

Company No. 918091-T

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2014

	Note	Bank 30-Jun 2014 RM'000	Bank 31-Dec 2013 RM'000
ASSETS			
Cash and short-term funds	2	1,754,520	1,577,236
Deposits and placements with banks and other financial institutions	3	-	-
Financial assets held-for-trading	4	12,963	59,265
Financial assets available-for-sale	5	363,380	550,765
Loans and advances	6	630,491	392,021
Derivative financial assets		146,385	216,735
Statutory deposits with Bank Negara Malaysia	7	-	-
Other assets	8	49,717	32,965
Property, plant and equipment	9	3,563	3,987
Intangible assets	10	2,601	2,634
Deferred tax assets		24,116	6,464
TOTAL ASSETS		2,987,736	2,842,072
LIABILITIES AND SHAREHOLDERS' FUNDS			
Deposits from customers	11	1,459,466	1,019,209
Deposits and placements from banks and other financial institutions	12	711,060	1,054,385
Derivative financial liabilities		162,807	162,410
Other liabilities	13	24,838	20,868
Provision for taxation		15,336	-
TOTAL LIABILITIES		2,373,507	2,256,872

Company No. 918091-T

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2014 (CONTD.)

	Note	Bank 30-Jun 2014 RM'000	Bank 31-Dec 2013 RM'000
Share capital	15	601,920	601,920
Reserves	16	12,309	(16,720)
SHAREHOLDER'S FUNDS		<u>614,229</u>	<u>585,200</u>
TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS		<u>2,987,736</u>	<u>2,842,072</u>
COMMITMENTS AND CONTINGENCIES	24	<u>24,421,203</u>	<u>19,011,922</u>
		-	-

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

Company No. 918091-T

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

UNAUDITED INCOME STATEMENT
AS OF 30 JUNE 2014

	Note	Bank 30-Jun 2014 RM'000	Bank 30-Jun 2013 RM'000
Operating Revenue		<u>72,317</u>	<u>37,158</u>
Interest income	17	37,921	21,906
Interest expenses	18	(15,161)	(15,823)
Net interest income		22,760	6,083
Net income from Islamic banking business	25	144	278
Other operating income	19	34,396	15,252
Operating expenses	20	(26,086)	(19,540)
Allowance for impairment on loans, advances and financing and other losses	21	(4,930)	(2,847)
Profit/(Loss) before tax		26,284	(774)
Taxation		<u>2,424</u>	<u>182</u>
Net profit/(loss) for the financial quarter		<u>28,708</u>	<u>(592)</u>

Company No. 918091-T

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
AS OF 30 JUNE 2014**

	Note	Bank 30-Jun 2014 RM'000	Bank 30-Jun 2013 RM'000
Profit for the period		28,708	(592)
Other comprehensive income/(loss):			
Net income/(loss) on revaluation of financial assets available-for-sale		428	(579)
Income tax relating to component of other comprehensive income/(loss)		(107)	145
Other comprehensive income/(loss), net of tax		<u>321</u>	<u>(434)</u>
Total comprehensive income/(loss) for the quarter		<u>29,029</u>	<u>(1,026)</u>

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

Company No. 918091-T

STATEMENT OF CHANGES IN EQUITY

BNP PARIBAS MALAYSIA BERHAD (Incorporated in Malaysia)

CASH FLOW STATEMENT AS OF 30 JUNE 2014

	Bank 30-Jun 2014 RM'000	Bank 31-Dec 2013 RM'000
Cash Flows from Operating Activities		
Profit/(Loss) before tax	26,284	19,084
Adjustments for:		
Depreciation of property, plant and equipment	804	1,672
Amortisation of intangible asset	33	82
Property, plant and equipment written-off	-	-
Allowance for losses on loans and financing and other losses	4,930	5,697
Amortisation of premium less accretion of discount	-	-
(Gain)/loss from sale of securities available-for-sale	176	356
(Gain)/loss from sale of securities held-for-trading	(1,601)	(3,532)
Unrealised (gain)/loss on revaluation of securities held-for-trading	(29)	60
Unrealised foreign exchange (gain)/loss	21,739	9,414
Unrealised (gain)/loss on derivatives trading	24,960	29,648
Write back of provision for diminution for value in shares	-	-
Share of profit of associate	-	-
Operating profit before working capital changes	<u>77,296</u>	<u>62,481</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

CASH FLOW STATEMENT
AS OF 30 JUNE 2014

	Bank 30-Jun 2014 RM'000	Bank 31-Dec 2013 RM'000
(Increase)/Decrease in:		
Securities held for trading	47,932	66,806
Securities available-for-sale	187,638	(218,595)
Loans, advances and financing	(243,400)	(379,848)
Derivative financial assets/liabilities	24,048	(46,864)
Other assets	(16,752)	(25,833)
Statutory deposits with Bank Negara Malaysia	-	5,721
Increase/(Decrease) in:		
Deposits from customers	440,257	(117,357)
Deposits and placements from banks and other financial institutions	(343,325)	882,019
Other liabilities	3,970	7,591
Cash (used in)/generated from operations	177,664	236,121
Income taxes paid	-	-
Net cash (used in)/generated from operating activities	177,664	236,121

Cash Flows from Investing Activities

Purchase of property, plant and equipment	(380)	(201)
Purchase of intangible asset	-	-
Investment in associated company	-	-
Net cash (used in)/generated from investing activities	(380)	(201)

Cash Flows from Financing Activities

Payment of accrued interest on subordinated debts	-	(1,238)
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Company No. 918091-T

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

CASH FLOW STATEMENT
AS OF 30 JUNE 2014

	Bank 30-Jun 2014 RM'000	Bank 31-Dec 2013 RM'000
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	177,284	234,682
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>1,577,236</u>	<u>1,342,554</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>1,754,520</u>	<u>1,577,236</u>
Cash and cash equivalents comprise the following:		
Cash and short-term funds	1,754,520	1,577,236
Deposits and placements with banks and other financial institutions	-	-
	<u>1,754,520</u>	<u>1,577,236</u>
	-	-

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

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

A. NOTES TO THE FINANCIAL STATEMENT

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of the Financial Statement

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 30-Jun 2014 RM'000	Bank 31-Dec 2013 RM'000
At Amortised Cost		
Cash and balances with banks and other financial institutions	49,514	31,222
Money at call and deposit placements maturing within one month	1,705,006	1,546,014
	<u>1,754,520</u>	<u>1,577,236</u>

Bank 30-Jun 2014 RM'000	Bank 31-Dec 2013 RM'000
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3. DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

Licensed banks	-	-
Other financial institutions	-	-
	<u>-</u>	<u>-</u>

4. FINANCIAL ASSETS HELD-FOR-TRADING

	Bank 30-Jun 2014 RM'000	Bank 31-Dec 2013 RM'000
At Fair Value		
Government Securities		
Government Investment Issues	-	-
Malaysian Government Securities	-	9,604
Bank Negara Malaysia Debt Securities	12,963	49,661
	<u>12,963</u>	<u>59,265</u>

5. FINANCIAL ASSETS AVAILABLE-FOR-SALE

	Bank 30-Jun 2014 RM'000	Bank 31-Dec 2013 RM'000
At Fair Value		
Government securities:		
Malaysian Government Securities	20,445	122,837
Treasury Bills	29,993	-
Malaysian Government Investment Issues	232,904	202,364
Money market instrument:		
Negotiable Instruments of Deposit	80,038	225,564
Unquoted shares in Malaysia	-	-
	<u>363,380</u>	<u>550,765</u>

6. LOANS AND ADVANCES

	Bank 30-Jun 2014 RM'000	Bank 31-Dec 2013 RM'000
At amortised cost		
(i) By type		
Revolving credits	372,737	68,959
Overdraft	3,372	-
Syndicated Term loan	-	93,342
Term loan	23,453	29,735
Bridging loan	-	123,210
Trust Receipt	39,448	4,679
Other Trade Bills Discounted	5,643	-
Bills Discounting	195,439	78,066
	<u>640,092</u>	<u>397,991</u>
Less: Allowance for impaired loans and financing :		
- Collective assessment allowance	(9,601)	(5,970)
Net loans, advances and financing	<u>630,491</u>	<u>392,021</u>
(ii) By type of customer		
Domestic business enterprise	444,653	319,925
Banking institutions	195,439	78,066
	<u>640,092</u>	<u>397,991</u>
(iii) By interest rate sensitivity		
Variable rate		
Cost plus	<u>640,092</u>	<u>397,991</u>
(iv) By residual contractual maturity		
Up to 1 year	640,092	274,914
> 1 - 5 years	-	29,735
> 5 years	-	93,342
	<u>640,092</u>	<u>397,991</u>
(v) By geographical distribution		
In Malaysia	444,653	319,925
In Hong Kong	195,439	78,066
	<u>640,092</u>	<u>397,991</u>

6. LOANS AND ADVANCES (CONTD.)

	Bank 30-Jun 2014 RM'000	Bank 31-Dec 2013 RM'000
(vi) By Sector		
Manufacturing	231,842	66,462
Mining & Quarrying	140,000	-
Wholesale and retail	3,204	3,204
Construction	4,004	31,736
Financial services	195,439	78,066
Transport, Storage & Communication	60,597	95,313
Other service activities	-	123,210
Other business services	5,006	-
	<u>640,092</u>	<u>397,991</u>

(vii) Movement of impaired loan/movement of allowance of impaired loans

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

(viii) Movements in allowance for impaired loans and advances are as follows:**Collective Assessment Allowance**

Balance as at 1 January	5,970	273
Allowance made during the year	7,172	5,870
Write back made during the year	(3,541)	(173)
Balance as at 30 June	<u>9,601</u>	<u>5,970</u>

As % of gross loans, advances and financing less
collective assessment allowance

<u>1.5%</u>	<u>1.5%</u>
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Bank 30-Jun 2014 RM'000	Bank 31-Dec 2013 RM'000
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7. STATUTORY DEPOSITS WITH BANK NEGARA MALAYSIA

Statutory Deposits with Bank Negara Malaysia

<u>-</u>	<u>-</u>
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8. OTHER ASSETS

Collateral assets	37,862	16,740
Other receivables, deposit and prepayments	11,855	16,225
	<u>49,717</u>	<u>32,965</u>

9. PROPERTY, PLANT AND EQUIPMENT

10. INTANGIBLE ASSETS

	Bank 30-Jun 2014 RM'000	Bank 31-Dec 2013 RM'000
<u>Computer Software:</u>		
Cost		
At 1 January	247	247
Additions	-	-
Write Off	-	-
At 30 June	<u>247</u>	<u>247</u>
Accumulated Amortisation		
At 1 January	213	131
Amortisation for the year	33	82
Write-off	-	-
At 30 June	<u>246</u>	<u>213</u>
Net Book Value	<u>1</u>	<u>34</u>
<u>Interbank Giro license fees</u>		
Cost		
At 1 January	2,600	2,600
Additions	-	-
Write Off	-	-
Interbank Giro license fees	<u>2,600</u>	<u>2,600</u>
Accumulated Depreciation		
At 1 January	-	-
Amortisation for the year	-	-
Write-off	-	-
Interbank Giro license fees	<u>-</u>	<u>-</u>
Net Book Value	<u>2,600</u>	<u>2,600</u>
Total Net Book Value	2,601	2,634

11. DEPOSITS FROM CUSTOMERS

Type	Bank 30-Jun 2014 RM'000	Bank 31-Dec 2013 RM'000
At amortised cost		
Demand deposits	297,188	88,742
Fixed deposits	785,064	460,881
Collateral deposits	103,920	124,308
Structured deposits	267,186	269,417
Commodity Murabaha	6,108	75,861
	<u>1,459,466</u>	<u>1,019,209</u>

- (i) Maturity structure of fixed deposits is as follows:

	Bank 30-Jun 2014 RM'000	Bank 31-Dec 2013 RM'000
Due within six months	853,373	661,050
Six months to one year	41,719	-
More than one year	267,186	269,417
	<u>1,162,278</u>	<u>930,467</u>

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

	Bank 30-Jun 2014 RM'000	Bank 31-Dec 2013 RM'000
Business enterprises	1,037,164	456,408
Domestic non-bank financial institutions	318,382	372,843
Licensed bank	75,072	79,885
Other financial institutions	28,848	110,073
	<u>1,459,466</u>	<u>1,019,209</u>

12. DEPOSITS AND PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	Bank 30-Jun 2014 RM'000	Bank 31-Dec 2013 RM'000
Licensed banks	-	-
Other financial institutions	711,060	1,054,385
	<u>711,060</u>	<u>1,054,385</u>

13. OTHER LIABILITIES

	Bank 30-Jun 2014 RM'000	Bank 31-Dec 2013 RM'000
Other payables	17,946	10,786
Accruals and charges	6,892	10,082
	<u>24,838</u>	<u>20,868</u>

15. SHARE CAPITAL

	Bank 30-Jun 2014 RM'000	Bank 31-Dec 2013 RM'000
Authorised: 650,000,000 ordinary shares of RM1 each	650,000	650,000
Issued and fully paid: Balance as at 30 June	601,920	601,920

16. RESERVES

	Bank 30-Jun 2014 RM'000	Bank 31-Dec 2013 RM'000
Non-distributable:		
Share premium	-	-
Statutory reserves	-	-
Unrealised reserves	350	29
Distributable:		
Retained earnings	11,959	(16,749)
	<u>12,309</u>	<u>(16,720)</u>

17. INTEREST INCOME

	Bank 30-Jun 2014 RM'000	Bank 30-Jun 2013 RM'000
Loans, advances and financing	5,604	815
Money at call and deposit placements with financial institutions	24,183	12,413
Financial assets - Available-for-sale	8,665	8,691
Financial assets - Held-for-trading	(143)	284
Other interest income	531	-
	<hr/> 38,840	<hr/> 22,203
Amortisation of premium less accretion of discount	(919)	(297)
Total Interest Income	<hr/> 37,921	<hr/> 21,906
Of which:		
Interest income earned on impaired loans, advances and financing	<hr/> -	<hr/> -
	<hr/> -	<hr/> -

18. INTEREST EXPENSE

	Bank 30-Jun 2014 RM'000	Bank 30-Jun 2013 RM'000
Deposits and placements from banks and other financial institutions	1,082	489
Deposits from customers	14,062	11,019
Subordinated debt capital	-	4,315
Other interest expense	17	-
	<hr/> 15,161	<hr/> 15,823

19. OTHER OPERATING INCOME

	Bank 30-Jun 2014 RM'000	Bank 30-Jun 2013 RM'000
Fee income:		
Commissions	88	286
Guarantee fees	321	184
Other fee income	10,496	3,507
	<u>10,905</u>	<u>3,977</u>
Net gain/(loss) arising from sale of securities:		
Financial assets held-for-trading	1,601	2,337
Financial assets - available-for-sale	(176)	39
	<u>1,425</u>	<u>2,376</u>
Unrealised gain/(loss) on revaluation of securities:		
Financial assets held-for-trading	29	(44)
	<u>29</u>	<u>(44)</u>
Gross dividend income from:		
Securities available-for-sale	-	-
	<u>-</u>	<u>-</u>
Other income:		
Foreign exchange:		
- Realised gain/(loss)	45,615	6,863
- Unrealised gain/(loss)	(21,739)	5,369
Gain/(Loss) on derivatives trading		
- Realised gain/(loss)	11,018	(4,880)
- Unrealised gain/(loss)	(24,960)	(9,748)
Others	12,103	11,339
	<u>22,037</u>	<u>8,943</u>
	-	-
Total	<u>34,396</u>	<u>15,252</u>

20. OTHER OPERATING EXPENSES

	Bank 30-Jun 2014 RM'000	Bank 30-Jun 2013 RM'000
Personnel costs (Note a)	14,507	12,493
Establishment costs (Note b)	4,152	4,298
Marketing expenses (Note c)	708	339
Administration and general expenses (Note d)	6,719	2,410
	<u>26,086</u>	<u>19,540</u>
(a) Personnel costs		
Salaries, bonuses and allowances	11,475	9,223
Social security costs	-	-
EPF - defined contribution plan	1,267	1,372
Recruitment fees	-	-
Other staff related expenses	1,765	1,898
	<u>14,507</u>	<u>12,493</u>
(b) Establishment costs		
Share of Group costs	-	-
Share of information technology costs	663	747
Depreciation of property, plant and equipment	804	822
Loss on sale of property, plant and equipment	-	-
Property, plant and equipment written-off	-	-
Amortization of intangible asset	33	41
Rental of premises	969	935
Others	1,683	1,753
	<u>4,152</u>	<u>4,298</u>
(c) Marketing Expenses		
Advertising	54	113
Others	654	226
	<u>708</u>	<u>339</u>
(d) Administration and general expenses		
Legal and professional fees	1,142	(371)
Communication & transportation	157	155
Others general expenses	5,420	2,626
	<u>6,719</u>	<u>2,410</u>

21. ALLOWANCE FOR IMPAIRMENT ON LOANS, ADVANCES AND FINANCING

	Bank 30-Jun 2014 RM'000	Bank 30-Jun 2013 RM'000
Allowance for impaired loans, advances and financing:		
Individual assessment allowance		
- Made in the financial year	-	-
- Written back	-	-
Collective Assessment allowance		
- Made in the financial year	7,172	2,847
- Written back in the financial year	(3,541)	-
Other losses	1,299	-
	<u>4,930</u>	<u>2,847</u>

22. CAPITAL ADEQUACY

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

	Bank 30-Jun 2014 RM'000	Bank 31-Dec 2013 RM'000
Tier-I capital		
Paid-up share capital	601,920	601,920
Share premium	-	-
Statutory reserves	-	-
Accumulated losses	<u>(16,749)</u>	<u>(16,749)</u>
	585,171	585,171
Less :		
- Deferred tax assets	(24,116)	(6,464)
- 55% of cumulative gains of AFS financial instruments	(193)	(16)
- Other disclosed reserves	350	29
Total Tier-I capital	<u>561,212</u>	<u>578,720</u>

22. CAPITAL ADEQUACY (CONTD.)

	Bank 30-Jun 2014 RM'000	Bank 31-Dec 2013 RM'000
Tier-II Capital		
Collective assessment allowance	9,601	5,970
Subordinated debt capital	-	-
Total Tier-II capital	<u>9,601</u>	<u>5,970</u>
Total capital funds	570,813	584,690
Less: Investment in subsidiary companies	-	-
Capital base	<u>570,813</u>	<u>584,690</u>
Capital Ratios		
Core capital ratio	25.276%	35.460%
Risk-weighted capital ratio	<u>25.709%</u>	<u>35.826%</u>

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

	Bank 30-Jun 2014 RM'000	Bank 31-Dec 2013 RM'000
Credit Risk	968,801	774,286
Market Risk	1,140,265	767,866
Operational Risk	111,236	89,876
Total risk-weighted assets	<u>2,220,302</u>	<u>1,632,028</u>

The adoption of new FRSs, amendments to FRSs during the financial period have resulted in the following changes

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

B. NOTES TO THE FINANCIAL STATEMENTS

1. PERFORMANCE REVIEW

For the half yearly ended 30 June 2014, the Bank recorded a net profit after taxation of RM28.708 million. This was achieved on the back of net interest income of RM22.903 million and non-interest income of RM34.396 million. This was partially offset by the bank's operating expenses of RM26.085 million, plus the allowances for losses on loans and advances RM4.930 million, resulting in the recording of pre-tax profit of RM26.284 million.

2. CURRENT YEAR PROSPECT

With the Malaysian economy expected to register a moderate gross domestic product growth in 2014, the Bank will remain focused on our commitments to our clients by providing specific solutions through the offering of our products and expertise, combined with superior client service. The outlook for Malaysia's economy remains positive despite the many headwinds in the global markets and sovereign debt crisis in other regions. The Government Economic Transformation Projects, since the rollout in 2010, has resulted in a healthy pipeline of activities and investments for the country.

Creation of new growth corridors, urban development and infrastructure projects has translated into a spur of economic activities, attracting talent and capital inflows.

Several other aspects that complement the positive outlook are seen through changes in the regulatory and legal framework, divestment by government linked companies, introduction of minimum wage and other reforms.

The Bank will target to grow client assets and continue to build and develop the local platform. The bank will also maintain its strong risk and control culture, which are critical to set a strong foundation while embarking on our growth plans. We will grow our client base as well as increasing intensity and deepening client relationships with our existing clients. Apart from advisory, financing and capital market activities, we will continue to focus on growing our market share in the flow business and transactional banking activities. The Bank will target to grow its Islamic products as well.

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
AS OF 30 JUNE 2014

Bank	←		Non-distributable		→		Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Fair Value Reserves AFS Securities RM'000	Accumulated losses RM'000		
At 1 January 2014	601,920	-	-	29	(16,749)	585,200	
Profit for the year	-	-	-		28,708	28,708	
Unrealised net gain on revaluation of securities available-for-sale	-	-	-	438	-	438	
Deferred tax				(117)	-	(117)	
At 30 June 2014	601,920	-	-	350	11,959	614,229	

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013

Bank	←		Non-distributable		→		Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Fair Value Reserves AFS Securities RM'000	Accumulated losses RM'000		
At 1 January 2013	441,920	-	-	(50)	(34,507)	407,363	
Profit for the year	-	-	-		17,758	17,758	
Unrealised net gain on revaluation of securities available-for-sale	-	-	-	88	-	88	
Deferred tax	-	-	-	(9)	-	(9)	
Issuance of shares	160,000	-	-	-	-	160,000	
At 31 December 2013	601,920	-	-	29	(16,749)	585,200	

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

9. 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 RM'000	Total RM'000
At 30 June 2014						
Cost						
At 1 January 2014	-	102	3,531	1,372	3,415	8,420
Additions	7	35	184	15	139	380
Disposals	-	-	-	-	-	-
Write-off	-	-	-	-	-	-
At 30 June 2014	<u>7</u>	<u>137</u>	<u>3,715</u>	<u>1,387</u>	<u>3,554</u>	<u>8,800</u>
Accumulated Depreciation						
At 1 January 2014	-	51	1,601	744	2,037	4,433
Charge for the year	-	11	294	136	363	804
Disposals	-	-	-	-	-	-
Write-off	-	-	-	-	-	-
At 30 June 2014	<u>-</u>	<u>62</u>	<u>1,895</u>	<u>880</u>	<u>2,400</u>	<u>5,237</u>
Net Book Value 30 June 2014	<u>7</u>	<u>75</u>	<u>1,820</u>	<u>507</u>	<u>1,154</u>	<u>3,563</u>

PROPERTY, PLANT AND EQUIPMENT

Bank	Motor Vehicles RM'000	Office equipment RM'000	Renovation and installation RM'000	Furniture, fixtures and fittings RM'000	Computer Equipment and hardware RM'000	Total RM'000
2013						
Cost						
At 1 January 2013	-	100	3,479	1,370	3,270	8,219
Additions	-	2	52	2	145	201
Disposals						
Write-off	-					
At 31 December 2013		102	3,531	1,372	3,415	8,420
2013						
Accumulated Depreciation						
At 1 January 2013	-	31	1,016	470	1,244	2,761
Charge for the year	-	20	585	274	793	1,672
Disposals						
Write-off	-					
At 31 December 2013		51	1,601	744	2,037	4,433
Net Book Value 31 December 2013	-	51	1,930	628	1,378	3,987

23 INTEREST RATE RISK (CONTD.)

The following table represents the Bank's carrying assets and liabilities at carrying amounts as at 30 June 2014

	Up to 1 month RM'000	1 - 3 months RM'000	3 - 12 months RM'000	Non-Trading Book		Non-interest sensitive RM'000	Allowances RM'000	SPI-related items RM'000	Trading book RM'000	Non-interest sensitive RM'000	Total RM'000
				1 - 5 years RM'000	Over 5 years RM'000						
Assets											
Cash and short-term funds	1,751,478							3,042			1,754,520
Deposits and placements with banks and other financial institutions											-
Financial assets held-for-trading								8,276	4,687		12,963
Financial assets available-for-sale	29,993	80,038	181,449	51,550				20,350			363,380
Loans, advances and financing	528,841	89,166	22,085							(9,601)	630,491
Derivatives Financial assets									146,385		146,385
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	-	-	-	-	-	-
Other assets								1,325		48,392	49,717
Total Assets	2,310,312	169,204	203,534	51,550	-	-	-	32,993	151,072	38,791	2,957,456
Liabilities											
Deposits from customers	1,090,295	41,025	51,786	267,186				9,174			1,459,466
Deposits and placements from banks and other financial institutions	646,860	64,200									711,060
Derivatives Financial Liabilities									162,807		162,807
Subordinated Debt Capital											-
Other liabilities								741		39,433	40,174
Total Liabilities	1,737,155	105,225	51,786	267,186	-	-	-	9,915	162,807	39,433	2,373,507
Net interest rate gap	573,157	63,979	151,748	(215,636)	-	-	-	23,078	(11,735)	(642)	583,949

The following table represents the Bank's carrying assets and liabilities at carrying amounts as at 31 December 2013

	Up to 1 month RM'000	1 - 3 months RM'000	3 - 12 months RM'000	Non-Trading Book		Non-interest sensitive RM'000	Allowances RM'000	SPI-related items RM'000	Trading book RM'000	Non-interest sensitive RM'000	Total RM'000
				1 - 5 years RM'000	Over 5 years RM'000						
Assets											
Cash and short-term funds	1,507,180	-	-	-	-	-	-	70,056	-	-	1,577,236
Deposits and placements with banks and other financial institutions	-	-	-	-	-	-	-	-	-	-	-
Financial assets held-for-trading								11,571	47,694	-	59,265
Financial assets available-for-sale	75,355	150,210	222,582	82,217				20,401	-	-	550,765
Loans, advances and financing	140,074	11,630	123,210	29,735	93,342			-	-	(5,970)	392,021
Derivative Financial assets	-								216,735	-	216,735
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	-	-	-	-	-	-
Other assets								1,516		31,449	32,965
Total Assets	1,722,609	161,840	345,792	111,952	93,342	-	-	103,544	264,429	25,479	2,828,987
Liabilities											
Deposits from customers	596,326	12,030	62,477	269,417	-	-	-	78,959	-	-	1,019,209
Deposits and placements from banks and other financial institutions	988,732	65,653	-	-	-	-	-	-	-	-	1,054,385
Derivatives Financial Liabilities									162,410		162,410
Subordinated Debt Capital											-
Other liabilities								714		20,154	20,868
Total Liabilities	1,585,058	77,683	62,477	269,417	-	-	-	79,673	162,410	20,154	2,256,872
Net interest rate gap	137,551	84,157	283,315	(157,465)	93,342	-	-	23,871	102,019	5,325	572,115

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:

	30 June 2014		
	Principal amount RM'000	Credit equivalent amount * RM'000	Risk- weighted amount RM'000
<u>Commitments and Contingent Liabilities</u>			
Direct credit substitutes	141,377	141,377	115,006
Transaction-related contingent items			
Short-term self-liquidating trade-related contingencies	13,239	2,648	2,648
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	80,000	40,000	40,000
Foreign exchange related contracts:			
- one year or less	11,744,323	168,041	62,141
- over one year to five years	1,771,597	175,852	107,254
- over five years			
Interest rate related contracts:			
- one year or less	1,388,280	3,560	823
- over one year to five years	6,699,365	219,147	56,061
- over five years	294,000	19,823	5,365
Credit Derivatives Contract			
- one year or less	804,460	50,537	10,107
- over one year to five years	1,484,562	83,611	18,065
- over five years			
	24,421,203	904,596	417,470

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

	31 December 2013		
	Principal amount RM'000	Credit equivalent amount * RM'000	Risk- weighted amount RM'000
<u>Commitments and Contingent Liabilities</u>			
Direct credit substitutes	133,080	133,080	89,676
Transaction-related contingent items			
Short-term self-liquidating trade-related contingencies	429	86	86
Other assets sold with recourse and commitments with certain drawdown	-	-	-
Irrevocable commitments to extend credit:			
- maturity less than one year	8,098	1,620	1,620
- maturity more than one year	-	-	-
Foreign exchange related contracts:			
- one year or less	7,885,343	187,218	66,772
- over one year to five years	1,305,588	173,862	104,470
Interest rate related contracts:			
- one year or less	835,488	1,868	680
- over one year to five years	6,192,688	225,076	53,150
- over five years	317,000	23,094	7,019
Credit Derivatives Contract			
- one year or less			
- over one year to five years	2,334,208	143,314	29,790
	<u>19,011,922</u>	<u>889,218</u>	<u>353,263</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

25. Islamic Banking Operations

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS OF 30 June 2014

	Note	Bank 30-Jun 2014 RM'000	Bank 31-Dec 2013 RM'000
ASSETS			
Cash and short-term funds	(a)	3,042	70,056
Financial assets held-for-trading	(b)	8,276	11,571
Financial assets available-for-sale	(c)	20,350	20,401
Other assets	(d)	1,325	1,516
Property, plant and equipment	(e)	12	15
Intangible assets	(f)	8	12
Deferred tax assets		-	-
TOTAL ASSETS		<u>33,013</u>	<u>103,571</u>
LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits from customers	(g)	9,174	78,959
Deposits and placements from banks and other financial institutions		-	-
Other liabilities	(h)	741	714
Deferred tax liabilities		2	6
Total liabilities		<u>9,917</u>	<u>79,679</u>
Capital fund	(i)	24,350	24,350
Reserves	(j)	(1,254)	(458)
Islamic Banking Funds		<u>23,096</u>	<u>23,892</u>
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS		<u>33,013</u>	<u>103,571</u>
COMMITMENTS AND CONTINGENCIES		-	-

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

BNP PARIBAS MALAYSIA BERHAD
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UNAUDITED INCOME STATEMENT
AS OF 30 JUNE 2014

	Bank	Bank
	30-Jun	30-Jun
	2014	2013
	RM'000	RM'000
	RM'000	
Total income derived from investment of Islamic banking funds and depositors' funds	287	405
Income derived from investment of Islamic banking funds and depositors' funds	-	
Profit expense to depositors	(143)	(127)
Net income derived from investment of Islamic Banking funds and depositors' funds	144	278
Other operating income	912	2,183
Other operating expenses	(1,196)	(1,284)
Other losses	(644)	-
Profit/(Loss) for the financial quarter before zakat and taxation	(784)	1,177
Zakat	-	-
Income tax expense	-	-
Profit/(Loss) for the financial quarter after zakat and income tax	(784)	1,177
Other comprehensive income:		
Net income/(loss) on revaluation of financial assets available-for-sale	(16)	-
Income tax relating to component of other comprehensive income/(loss)	4	-
Other comprehensive income/(loss), net of tax	(12)	-
Total comprehensive profit/(loss) for the quarter	(796)	1,177

BNP PARIBAS MALAYSIA BERHAD
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25. Islamic Banking Operations

A. NOTES TO THE FINANCIAL STATEMENT

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of the Financial Statement

(a) CASH AND SHORT-TERM FUNDS

	Bank 30-Jun 2014 RM'000	Bank 31-Dec 2013 RM'000
At Amortised Cost		
Cash and balances with banks and other financial institutions	3,042	70,056
	<u>3,042</u>	<u>70,056</u>

(b) FINANCIAL ASSETS HELD-FOR-TRADING

	Bank 30-Jun 2014 RM'000	Bank 31-Dec 2013 RM'000
At Fair Value		
Government Securities		
Bank Negara Malaysia Debt Securities	8,276	11,571
	<u>8,276</u>	<u>11,571</u>

(c) SECURITIES AVAILABLE-FOR-SALE

	Bank 30-Jun 2014 RM'000	Bank 31-Dec 2013 RM'000
At Fair Value		
Government Securities		
Malaysian Government Investment Issues	20,350	20,401
Bank Negara Malaysia Debt Securities		
	<u>20,350</u>	<u>20,401</u>

(d) OTHER ASSETS

	Bank 30-Jun 2014 RM'000	Bank 31-Dec 2013 RM'000
Other receivables, deposit and prepayments	1,325	1,516
	<u>1,325</u>	<u>1,516</u>

(e) **PROPERTY, PLANT AND EQUIPMENT**(f) **INTANGIBLE ASSETS**

	Bank 30-Jun 2014 RM'000	Bank 31-Dec 2013 RM'000
<u>Computer Software:</u>		
Cost		
At 1 January	31	
Additions		31
Write Off	-	-
At 30 June	<u>31</u>	<u>31</u>
Accumulated Amortisation		
At 1 January	19	
Amortisation for the year	4	19
Write-off		
At 30 June	<u>23</u>	<u>19</u>
Net Book Value	<u>8</u>	<u>12</u>

(g) **DEPOSITS FROM CUSTOMERS**

Type	Bank 30-Jun 2014 RM'000	Bank 31-Dec 2013 RM'000
Non-Mudharabah Fund		
Demand deposits	3,066	3,098
Commodity Murabahah	6,108	75,861
	<u>9,174</u>	<u>78,959</u>

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

	Bank 30-Jun 2014 RM'000	Bank 31-Dec 2013 RM'000
Due within six months	<u>6,108</u>	<u>75,861</u>

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

	Bank 30-Jun 2014 RM'000	Bank 31-Dec 2013 RM'000
Business enterprise	940	291
Domestic non-bank financial institution	8,234	78,668
	<u>9,174</u>	<u>78,959</u>

(h) **OTHER LIABILITIES**

	Bank 30-Jun 2014 RM'000	Bank 31-Dec 2013 RM'000
Other liabilities	<u>741</u>	<u>714</u>

(i) ISLAMIC BANKING FUNDS

	Bank 30-Jun 2014 RM'000	Bank 31-Dec 2013 RM'000
Issued and fully paid:		
Balance as at 30 June	24,350	24,350

(j) RESERVES

	Bank 30-Jun 2014 RM'000	Bank 31-Dec 2013 RM'000
Unrealised reserves	6	18
Accumulated losses	(1,260)	(476)
	<u>(1,254)</u>	<u>(458)</u>

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

	Bank 30-Jun 2014 RM'000	Bank 30-Jun 2013 RM'000
Money at call and deposit placement with financial institutions	16	1
Financial assets held-for-trading	(47)	109
Financial assets available-for-sale	350	295
Amortisation of premium less accretion of discount	(32)	-
	<u>287</u>	<u>405</u>

(l) OTHER OPERATING INCOME

Fee income:		
Commissions	-	4
Other fee income	500	-
Net gain/(loss) arising from sale of securities:		
Financial assets held-for-trading	215	14
Unrealised gain/(loss) on revaluation of securities:		
Financial assets held-for-trading	-	-
Other income:		
Foreign exchange:		
- Realised gain/(loss)	(5)	
- Unrealised gain/(loss)	(2)	-
Others	204	2,165
Total	<u>912</u>	<u>2,183</u>

(m) OTHER OPERATING EXPENSES

	Bank 30-Jun 2014 RM'000	Bank 30-Jun 2013 RM'000
Personnel costs (Note i)	810	1,040
Establishment costs (Note ii)	143	143
Marketing expenses (Note iii)	2	-
Administration and general expenses (Note iv)	241	101
	<u>1,196</u>	<u>1,284</u>
(i) Personnel Costs		
Salaries, bonuses and allowances	456	870
Social security costs		
EPF - defined contribution plan	87	96
Recruitment fees		
Other staff related expenses	267	74
	<u>810</u>	<u>1,040</u>
(ii) Establishment costs		
Share of Group costs		
Share of information technology costs		
Depreciation of property, plant and equipment	3	2
Loss on sale of property, plant and equipment		
Property, plant and equipment written-off		
Amortization of intangible asset	4	4
Rental of premises	92	100
Others	44	37
	<u>143</u>	<u>143</u>
(iii) Marketing Expenses		
Advertising		
Others	2	-
	<u>2</u>	<u>-</u>
(iv) Administration and general expenses		
Legal and professional fees	180	57
Communication & transportation		
Others general expenses	61	44
	<u>241</u>	<u>101</u>

1. CAPITAL ADEQUACY

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

	Bank 30-Jun 2014 RM'000	Bank 31-Dec 2013 RM'000
Tier-I capital		
Capital fund	24,350	24,350
Accumulated losses	(476)	(476)
	<u>23,874</u>	<u>23,874</u>
Less :		
- Deferred tax assets	-	-
- 55% of cumulative gains of AFS financial instruments	(3)	(10)
- Other disclosed reserves	6	18
- Current unaudited loss	(784)	-
Total Tier-I capital	<u>23,093</u>	<u>23,882</u>
	Bank 30-Jun 2014 RM'000	Bank 31-Dec 2013 RM'000
Tier-II Capital		
Collective assessment allowance		-
Subordinated debt capital		-
Total Tier-II capital	<u>-</u>	<u>-</u>
Capital base	<u>23,093</u>	<u>23,882</u>
Capital Ratios		
Core capital ratio	448.147%	129.428%
Risk-weighted capital ratio	<u>448.147%</u>	<u>129.428%</u>

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

	Bank 30-Jun 2014 RM'000	Bank 31-Dec 2013 RM'000
Credit Risk	1,522	14,828
Market Risk	150	972
Operational Risk	3,481	2,652
Total risk-weighted assets	<u>5,153</u>	<u>18,452</u>

BNP PARIBAS MALAYSIA BERHAD
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Islamic Banking Operations
STATEMENT OF CHANGES IN ISLAMIC BANKING FUNDS
AS OF 30 JUNE 2014

Bank	Non-distributable →			Distributable	
	Share capital	Statutory reserves	Fair Value Reserves AFS Securities	Retained earnings	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2014	24,350	-	18	(476)	23,892
Profit/(Loss) for the quarter				(784)	(784)
Unrealised net loss on revaluation of securities available-for-sale			(10)		(10)
Deferred tax			(2)		(2)
Capital reallocation					-
At 30 June 2014	24,350	-	6	(1,260)	23,096

Bank	Non-distributable →			Distributable	
	Capital fund	Statutory reserve	Fair Value Reserves AFS Securities	Accumulated losses	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2013	23,600	-	2	(2,937)	20,665
Profit for the year				2,461	2,461
Unrealised net loss on revaluation of securities available-for-sale			22	-	22
Deferred tax			(6)		(6)
Capital reallocation	750				750
At 31 December 2013	24,350	-	18	(476)	23,892

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 30 June 2014					
Cost					
At 1 January 2014	-	-	-	22	22
Additions					-
Disposals	-		-	-	-
Write-off	-		-	-	-
At 30 June 2014	-	-	-	22	22
	-	-			-
Accumulated Depreciation					
At 1 January 2014	-	-	-	7	7
Charge for the year				3	3
Disposals	-			-	-
Write-off			-	-	-
At 30 June 2014	-	-	-	10	10
Net Book Value 30 June 2014	-	-	-	12	12

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 2013					
Cost					
At 1 January 2013	-	-	-	-	-
Additions				22	22
Disposals	-		-	-	-
Write-off	-		-	-	-
At 31 December 2013	-	-	-	22	22
	-	-			
Accumulated Depreciation					
At 1 January 2013	-	-	-	-	-
Charge for the year				7	7
Disposals	-			-	-
Write-off			-	-	-
At 31 December 2013	-	-	-	7	7
Net Book Value 31 Dec 2013	-	-	-	15	15