-for-sale		(866)	1,455
Income tax relating to component of other comprehensive income/(loss)		207	(364)
Other comprehensive income/(loss), net of tax		<u>(659)</u>	<u>1,091</u>
Total comprehensive income/(loss) for the quarter		<u>9,811</u>	<u>932</u>

The accompanying notes form an integral part of the financial statements.

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STATEMENT OF CHANGES IN EQUITY

BNP PARIBAS MALAYSIA BERHAD

(Incorporated in Malaysia)

CASH FLOW STATEMENT

AS OF 31 MARCH 2016

	Bank 31-Mar 2016 RM'000	Bank 31-Dec 2015 RM'000
Cash Flows from/(Used In) Operating Activities		
Profit/(Loss) before tax	14,309	4,485
Adjustments for:		
Depreciation of property, plant and equipment	388	1,711
Amortisation of intangible assets	12	-
Property, plant and equipment written-off	-	6
(Write back of allowance)/Allowance for impairment on loans and advances	148	(16)
Amortisation of premium less accretion of discount	-	-
(Gain)/loss from sale of securities available-for-sale	-	23
(Gain)/loss from sale of securities held-for-trading	(3,531)	(8,820)
Unrealised (gain)/loss on revaluation of securities held-for-trading	(196)	(1,094)
Unrealised foreign exchange (gain)/loss	404,862	(267,722)
Unrealised (gain)/loss on derivatives trading	10,141	7,529
(Write back of allowance)/Allowance for doubtful debt on other receivables		(738)
Operating profit before working capital changes	426,133	(264,636)

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CASH FLOW STATEMENT
AS OF 31 MARCH 2016 (CONTD.)

	Bank 31-Mar 2016 RM'000	Bank 31-Dec 2015 RM'000
(Increase)/Decrease in:		
Financial assets held-for-trading	(143,605)	834,200
Financial assets available-for-sale	92,319	174,715
Reverse repurchase agreements	193,821	(184,922)
Loans, advances and financing	(20,721)	(10,358)
Statutory deposits with Bank Negara Malaysia	-	-
Other assets	(278,990)	61,914
Increase/(Decrease) in:		
Deposits from customers	(411,921)	198,734
Deposits and placements of banks and other financial institutions	(730,770)	(263,906)
Derivative financial assets/liabilities	99,883	(195,309)
Other liabilities	303,197	16,153
Cash (used in)/generated from operations	(470,654)	366,585
Income taxes paid	(803)	(8,908)
Net cash (used in)/from operating activities	(471,457)	357,677
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(147)	(947)
Reclassification of property, plant and equipment	-	-
Purchase of intangible asset	(151)	-
Investment in associated company	-	-
Net cash (used in)/generated from investing activities	(298)	(947)

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CASH FLOW STATEMENT
AS OF 31 MARCH 2016 (CONTD.)

	Bank 31-Mar 2016 RM'000	Bank 31-Dec 2015 RM'000
Cash Flows from / (Used In) Financing Activities	-	-
Proceeds from issuance of share capital	48,080	-
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(423,675)	356,730
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,283,074</u>	<u>926,344</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>859,399</u>	<u>1,283,074</u>
Cash and cash equivalents comprise the following:		
Cash and short-term funds	859,399	1,283,074
Deposits and placements with banks and other financial institutions	-	-
	<u>859,399</u>	<u>1,283,074</u>

The accompanying notes form an integral part of the financial statements.

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

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"), Bank Negara Malaysia Guidelines, International Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia.

2. CASH AND SHORT-TERM FUNDS

	Bank 31-Mar 2016 RM'000	Bank 31-Dec 2015 RM'000
At Amortised Cost:		
Cash and balances with banks and other financial institutions	181,818	47,582
Money at call and deposit placements maturing within one month	677,581	1,235,492
	<u>859,399</u>	<u>1,283,074</u>

3. REVERSE REPURCHASE AGREEMENTS

	Bank 31-Mar 2016 RM'000	Bank 31-Dec 2015 RM'000
At Amortised Cost:		
Government Securities:		
Malaysian Government Securities	10,086	203,907
	<u>10,086</u>	<u>203,907</u>

4. DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	Bank 31-Mar 2016 RM'000	Bank 31-Dec 2015 RM'000
Licensed banks	-	-
Other financial institutions	-	-
	<u>-</u>	<u>-</u>

5. FINANCIAL ASSETS HELD-FOR-TRADING

	Bank 31-Mar 2016 RM'000	Bank 31-Dec 2015 RM'000
At Fair Value:		
Government Securities:		
Government Investment Issues	50,189	19,350
Malaysian Government Securities	142,325	25,832
	<u>192,514</u>	<u>45,182</u>

BNP PARIBAS MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

6. FINANCIAL ASSETS AVAILABLE-FOR-SALE

	Bank 31-Mar 2016 RM'000	Bank 31-Dec 2015 RM'000
At Fair Value:		
Government securities:		
Malaysian Government Securities	223,607	225,865
Malaysian Government Investment Issues	162,878	253,807
	<u>386,485</u>	<u>479,672</u>

7. LOANS AND ADVANCES

	Bank 31-Mar 2016 RM'000	Bank 31-Dec 2015 RM'000
At amortised cost:		
(i) By type		
Revolving credits	447,352	459,782
Overdraft	16,309	4,439
Term loan	94,167	46,011
Trust Receipt	29,037	40,902
Other Trade Bills Discounted	5,258	12,298
Bills Discounting	13,646	21,616
	<u>605,769</u>	<u>585,048</u>
Less: Allowance for impaired loans and financing :		
- Collective assessment allowance	(431)	(283)
Net loans, advances and financing	<u>605,338</u>	<u>584,765</u>
(ii) By type of customer		
Domestic business enterprises	565,788	570,970
Financial institutions	39,981	14,078
	<u>605,769</u>	<u>585,048</u>
(iii) By interest rate sensitivity		
Variable rate:	605,769	585,048
Cost plus	<u>605,769</u>	<u>585,048</u>
(iv) By residual contractual maturity		
Maturity within one year	559,947	539,037
More than one year to five years	32,139	32,325
More than five years	13,683	13,686
	<u>605,769</u>	<u>585,048</u>
(v) By geographical distribution		
In Malaysia	605,769	585,048
	<u>605,769</u>	<u>585,048</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

7. LOANS AND ADVANCES

(vi) **By Sector**

Manufacturing	359,748	351,012
Mining & Quarrying	3,994	-
Wholesale and retail	3,511	3,524
Construction	24,525	24,523
Financial services	39,981	14,078
Transport, Storage & Communication	3,963	2,886
Real estate	13,683	13,686
Other business services	156,364	175,339
	<u>605,769</u>	<u>585,048</u>

(vii) **Movements in allowance for impaired loans and advances are as follows:**

The Bank has not identified any impaired loans for the current financial year.

	Bank 31-Mar 2016 RM'000	Bank 31-Dec 2015 RM'000
Collective Assessment Allowance		
Balance as at 1 January	283	299
Allowance made during the year	148	-
Less: Write back made during the year	-	(16)
Balance as at 31 March	<u>431</u>	<u>283</u>
 Collective impairment (inclusive of regulatory reserve) as % of gross loans, advances and financing after deduction of individual assessment allowance	 <u>1.20%</u>	 <u>1.20%</u>

8. STATUTORY DEPOSITS WITH BANK NEGARA MALAYSIA

Statutory Deposits with Bank Negara Malaysia

	Bank 31-Mar 2016 RM'000	Bank 31-Dec 2015 RM'000
	<u>-</u>	<u>-</u>

9. OTHER ASSETS

Collateral assets	71,243	84,542
Other receivables, deposit and prepayments	306,500	14,211
Less: Allowance for doubtful debt on other receivables	(1,482)	(1,482)
	<u>376,261</u>	<u>97,271</u>

Movements of allowance for doubtful debt on other receivables are as follows:

	Bank 31-Mar 2016 RM'000	Bank 31-Dec 2015 RM'000
Individual impairment allowance		
Balance as at 1 January	1,482	2,220
Add: Allowance made during the year	-	-
Less: Write back made during the year	-	(738)
Balance as at 31 March	<u>1,482</u>	<u>1,482</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

10. PROPERTY, PLANT AND EQUIPMENT

11. INTANGIBLE ASSETS

	Bank 31-Mar 2016 RM'000	Bank 31-Dec 2015 RM'000
<u>Computer Software:</u>		
Cost		
At 1 January	247	247
Additions	151	-
Write Off	-	-
At 31 March	<u>398</u>	<u>247</u>
Accumulated Amortisation		
At 1 January	247	247
Amortisation for the year	12	-
Write-off	-	-
At 31 March	<u>259</u>	<u>247</u>
Net Book Value	<u>139</u>	<u>-</u>
<u>Interbank Giro license fees</u>		
Cost		
At 1 January	2,600	2,600
Additions	-	-
Write Off	-	-
At 31 March	<u>2,600</u>	<u>2,600</u>
Accumulated Depreciation		
At 1 January	-	-
Amortisation for the year	-	-
Write-off	-	-
At 31 March	<u>-</u>	<u>-</u>
Net Book Value	<u>2,600</u>	<u>2,600</u>
Total Net Book Value	2,739	2,600

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NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

12. DEPOSITS FROM CUSTOMERS

Type	Bank 31-Mar 2016 RM'000	Bank 31-Dec 2015 RM'000
At amortised cost:		
Demand deposits	558,927	329,388
Fixed deposits	391,649	444,441
Collateral deposits	269,833	588,255
Structured deposits	-	258,197
Commodity Murabaha	8,680	20,729
	<u>1,229,089</u>	<u>1,641,010</u>
 (i) Maturity structure of fixed deposits is as follows:		
Due within six months	670,162	1,271,284
Six months to one year	-	40,338
More than one year	-	-
	<u>670,162</u>	<u>1,311,622</u>
 (ii) The deposits are sourced from the following types of customers:		
Business enterprises	893,086	726,215
Non-bank financial institutions	66,170	326,540
Licensed banks	269,833	588,255
Other financial institutions	-	-
	<u>1,229,089</u>	<u>1,641,010</u>

13. DEPOSITS AND PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	Bank 31-Mar 2016 RM'000	Bank 31-Dec 2015 RM'000
At amortised cost:		
Licensed banks	54,817	-
Other financial institutions	236,798	1,022,385
	<u>291,615</u>	<u>1,022,385</u>

14. OTHER LIABILITIES

	Bank 31-Mar 2016 RM'000	Bank 31-Dec 2015 RM'000
Other payables	331,536	31,248
Accruals and charges	10,254	7,345
	<u>341,790</u>	<u>38,593</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

15. SHARE CAPITAL

	Bank 31-Mar 2016 RM'000	Bank 31-Dec 2015 RM'000
Authorised:		
Ordinary shares of RM1 each	650,000	650,000
Issued and fully paid:		
Ordinary shares of RM1 each	650,000	601,920

16. RESERVES

	Bank 31-Mar 2016 RM'000	Bank 31-Dec 2015 RM'000
Non-distributable:		
Statutory reserve	25,766	25,766
Regulatory reserve	6,838	6,738
Revaluation reserve-available-for-sale securities	1,426	2,085
	34,030	34,589

17. INTEREST INCOME

	Bank 31-Mar 2016 RM'000	Bank 31-Mar 2015 RM'000
Loans, advances and financing	5,511	5,374
Money at call and deposit placements with financial institutions	7,907	7,838
Financial assets - Available-for-sale	3,614	7,587
Financial assets - Held-for-trading	1,233	(2,072)
Other interest income	731	500
	18,996	19,227
Amortisation of premium less accretion of discount	(282)	(115)
Total Interest Income	18,714	19,112
Of which:		
Interest income earned on impaired loans, advances and financing	-	-

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18. INTEREST EXPENSE

	Bank 31-Mar 2016 RM'000	Bank 31-Mar 2015 RM'000
Deposits and placements from banks and other financial institutions	1,211	625
Deposits from customers	6,152	8,540
Other interest expense	1	36
	<u>7,364</u>	<u>9,201</u>

19. OTHER OPERATING INCOME

	Bank 31-Mar 2016 RM'000	Bank 31-Mar 2015 RM'000
Fee income:		
Commissions	58	134
Guarantee fees	180	217
Other fee income	(2,781)	861
	<u>(2,543)</u>	<u>1,212</u>
Net gain/(loss) arising from sale of securities:		
Financial assets held-for-trading	3,531	8,223
Financial assets available-for-sale	-	4
	<u>3,531</u>	<u>8,227</u>
Unrealised gain/(loss) on revaluation of securities:		
Financial assets held-for-trading	196	1,797
	<u>196</u>	<u>1,797</u>
Gross dividend income from:		
Securities available-for-sale	-	-
	<u>-</u>	<u>-</u>
Other income:		
Foreign exchange:		
- Realised gain/(loss)	415,724	(123,477)
- Unrealised gain/(loss)	(404,862)	138,591
Gain/(Loss) on derivatives trading		
- Realised gain/(loss)	13,843	1,444
- Unrealised gain/(loss)	(10,141)	(26,019)
Others	4,263	5,278
	<u>18,827</u>	<u>(4,183)</u>
Total	<u>20,011</u>	<u>7,053</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

20. OTHER OPERATING EXPENSES

	Bank 31-Mar 2016 RM'000	Bank 31-Mar 2015 RM'000
Personnel costs (Note a)	7,888	8,001
Establishment costs (Note b)	3,559	3,207
Marketing expenses (Note c)	244	283
Administration and general expenses (Note d)	5,652	5,539
	<u>17,343</u>	<u>17,030</u>

(a) Personnel costs

Salaries, bonuses and allowances	5,565	5,465
EPF - defined contribution plan	939	832
Other staff related expenses	1,384	1,704
	<u>7,888</u>	<u>8,001</u>

(b) Establishment costs

Share of information technology costs	1,660	1,662
Depreciation of property, plant and equipment	388	409
Amortization of intangible asset	12	-
Rental of premises	554	517
Others	945	619
	<u>3,559</u>	<u>3,207</u>

(c) Marketing Expenses

Advertising	25	25
Others	219	258
	<u>244</u>	<u>283</u>

(d) Administration and general expenses

Legal and professional fees	549	282
Communication & transportation	86	49
Others general expenses	5,017	5,208
	<u>5,652</u>	<u>5,539</u>

21. ALLOWANCE FOR IMPAIRMENT ON LOANS, ADVANCES AND FINANCING

	Bank 31-Mar 2016 RM'000	Bank 31-Mar 2015 RM'000
Allowance for impaired loans, advances and financing:		
Collective Assessment allowance:		
- Made in the financial year	148	
- Written back in the financial year	-	(554)
Other losses		
	<u>148</u>	<u>(554)</u>

BNP PARIBAS MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

22. CAPITAL ADEQUACY

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

	Bank 31-Mar 2016 RM'000	Bank 31-Dec 2015 RM'000
Tier-I capital		
Paid-up share capital	650,000	601,920
Statutory reserves	25,766	25,766
Accumulated losses	(15,480)	(15,339)
	<u>660,286</u>	<u>612,347</u>
Less :		
- Deferred tax assets	-	-
- 55% of cumulative gains of AFS financial instruments	(784)	(1,147)
- Other disclosed reserves	1,426	2,085
Total Tier-I capital	<u>660,928</u>	<u>613,285</u>

	Bank 31-Mar 2016 RM'000	Bank 31-Dec 2015 RM'000
Tier-II Capital		
Collective assessment allowance	431	283
Regulatory reserve	6,838	6,738
Total Tier-II capital	<u>7,269</u>	<u>7,021</u>
Total capital	<u>668,197</u>	<u>620,306</u>

Capital Ratios

Tier 1 Capital Ratio	34.105%	27.443%
Total Capital Ratio	<u>34.480%</u>	<u>27.757%</u>

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

	Bank 31-Mar 2016 RM'000	Bank 31-Dec 2015 RM'000
Credit Risk	1,224,570	1,303,559
Market Risk	535,409	760,770
Operational Risk	177,922	170,419
Total risk-weighted assets	<u>1,937,901</u>	<u>2,234,748</u>

BNP PARIBAS MALAYSIA BERHAD
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1. PERFORMANCE REVIEW

For the first quarter ended 31 March 2016, the Bank recorded a net profit after taxation of RM10.470 million. This was achieved on the back of net interest income of RM11.789 million, non-interest income of RM20.011 million. This was partially offset by the bank's operating expenses of RM17.343 million plus the allowances for losses on loans and advances of RM0.148 million, resulting in the recording of pre-tax profit of RM14.309 million.

2. CURRENT YEAR PROSPECT

The year 2016 is expected to be a challenging year for the Malaysian economy, as downside risks on the external front have increased at a time when global growth forecasts have been revised downwards by both the IMF and World Bank. Oil-exporting and commodity-dependent economies, encompassing both developing as well as developed countries, will be adversely affected not just by plunging commodity export prices, but also by rising borrowing costs and debt servicing charges.

The Malaysian economy has been increasingly diversified away from reliance on commodities and the Government has taken steps to broaden the revenue base by introducing a Goods and Services Tax in 2015. Short-term risks include further decline in oil and commodity prices and continuous volatility on the currency. However, these would be mitigated by the increased diversification of the Malaysian economy and by the steps taken by the Government to increase budget revenues by introducing the Goods and Services Tax in 2015 together with the reduction of some expenses, among others include the removal of fuel subsidies. Other risks are related to the volatility in capital flows and from the US monetary policy. The longer-term overall favourable prospects for Malaysia's well diversified and competitive economy hinges on pursuing structural reforms to strengthen medium-term fiscal planning, and boosting capabilities such as in terms of developing a sufficiently skilled pool of manpower in the country.

Attractiveness of the Malaysian economy would remain an asset for BNP Paribas Malaysia Berhad well positioned to support and accompany multinational corporations.

The Bank would not compromise on selectivity and risk profile, remaining focussed on Malaysian champions both from the Corporate and Financial Institutions spheres. Global Market will keep on servicing the customers with suitable products and services while flow banking would remain a strategic component to finance the real economy. Investment Banking will contribute to anchoring and developing the franchise of the Bank.

In an even more challenging environment, BNP Paribas Malaysia Berhad is aiming at delivering higher value addition to all stakeholders and is budgeting a significantly higher profit for the year for 2016.

Islamic Banking is gaining popularity in emerging markets with increasing interest in Islamic banking beyond Islamic investors. Governments and regulators in a variety of countries have already recognised the importance of Islamic banking as an attractive complement to conventional banking.

BNPP Malaysia operates, through its Islamic Banking Window, as an Islamic banking hub for Asia Pacific with dedicated specialist teams offering Islamic tailor-made products and solutions. Now that long awaited approvals have been received, Najmah is well positioned to tap into this increased interest in Islamic Banking.

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STATEMENT OF CHANGES IN EQUITY
AS OF 31 MARCH 2016

Bank	←		Non-distributable		→		Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Regulatory reserves RM'000	Revaluation reserve-available -for-sale securities RM'000	Accumulated losses RM'000	
At 1 January 2016	601,920		25,766	6,738	2,085	(15,480)	621,029
Issuance of shares	48,080						48,080
Profit/(Loss) for the year						10,470	10,470
Transfer to regulatory reserve				100		(100)	-
Unrealised net gain/(loss) on revaluation of securities available-for-sale					(209)		(209)
Deferred tax					(450)		(450)
At 31 March 2016	650,000	-	25,766	6,838	1,426	(5,110)	678,920

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

Bank	←		Non-distributable		→		Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Regulatory reserves RM'000	Revaluation reserve-available -for-sale securities RM'000	Accumulated losses RM'000	
At 1 January 2015	601,920		24,366	6,597	155	(16,739)	616,299
Profit for the year						2,800	2,800
Transfer to statutory reserve			1,400			(1,400)	-
Transfer to regulatory reserve				141		(141)	-
Other comprehensive income					1,930		1,930
At 31 December 2015	601,920	-	25,766	6,738	2,085	(15,480)	621,029

The accompanying notes form an integral part of the financial statements.

10. PROPERTY, PLANT AND EQUIPMENT

Bank	Motor Vehicles RM'000	Office Equipment and Machinery RM'000	Renovation and Installation RM'000	Furniture, Fixtures and Fittings RM'000	Computer equipment and hardware RM'000	Renovation work-in progress RM'000	Total RM'000
At 31 March 2016							
Cost							
At 1 January 2016	15	195	4,126	1,450	3,921	387	10,094
Additions		17	-		130		147
Write-off							
Reclassification					110	(110)	-
At 31 March 2016	15	212	4,126	1,450	4,161	277	10,241
Accumulated Depreciation							
At 1 January 2016	5	114	2,900	1,237	3,339	-	7,595
Charge for the year		10	171	45	162		388
Write-off							
At 31 March 2016	5	124	3,071	1,282	3,501	-	7,983
Net Book Value 31 March 2016	10	88	1,055	168	660	277	2,258

PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Bank	Motor vehicle RM'000	Office equipment and machinery RM'000	Renovation and installation RM'000	Furniture, fixtures and fittings RM'000	Computer equipment and hardware RM'000	Renovation work-in progress RM'000	Total RM'000
2015							
Cost							
At 1 January 2015	15	154	3,715	1,435	3,746	252	9,317
Additions	-	41	159	82	278	387	947
Write-off	-	-	-	(67)	(103)		(170)
Reclassification			252			(252)	-
At 31 December 2015	15	195	4,126	1,450	3,921	387	10,094
2015							
Accumulated Depreciation							
At 1 January 2015	2	76	2,219	1,000	2,751	-	6,048
Charge for the year	3	38	681	300	689	-	1,711
Write-off	-	-		(63)	(101)	-	(164)
At 31 December 2015	5	114	2,900	1,237	3,339	-	7,595
Net Book Value 31 December 2015	10	81	1,226	213	582	387	2,499

23 INTEREST RATE RISK

The following table represents the Bank's assets and liabilities at carrying amounts as at 31 March 2016

	Up to 1 month RM'000	Non-Trading Book		1 - 5 years RM'000	Over 5 years RM'000	Trading book RM'000	Non-interest sensitive RM'000	SPI-related business RM'000	Total RM'000
		1 - 3 months RM'000	3 - 12 months RM'000						
Assets									
Cash and short-term funds	818,893							40,506	859,399
Reverse repurchase agreements	10,086								10,086
Deposits and placements with banks and other financial institutions									-
Financial assets held-for-trading						192,514			192,514
Financial assets available-for-sale			309,911	41,830				34,744	386,485
Loans, advances and financing	451,654	51,566	56,727	32,139	13,683		(431)		605,338
Derivatives Financial assets						507,390			507,390
Statutory deposits with Bank Negara Malaysia									-
Other assets							373,374	2,887	376,261
Total Assets	1,280,633	51,566	366,638	73,969	13,683	699,904	372,943	78,137	2,937,473
Liabilities									
Deposits from customers	1,076,173	64,384	31,986					56,546	1,229,089
Deposits and placements from banks and other financial institutions	94,579	197,036							291,615
Derivatives Financial Liabilities						401,642			401,642
Other liabilities							341,760	30	341,790
Total Liabilities	1,170,752	261,420	31,986	-	-	401,642	341,760	56,576	2,264,136
Net interest rate gap	109,881	(209,854)	334,652	73,969	13,683	298,262	31,183	21,561	673,337

23 INTEREST RATE RISK (CONTD)

The following table represents the Bank's assets and liabilities at carrying amounts as of 31 December 2015

	Non-Trading Book					Trading book RM'000	Non-interest sensitive RM'000	SPL-related business 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	1,239,767							43,307	1,283,074
Reverse repurchase agreements	203,907								203,907
Financial assets held-for-trading						45,182			45,182
Financial assets available-for-sale		101,358	312,378	31,436				34,500	479,672
Loans, advances and financing	462,709	63,184	13,144	32,325	13,686		(283)		584,765
Derivative financial assets						948,973			948,973
Other assets							95,164	2,107	97,271
Total Assets	1,906,383	164,542	325,522	63,761	13,686	994,155	94,881	79,914	3,642,844
Liabilities									
Deposits from customers	1,217,666	271,029	94,036					58,279	1,641,010
Deposits and placements from banks and other financial institutions	161,460	645,349	215,576						1,022,385
Derivatives financial liabilities						328,339			328,339
Other liabilities							38,561	32	38,593
Total Liabilities	1,379,126	916,378	309,612	-	-	328,339	38,561	58,311	3,030,327
Net interest rate gap	527,257	(751,836)	15,910	63,761	13,686	665,816	56,320	21,603	612,517

24 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 and their related counterparty credit risk of the Bank are as follows:

	31 March 2016		
	Principal amount RM'000	Credit equivalent amount * RM'000	Risk- weighted amount RM'000
<u>Commitments and Contingent Liabilities</u>			
Direct credit substitutes	155,382	155,382	142,393
Transaction-related contingent items			
Short-term self-liquidating trade-related contingencies	42	8	8
Other assets sold with recourse and commitments with certain drawdown			
Irrevocable commitments to extend credit:			
- maturity less than one year			
- maturity more than one year	100,000	50,000	50,000
Foreign exchange related contracts:			
- one year or less	11,322,638	590,813	257,556
- over one year to five years	1,815,580	201,675	122,850
- over five years			
Interest rate related contracts:			
- one year or less	5,077,259	8,750	3,564
- over one year to five years	8,232,040	213,222	53,797
- over five years	186,000	10,281	2,056
Credit Derivatives Contract			
- one year or less	1,105,924	65,901	13,180
- over one year to five years	213,020	12,095	2,419
- over five years			
	<u>28,207,885</u>	<u>1,308,127</u>	<u>647,823</u>

* The credit equivalent amount is arrived at using the credit conversion factor as per Bank Negara Malaysia guidelines.

24 COMMITMENTS AND CONTINGENCIES (CONTD.)

	31 December 2015		
	Principal amount RM'000	Credit equivalent amount * RM'000	Risk- weighted amount RM'000
<u>Commitments and Contingent Liabilities</u>			
Direct credit substitutes	147,107	147,107	133,535
Transaction-related contingent items			
Short-term self-liquidating trade-related contingencies	-	-	-
Other assets sold with recourse and commitments with certain drawdown	-	-	-
Irrevocable commitments to extend credit:			
- maturity less than one year			
- maturity more than one year	-	-	-
Foreign exchange related contracts:			
- one year or less	15,237,185	982,810	407,097
- over one year to five years	2,075,812	280,392	146,597
Interest rate related contracts:			
- one year or less	7,331,439	14,267	4,918
- over one year to five years	8,205,050	211,113	51,649
- over five years	186,000	9,800	1,960
Credit Derivatives Contract			
- one year or less	1,282,849	89,295	17,859
- over one year to five years	589,300	20,133	4,027
	<u>35,054,742</u>	<u>1,754,917</u>	<u>767,642</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

25. Islamic Banking Operations

UNAUDITED STATEMENT OF FINANCIAL POSITION
As of 31 March 2016

	Note	Bank 31-Mar 2016 RM'000	Bank 31-Dec 2015 RM'000
ASSETS			
Cash and short-term funds	(a)	40,506	43,307
Financial assets held-for-trading	(b)	-	-
Financial assets available-for-sale	(c)	34,744	34,500
Other assets	(d)	2,887	2,107
Property, plant and equipment	(e)	7	8
Intangible assets	(f)	-	-
TOTAL ASSETS		78,144	79,922
LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits from customers	(g)	56,546	58,279
Other liabilities	(h)	30	32
Deferred tax liabilities		162	49
Total liabilities		56,738	58,360
Capital fund	(i)	24,350	24,350
Reserves	(j)	(2,944)	(2,788)
Islamic Banking Funds		21,406	21,562
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS		78,144	79,922

The accompanying notes form an integral part of the financial statements.

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

25. Islamic Banking Operations

UNAUDITED INCOME STATEMENT
As of 31 March 2016

	Bank	Bank
	31-Mar	31-Mar
	2016	2015
	RM'000	RM'000
	RM'000	
Total income derived from investment of Islamic banking funds and depositors' funds	574	275
Income derived from investment of Islamic banking funds and depositors' funds	574	275
Profit expense to depositors (k)	(135)	(119)
Net income derived from investment of Islamic Banking funds and depositors' funds	439	156
Other operating income (l)	34	324
Other operating expenses (m)	(472)	(340)
Profit/(Loss) for the financial quarter before zakat and taxation	1	140
Zakat	-	-
Income tax expense	(124)	-
Profit/(Loss) for the financial quarter after zakat and income tax	(123)	140
Other comprehensive income:		
Net income/(loss) on revaluation of financial assets available-for-sale	(43)	1
Income tax relating to component of other comprehensive income/(loss)	10	-
Other comprehensive income/(loss), net of tax	(33)	1
Total comprehensive profit/(loss) for the quarter	(156)	141

BNP PARIBAS MALAYSIA BERHAD
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25. Islamic Banking Operations

NOTES TO THE FINANCIAL STATEMENTS

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of the Financial Statements

(a) CASH AND SHORT-TERM FUNDS

	Bank 31-Mar 2016 RM'000	Bank 31-Dec 2015 RM'000
At Amortised Cost		
Cash and balances with banks and other financial institutions	3,503	15,414
Money at call and deposit placements maturing within one month	37,003	27,893
	<u>40,506</u>	<u>43,307</u>

(b) FINANCIAL ASSETS HELD-FOR-TRADING

	Bank 31-Mar 2016 RM'000	Bank 31-Dec 2015 RM'000
At Fair Value		
Government Securities:		
Bank Negara Malaysia Debt Securities	-	-
	<u>-</u>	<u>-</u>

(c) SECURITIES AVAILABLE-FOR-SALE

	Bank 31-Mar 2016 RM'000	Bank 31-Dec 2015 RM'000
At Fair Value		
Government Securities:		
Malaysian Government Investment Issues	34,744	34,500
	<u>34,744</u>	<u>34,500</u>

(d) OTHER ASSETS

	Bank 31-Mar 2016 RM'000	Bank 31-Dec 2015 RM'000
Other receivables, deposit and prepayments	3,387	2,607
Less: Allowance for doubtful debt on other receivables	(500)	(500)
	<u>2,887</u>	<u>2,107</u>

Movements of allowance for doubtful debt on other receivables are as follows:

	Bank 31-Mar 2016 RM'000	Bank 31-Dec 2015 RM'000
Individual impairment allowance		
Balance as at 1 January	500	1,238
Add: Allowance made during the year	-	-
Less: Write back made during the year	-	(738)
Balance as at 31 March	<u>500</u>	<u>500</u>

BNP PARIBAS MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

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

(f) **INTANGIBLE ASSETS**

	Bank 31-Mar 2016 RM'000	Bank 31-Dec 2015 RM'000
<u>Computer Software:</u>		
Cost		
At 1 January	34	34
Additions	-	-
Write Off	-	-
At 31 March	<u>34</u>	<u>34</u>
Accumulated Amortisation		
At 1 January	34	34
Amortisation for the year	-	-
Write-off	-	-
At 31 March	<u>34</u>	<u>34</u>
Net Book Value	<u>-</u>	<u>-</u>

(g) **DEPOSITS FROM CUSTOMERS**

	Bank 31-Mar 2016 RM'000	Bank 31-Dec 2015 RM'000
Type		
At Amortised Cost:		
Non-Mudharabah Fund		
Demand deposits	47,867	37,550
Commodity Murabahah	8,679	20,729
	<u>56,546</u>	<u>58,279</u>

(i) Maturity structure of deposit from customers is as follows:

	Bank 31-Mar 2016 RM'000	Bank 31-Dec 2015 RM'000
Due within six months	<u>8,679</u>	<u>20,729</u>

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

	Bank 31-Mar 2016 RM'000	Bank 31-Dec 2015 RM'000
Business enterprise	5,775	4,290
Domestic non-bank financial institution	50,771	53,989
	<u>56,546</u>	<u>58,279</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

(h) OTHER LIABILITIES

	Bank 31-Mar 2016 RM'000	Bank 31-Dec 2015 RM'000
Other liabilities	30	32

(i) ISLAMIC BANKING FUNDS

	Bank 31-Mar 2016 RM'000	Bank 31-Dec 2015 RM'000
Issued and fully paid: Balance as at 31 March	24,350	24,350

(j) RESERVES

	Bank 31-Mar 2016 RM'000	Bank 31-Dec 2015 RM'000
Revaluation reserve	121	154
Accumulated losses	(3,065)	(2,942)
	<u>(2,944)</u>	<u>(2,788)</u>

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

	Bank 31-Mar 2016 RM'000	Bank 31-Mar 2015 RM'000
Money at call and deposit placement with financial institutions	286	-
Financial assets held-for-trading	-	108
Financial assets available-for-sale	325	167
Amortisation of premium less accretion of discount	(37)	-
	<u>574</u>	<u>275</u>

(l) OTHER OPERATING INCOME

Fee income:		
Commissions	-	-
Other fee income	-	-
Net gain/(loss) arising from sale of securities:		
Financial assets held-for-trading	-	290
Unrealised gain/(loss) on revaluation of securities:		
Financial assets held-for-trading	-	10
Other income:		
Foreign exchange:		
- Realised gain/(loss)	-	-
- Unrealised gain/(loss)	-	-
Others	34	24
Total	<u>34</u>	<u>324</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

(m) OTHER OPERATING EXPENSES

	Bank 31-Mar 2016 RM'000	Bank 31-Mar 2015 RM'000
Personnel costs (Note i)	98	133
Establishment costs (Note ii)	120	80
Marketing expenses (Note iii)	-	-
Administration and general expenses (Note iv)	254	127
	<u>472</u>	<u>340</u>
(i) Personnel Costs		
Salaries, bonuses and allowances	53	94
EPF - defined contribution plan	19	11
Other staff related expenses	26	28
	<u>98</u>	<u>133</u>
(ii) Establishment costs		
Depreciation of property, plant and equipment	1	2
Loss on sale of property, plant and equipment		
Property, plant and equipment written-off		
Amortization of intangible asset	-	-
Rental of premises	78	59
Others	41	19
	<u>120</u>	<u>80</u>
(iii) Marketing Expenses		
Advertising		
Others	-	-
	<u>-</u>	<u>-</u>
(iv) Administration and general expenses		
Legal and professional fees	208	85
Others general expenses	46	42
	<u>254</u>	<u>127</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

n. CAPITAL ADEQUACY

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

	Bank 31-Mar 2016 RM'000	Bank 31-Dec 2015 RM'000
Tier-I capital		
Capital fund	24,350	24,350
Accumulated losses	(3,065)	(2,942)
	<u>21,285</u>	<u>21,408</u>
Less :		
- Deferred tax assets	-	-
- 55% of cumulative gains of AFS financial instruments	(67)	(85)
- Other disclosed reserves	121	154
Total Tier-I capital	<u>21,339</u>	<u>21,477</u>
Tier-II Capital		
Collective assessment allowance	-	-
Total Tier-II capital	<u>-</u>	<u>-</u>
Capital base	<u>21,339</u>	<u>21,477</u>
Capital Ratios		
Tier 1 Capital Ratio	267.574%	349.902%
Total Capital Ratio	<u>267.574%</u>	<u>349.902%</u>

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

	Bank 31-Mar 2016 RM'000	Bank 31-Dec 2015 RM'000
Credit Risk	4,400	2,777
Market Risk	1	-
Operational Risk	3,574	3,361
Total risk-weighted assets	<u>7,975</u>	<u>6,138</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)
Islamic Banking Operations
STATEMENT OF CHANGES IN ISLAMIC BANKING FUNDS
AS OF 31 MARCH 2016

Bank	Non-distributable →				Total RM'000
	Share capital RM'000	Statutory reserves RM'000	Revaluation reserve-available -for-sale securities RM'000	Accumulated losses RM'000	
At 1 January 2016	24,350		154	(2,942)	21,562
Profit/(Loss) for the quarter				(123)	(123)
Unrealised net loss on revaluation of securities available-for-sale			5		5
Deferred tax			(38)		(38)
At 31 March 2016	24,350	-	121	(3,065)	21,406

Bank	Non-distributable →				Total RM'000
	Capital fund RM'000	Statutory reserve RM'000	Revaluation reserve-available -for-sale securities RM'000	Accumulated losses RM'000	
At 1 January 2015	24,350	-	-	(2,814)	21,536
Profit/(Loss) for the year	-	-	-	(128)	(128)
Unrealised net gain on revaluation of securities available-for-sale			154		154
At 31 December 2015	24,350	-	154	(2,942)	21,562

e. PROPERTY, PLANT AND EQUIPMENT

Bank	Office Equipment and Machinery RM'000	Renovation and Installation RM'000	Furniture, Fixtures and Fittings RM'000	Computer Equipment RM'000	Total RM'000
At 31 March 2016					
Cost					
At 1 January 2016				29	29
Additions				-	-
Disposals				-	-
Write-off				-	-
Reclassification	6		1	(7)	-
At 31 March 2016	6		1	22	29
Accumulated Depreciation					
At 1 January 2016				21	21
Charge for the year				1	1
Disposals					
Write-off					
Reclassification	1			(1)	-
At 31 March 2016	-			21	22
Net Book Value 31 March 2016	6		1	1	7

e. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Bank	Office Equipment and Machinery RM'000	Renovation and Installation RM'000	Furniture, Fixtures and Fittings RM'000	Computer Equipment RM'000	Total RM'000
At 31 December 2015					
Cost					
At 1 January 2015				22	22
Additions				7	7
Disposals					
Write-off					
At 31 December 2015	-	-	-	29	29
Accumulated Depreciation					
At 1 January 2015				14	14
Charge for the year				7	7
Disposals					
Write-off					
At 31 December 2015	-	-	-	21	21
Net Book Value 31 Dec 2015	-	-	-	8	8