



BNP PARIBAS

BNP PARIBAS MALAYSIA BERHAD

(Company No. 918091 - T)

Incorporated in Malaysia

**UNAUDITED STATEMENT OF FINANCIAL POSITION
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018**

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

1. PERFORMANCE REVIEW

For the first quarter ended 31 March 2018, the Bank recorded a net profit after taxation of RM31.81 million. This was contributed by net interest income of RM19.23 million and non-interest income of RM35.83 million. Operating expenses was RM13.03 million whilst allowances for losses on loans and advances of RM0.04 million, resulting in pre-tax profit of RM41.99 million.

2. CURRENT YEAR PROSPECT

Economic growth in Malaysia is expected to remain strong in 2018 with forecast for GDP between +5.0% and +5.5%. Domestic demand is expected to continue to be the primary driver of growth, external sector should also contribute positively. Private sector consumption is targeted to grow by 7.3% in line with the anticipated increase in sustained spending in private consumption and investment activities. Inflation is expected to be controlled, hovering between 2.5% and 3.5%.

Market conditions in 2018 are expected to be volatile on the back of uncertain US economic policies, the anticipated US interest rate hike cycle and the forthcoming general elections in Malaysia. Whilst global economic recovery is underway, downside risk to growth remains. This is due to the threat of increased protectionism, policy uncertainties in major advanced economies and geo political tensions. Nevertheless, expansionary fiscal policy in major economies is expected to provide impetus for global growth. Structural reforms to enhance productivity coupled with greater trade and investment activities are expected to enhance resilience and improve global growth prospects.

The Belt and Road initiative is expected to provide ample opportunities for Malaysia to access new markets. The initiative is expected to derive massive benefits to Malaysia in terms of excellent infrastructure, connectivity, social facilities, better living standards and abundant business opportunities.

In such an environment MYR could continue to appreciate versus USD and major SEA countries.

Najmah will further improve and diversify tailor made products and solutions in Islamic Banking as it gains popularity with a wider range of investors, both Muslim and non-Muslim. Najmah will continue to tap into this increased interest in Islamic Banking.

The Bank will continue to maintain stringent selectivity and risk profile, remaining focused on Malaysian champions both from the Corporate and Financial sectors. Global Market will continue to improve its services to customers with suitable products and services with flow banking remaining a strategic component to finance the real economy. Investment Banking will continue improving the Bank's anchor and franchise.

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UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Note	Bank 31-Mar 2018 RM'000	Bank 31-Dec 2017 RM'000
ASSETS			
Cash and short-term funds	2	1,067,215	1,299,423
Reverse repurchase agreements	3	320,128	9,240
Financial assets held-for-trading	4	890,928	510,763
Financial assets available-for-sale	5	457,391	10,059
Loans, advances and financing	6	1,092,366	1,137,107
Derivative financial assets		398,183	571,049
Statutory deposits with Bank Negara Malaysia		-	-
Other assets	7	427,366	320,143
Property, plant and equipment	8	1,245	1,254
Intangible assets	9	2,442	2,674
Tax recoverable		-	1,644
Deferred tax assets		673	548
TOTAL ASSETS		4,657,937	3,863,904
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits from customers	10	1,183,173	1,221,912
Deposits and placements from banks and other financial institutions	11	1,773,340	785,929
Derivative financial liabilities		593,177	763,233
Other liabilities	12	345,811	368,224
Tax liabilities		6,328	-
TOTAL LIABILITIES		3,901,829	3,139,298

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UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018 (CONTD.)

	Note	Bank 31-Mar 2018 RM'000	Bank 31-Dec 2017 RM'000
Share capital	13	650,000	650,000
Retained profit		92,665	61,889
Reserves	14	13,443	12,717
SHAREHOLDER'S EQUITY		756,108	724,606
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		4,657,937	3,863,904
COMMITMENTS AND CONTINGENCIES	22	41,006,090	47,200,072

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

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BNP PARIBAS MALAYSIA BERHAD
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UNAUDITED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018

	Note	Bank 31-Mar 2018 RM'000	Bank 31-Mar 2017 RM'000
Interest income	15	30,233	26,507
Interest expenses	16	<u>(11,134)</u>	<u>(9,341)</u>
Net interest income		19,099	17,166
Net income from Islamic banking business	23	<u>129</u>	<u>168</u>
		19,228	17,334
Other operating income	17	35,827	14,637
Operating expenses	18	(13,026)	(19,847)
Write back/(Allowance made) for impairment on loans, advances and financing	19	<u>(37)</u>	<u>(152)</u>
Profit before tax		41,992	11,972
Taxation		<u>(10,178)</u>	<u>(3,035)</u>
Profit for the period		<u>31,814</u>	<u>8,937</u>

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BNP PARIBAS MALAYSIA BERHAD
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UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018

	Note	Bank 31-Mar 2018 RM'000	Bank 31-Mar 2017 RM'000
Profit for the period		<u>31,814</u>	<u>8,937</u>
Other comprehensive (loss)/income, net of income tax:			
Items that may be reclassified subsequently to profit or loss :			
Fair value reserve (from Investment AFS) :			
Net changes in fair value		<u>77</u>	<u>324</u>
Other comprehensive income		<u>77</u>	<u>324</u>
Total comprehensive income for the quarter ended		<u>31,891</u>	<u>9,261</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)

**UNAUDITED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018**

	Bank 31-Mar 2018 RM'000	Bank 31-Mar 2017 RM'000
Cash Flows from/(Used In) Operating Activities		
Profit before tax	41,992	11,972
Adjustments for:		
Depreciation of property, plant and equipment	139	213
Amortisation of intangible assets	232	15
(Write back of allowance)/Allowance for impairment on loans, advances and financing	37	172
Allowance (written back) for impairment on other receivables	-	(20)
Amortisation of premium less accretion of discount	3	43
Gain from sale on financial assets held-for-trading	(2,770)	(2,819)
Unrealised (gain)/loss on derivative financial instrument	(18,654)	54,913
Unrealised loss /(gain) on foreign exchange	(35,957)	152,226
Unrealised (gain)/loss on financial assets held for trading	(662)	-
Operating profit before working capital changes	(15,640)	216,715

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UNAUDITED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018(CONTD.)

	Bank	Bank
	31-Mar	31-Mar
	2018	2017
	RM'000	RM'000
(Increase)/Decrease in:		
Financial assets held for trading	(376,733)	(360,119)
Financial assets available-for-sale	(447,258)	(283,405)
Loans, advances and financing	44,315	(173,714)
Reverse repurchase agreements	(310,888)	(29,873)
Other assets	(107,223)	73,778
Increase/(Decrease) in:		
Deposits from customers	(38,739)	224,076
Deposits and placements from banks and other financial institutions	987,411	378,295
Derivative financial asstes/liabilities	57,421	24,398
Other liabilities	(22,381)	(154,703)
Net cash (used in)/generated from operations	(229,715)	(84,552)
Income taxes paid	(2,363)	(1,034)
Net cash (used in)/from operating activities	<u>(232,078)</u>	<u>(85,586)</u>
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	<u>(130)</u>	<u>(32)</u>
Net cash (used in)/generated from investing activities	<u>(130)</u>	<u>(32)</u>

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UNAUDITED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018(CONTD.)

	Bank	Bank
	31-Mar	31-Mar
	2018	2017
	RM'000	RM'000
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(232,208)	(85,618)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,299,423</u>	<u>2,077,547</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>1,067,215</u>	<u>1,991,929</u>
Cash and cash equivalents comprise the following:		
Cash and short-term funds	1,067,215	1,891,903
Deposits and placements with banks and other financial institutions	-	100,026
	<u>1,067,215</u>	<u>1,991,929</u>

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

BNP PARIBAS MALAYSIA BERHAD
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UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018

	← Non-distributable →			Revaluation reserve-	Retained profits/ (Accumulated losses)	Total
	Share capital RM'000	Statutory reserves RM'000	Regulatory reserves RM'000	financial assets available--for-sale RM'000	RM'000	RM'000
At 1 January 2018	650,000	-	12,705	12	61,889	724,606
IFRS9 Day 1 Adjustment	-	-	-	-	(389)	(389)
At 1 January 2018, as restated	650,000	-	12,705	12	61,500	724,217
Profit for the quarter ended	-	-	-	-	31,814	31,814
Transfer to regulatory reserve	-	-	649	-	(649)	-
Other comprehensive loss	-	-	-	77	-	77
At 31 March 2018	650,000	-	13,354	89	92,665	756,108

	← Non-distributable →			Revaluation reserve-	Retained profits/ (Accumulated losses)	Total
	Share capital RM'000	Statutory reserves RM'000	Regulatory reserves RM'000	financial assets available--for-sale RM'000	RM'000	RM'000
At 1 January 2017	650,000	32,155	9,636	(323)	(11,989)	679,479
Profit for the year	-	-	-	-	44,792	44,792
Transfer from statutory reserve	-	(32,155)	-	-	32,155	-
Transfer to regulatory reserve	-	-	3,069	-	(3,069)	-
Other comprehensive income	-	-	-	335	-	335
At 31 December 2017	650,000	-	12,705	12	61,889	724,606

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018

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

	Bank 31-Mar 2018 RM'000	Bank 31-Dec 2017 RM'000
At Amortised Cost:		
Cash and balances with banks and other financial institutions	34,193	48,917
Money at call and deposit placements maturing within one month	1,033,022	1,250,506
	<u>1,067,215</u>	<u>1,299,423</u>

3. REVERSE REPURCHASE AGREEMENTS

	Bank 31-Mar 2018 RM'000	Bank 31-Dec 2017 RM'000
At Amortised Cost:		
Government Securities:		
Malaysian Government Securities	320,128	9,240
	<u>320,128</u>	<u>9,240</u>

4. FINANCIAL ASSETS HELD-FOR-TRADING

	Bank 31-Mar 2018 RM'000	Bank 31-Dec 2017 RM'000
At Fair Value:		
Government Securities:		
Malaysian Government Securities	453,576	334,045
Malaysian Government Investment Issues	428,500	69,872
Treasury Bills	8,852	106,846
	<u>890,928</u>	<u>510,763</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018 (CONTD.)

5. FINANCIAL ASSETS AVAILABLE-FOR-SALE

	Bank 31-Mar 2018 RM'000	Bank 31-Dec 2017 RM'000
At Fair Value:		
Government securities:		
Malaysian Government Investment Issues	10,136	10,059
Bank Negara Malaysia Debt Securities	447,255	-
	<u>457,391</u>	<u>10,059</u>

6. LOANS, ADVANCES AND FINANCING

	Bank 31-Mar 2018 RM'000	Bank 31-Dec 2017 RM'000
At amortised cost:		
(i) By type		
Revolving credit	634,736	654,529
Term loans	303,821	302,257
Trust receipts	40,762	56,927
Bills discounting	-	-
Other trade bills discounted	110,221	117,964
Overdrafts	4,203	6,381
	<u>1,093,743</u>	<u>1,138,058</u>
Less: Allowance for impaired loans and financing :		
- Collective assessment allowance	(1,377)	(951)
Net loans, advances and financing	<u>1,092,366</u>	<u>1,137,107</u>
(ii) By type of customer		
Domestic business enterprises	1,050,912	1,094,440
Financial institutions	42,831	43,618
	<u>1,093,743</u>	<u>1,138,058</u>
(iii) By interest rate sensitivity		
Variable rate:		
BLR-minus	-	-
BLR-plus	-	-
Cost plus	1,093,743	1,138,058
	<u>1,093,743</u>	<u>1,138,058</u>
(iv) By residual contractual maturity		
Maturing within one year	953,482	804,112
More than one year to five years	124,759	321,646
More than five years	15,502	12,300
	<u>1,093,743</u>	<u>1,138,058</u>
(v) By geographical distribution		
In Malaysia	1,093,743	1,138,058
	<u>1,093,743</u>	<u>1,138,058</u>

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6. LOANS, ADVANCES AND FINANCING (CONTD.)

(vi) By Sector	Bank 31-Mar 2018 RM'000	Bank 31-Dec 2017 RM'000
Manufacturing	789,481	785,994
Wholesale and retail	56,075	97,467
Construction	6,001	8,002
Financial services	42,831	43,618
Other business services	187,177	190,599
Real estate activities	12,178	12,378
	<u>1,093,743</u>	<u>1,138,058</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.

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

	Bank 31-Mar 2018 RM'000	Bank 31-Dec 2017 RM'000
Collective impairment allowances		
Balance as at 1 January	951	570
Adjustment on IFRS9	389	-
	<u>1,340</u>	<u>570</u>
Add: Allowances made during the year	37	381
Less: Write back made during the year	-	-
Balance as of 31 March/31 Dec	<u>1,377</u>	<u>951</u>
 Loss allowance for non-credit-impaired exposures and regulatory reserves as % of total credit exposures net of loss allowance for credit-impaired exposures	 <u>1.00%</u>	 <u>1.20%</u>

7. OTHER ASSETS

	Bank 31-Mar 2018 RM'000	Bank 31-Dec 2017 RM'000
Other receivables	137,991	48,254
Less: Allowance for impairment on other receivables	(1)	(1)
	<u>137,990</u>	<u>48,253</u>
 Collateral assets	 287,271	 269,686
Deposit	958	958
Prepayments	1,147	1,246
	<u>427,366</u>	<u>320,143</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018 (CONTD.)

9. INTANGIBLE ASSETS

	Bank 31-Mar 2018 RM'000	Bank 31-Dec 2017 RM'000
<u>Computer Software:</u>		
Cost		
At 1 January	432	432
Additions	-	-
Write Off	-	-
At 31 March/31 Dec	432	432
Accumulated Amortisation		
At 1 January	358	297
Amortisation for the year	15	61
Write-off	-	-
At 31 March/31 Dec	373	358
Net Book Value	59	74
<u>Interbank Giro license fees</u>		
Cost		
At 1 January	2,600	2,600
Additions	-	-
Write Off	-	-
At 31 March/31 Dec	2,600	2,600
Accumulated Depreciation		
At 1 January	-	-
Amortisation for the year	217	-
At 31 March/31 Dec	217	-
Net Book Value	2,383	2,600
Total Net Book Value	2,442	2,674

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018 (CONTD.)

10. DEPOSITS FROM CUSTOMERS

Type	Bank 31-Mar 2018 RM'000	Bank 31-Dec 2017 RM'000
At amortised cost:		
Demand deposits	536,254	474,412
Fixed deposits	635,899	736,890
Commodity Murabahah	11,020	10,610
	1,183,173	1,221,912
 (i) Maturity structure of fixed deposits and Commodity Murabahah are as follows:		
Due within six months	643,890	742,301
Six months to one year	3,029	5,199
	646,919	747,500
 (ii) The deposits are sourced from the following types of customers:		
Business enterprises	1,169,543	1,209,606
Non-bank financial institutions	13,630	12,306
	1,183,173	1,221,912

11. DEPOSITS AND PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	Bank 31-Mar 2018 RM'000	Bank 31-Dec 2017 RM'000
At amortised cost:		
Other financial institutions	1,773,340	785,929
	1,773,340	785,929

12. OTHER LIABILITIES

	Bank 31-Mar 2018 RM'000	Bank 31-Dec 2017 RM'000
Other payables	137,875	110,606
Accruals and charges	13,400	14,434
Collateral deposits	194,536	243,184
	345,811	368,224

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018 (CONTD.)

13. SHARE CAPITAL

	Bank 31-Mar 2018 RM'000	Bank 31-Dec 2017 RM'000
Issued and fully paid:		
Balance as at 31 March/December	650,000	650,000

14. RESERVES

	Bank 31-Mar 2018 RM'000	Bank 31-Dec 2017 RM'000
Non-distributable:		
Revaluation reserve-available-for-sale securities	89	12
Regulatory reserve	13,354	12,705
	<u>13,443</u>	<u>12,717</u>

15. INTEREST INCOME

	Bank 31-Mar 2018 RM'000	Bank 31-Mar 2017 RM'000
Loans, advances and financing	10,695	8,743
Money at call and deposit placements with financial institutions	6,415	8,744
Financial assets - Available-for-sale	1,640	1,103
Financial assets - Held-for-trading	6,168	3,211
Other interest income	5,318	4,749
	<u>30,236</u>	<u>26,550</u>
Amortisation of premium less accretion of discount	(3)	(43)
Total Interest Income	<u>30,233</u>	<u>26,507</u>
Of which:		
Interest income earned on impaired loans, advances and financing	<u>-</u>	<u>-</u>

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16. INTEREST EXPENSE

	Bank 31-Mar 2018 RM'000	Bank 31-Mar 2017 RM'000
Deposits from customers	5,939	5,136
Deposits and placements from banks and other financial institutions	5,185	4,204
Other interest expense	10	1
	<u>11,134</u>	<u>9,341</u>

17. OTHER OPERATING INCOME

	Bank 31-Mar 2018 RM'000	Bank 31-Mar 2017 RM'000
Fee income:		
Commissions	267	99
Guarantee fees	451	349
Other fee income :	2,834	1,798
	<u>3,552</u>	<u>2,246</u>
Net gain/(loss) arising from sale of securities:		
Financial assets held-for-trading	2,770	2,819
Financial assets available-for-sale	-	-
	<u>2,770</u>	<u>2,819</u>
Unrealised gain/(loss) on revaluation of securities:		
Financial assets held-for-trading	662	(1,150)
	<u>662</u>	<u>(1,150)</u>
Other income:		
Foreign exchange:		
- Realised gain/(loss)	(37,689)	159,040
- Unrealised gain/(loss)	35,957	(152,226)
Gain/(Loss) on derivatives trading		
- Realised gain/(loss)	6,705	57,264
- Unrealised gain/(loss)	18,654	(54,913)
Others	5,216	1,557
	<u>28,843</u>	<u>10,722</u>
Total	<u>35,827</u>	<u>14,637</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018 (CONTD.)

18. OTHER OPERATING EXPENSES

	Bank 31-Mar 2018 RM'000	Bank 31-Mar 2017 RM'000
Personnel costs (Note a)	7,448	8,382
Establishment costs (Note b)	3,506	3,565
Marketing expenses (Note c)	153	222
Administration and general expenses (Note d)	1,919	7,678
	<u>13,026</u>	<u>19,847</u>
(a) Personnel costs		
Salaries, bonuses and allowances	5,358	6,371
EPF - defined contribution plan	551	815
Other staff related expenses	1,539	1,196
	<u>7,448</u>	<u>8,382</u>
(b) Establishment costs		
Share of information technology costs	1,867	1,883
Depreciation of property, plant and equipment	139	213
Amortization of intangible asset	232	15
Rental of premises	398	511
Others	870	943
	<u>3,506</u>	<u>3,565</u>
(c) Marketing Expenses		
Advertising	15	25
Others	138	197
	<u>153</u>	<u>222</u>
(d) Administration and general expenses		
Legal and professional fees	308	359
Communication & transportation	53	60
Others general expenses	1,558	7,259
	<u>1,919</u>	<u>7,678</u>

19. ALLOWANCE FOR IMPAIRMENT ON LOANS, ADVANCES AND FINANCING

	Bank 31-Mar 2018 RM'000	Bank 31-Mar 2017 RM'000
Allowance for impaired loans, advances and financing:		
Collective Assessment allowance:		
- Made in the financial year	37	172
- Written back in the financial year	-	(20)
	<u>37</u>	<u>152</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018 (CONTD.)

20. CAPITAL ADEQUACY

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

	Bank 31-Mar 2018 RM'000	Bank 31-Dec 2017 RM'000
Tier-I capital		
Paid-up share capital	650,000	650,000
Retained profits	61,240	61,889
IFRS9 Day 1 Adjustment	(389)	-
Other disclosed reserves	89	12
	<u>710,940</u>	<u>711,901</u>
<u>Less : Regulatory adjustments</u>		
Intangible assets	(2,442)	(2,674)
Deferred tax assets	(673)	(548)
55% of cumulative gains of AFS financial instruments	(49)	(7)
Total Tier-I capital	<u>707,776</u>	<u>708,672</u>
	Bank 31-Mar 2018 RM'000	Bank 31-Dec 2017 RM'000
Tier-II Capital		
Collective assessment allowance	1,377	951
Regulatory reserve	13,354	12,705
Total Tier-II capital	<u>14,731</u>	<u>13,656</u>
Total capital funds	722,507	722,328
Less: Investment in subsidiary companies	-	-
Capital base	<u>722,507</u>	<u>722,328</u>
Capital Ratios		
Common Equity Tier 1 Ratio	22.733%	21.306%
Tier 1 Capital Ratio	22.733%	21.306%
Total Capital Ratio	<u>23.206%</u>	<u>21.716%</u>

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

	Bank 31-Mar 2018 RM'000	Bank 31-Dec 2017 RM'000
Credit Risk	1,919,104	1,983,647
Market Risk	838,283	1,008,574
Operational Risk	356,034	334,017
Total risk-weighted assets	<u>3,113,421</u>	<u>3,326,238</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018 (CONTD.)

8. PROPERTY, PLANT AND EQUIPMENT

Bank	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	Renovation work-in progress RM'000	Total RM'000
At 31 March 2018							
Cost							
At 1 January 2018	213	4,256	1,825	4,443	15	-	10,752
Additions	6	-	-	124	-	-	130
Disposals	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-
At 31 March 2018	219	4,256	1,825	4,567	15	-	10,882
Accumulated Depreciation							
At 1 January 2018	168	3,842	1,423	4,054	11	-	9,498
Charge for the year	6	43	28	61	1	-	139
Disposals	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	-
At 31 March 2018	174	3,885	1,451	4,115	12	-	9,637
Net Book Value 31 March 2018	45	371	374	452	3	-	1,245

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018 (CONTD.)

8. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

	Office equipment and machinery RM'000	Renovation and installation RM'000	Furniture, fixtures and fittings RM'000	Computer Equipment RM'000	Motor vehicle RM'000	Renovation work-in progress RM'000	Total RM'000
At 31 December 2017							
Cost							
At 1 January 2017	212	4,126	1,456	4,306	15	269	10,384
Additions	1	-	-	100	-	270	371
Write-off	-	-	-	-	-	(3)	(3)
Reclassification	-	130	369	37	-	(536)	-
At 31 December 2017	213	4,256	1,825	4,443	15	-	10,752
Accumulated Depreciation							
At 1 January 2017	145	3,588	1,344	3,781	8	-	8,866
Charge for the year	23	254	79	273	3	-	632
At 31 December 2017	168	3,842	1,423	4,054	11	-	9,498
Net Book Value 31 December 2017	45	414	402	389	4	-	1,254

Company No. 918091-T

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018 (CONTD.)

21. INTEREST RATE RISK

The following table represents the Bank's assets and liabilities at carrying amounts as at 31 March 2018

	Up to 1 month RM'000	Non-Trading Book			Over 5 years RM'000	Trading book RM'000	Non-interest sensitive RM'000	Total RM'000
		1 - 3 months RM'000	3 - 12 months RM'000	1 - 5 years RM'000				
Assets								
Cash and short-term funds	1,066,302	-	-	-	-	-	913	1,067,215
Reverse repurchase agreements	9,785	309,857	-	-	-	-	486	320,128
Financial assets held-for-trading	-	-	-	-	-	890,928	-	890,928
Financial assets available-for-sale	-	457,258	-	-	-	-	133	457,391
Loans, advances and financing	397,833	594,166	35,237	63,535	-	-	1,595	1,092,366
Derivatives Financial assets	-	-	-	-	-	398,183	-	398,183
Other assets	-	-	-	-	-	-	425,261	425,261
Total Assets	1,473,920	1,361,281	35,237	63,535	-	1,289,111	428,388	4,651,472
Liabilities								
Deposits from customers	977,780	175,295	29,038	-	-	-	1,060	1,183,173
Deposits and placements from banks and other financial institutions	1,764,409	7,500	-	-	-	-	1,431	1,773,340
Derivatives Financial Liabilities	-	-	-	-	-	593,177	-	593,177
Other liabilities	-	-	-	-	-	-	345,811	345,811
Total Liabilities	2,742,189	182,795	29,038	-	-	593,177	348,302	3,895,501
Net interest rate gap	(1,268,269)	1,178,486	6,199	63,535	-	695,934	80,086	755,971

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018 (CONTD.)

21. INTEREST RATE RISK (CONTD)

The following table represents the Bank's assets and liabilities at carrying amounts as of 31 December 2017

	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	1,298,917	-	-	-	-	-	506	1,299,423
Reverse repurchase agreements	9,232	-	-	-	-	-	8	9,240
Financial assets held-for-trading	-	-	-	-	-	510,763	-	510,763
Financial assets available-for-sale	-	-	10,014	-	-	-	45	10,059
Loans, advances and financing	506,327	211,017	84,432	321,647	12,300	-	1,384	1,137,107
Derivative financial assets	-	-	-	-	-	571,049	-	571,049
Other assets	-	-	-	-	-	-	317,939	317,939
Total Assets	1,814,476	211,017	94,446	321,647	12,300	1,081,812	319,882	3,855,580
Liabilities								
Deposits from customers	1,036,340	153,959	30,679	-	-	-	934	1,221,912
Deposits and placements from banks and other financial institutions	689,019	95,281	-	-	-	-	1,629	785,929
Derivatives financial liabilities	-	-	-	-	-	763,233	-	763,233
Other liabilities	-	-	-	-	-	-	368,224	368,224
Total Liabilities	1,725,359	249,240	30,679	-	-	763,233	370,787	3,139,298
Net interest rate gap	89,117	(38,223)	63,767	321,647	12,300	318,579	(50,905)	716,282

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018 (CONTD.)

22. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Bank makes various commitments and incurs certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions. The 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:

	Bank 31-Mar 2018 RM'000	Bank 31-Dec 2017 RM'000
<u>Commitments and Contingent Liabilities</u>		
Direct credit substitutes	298,553	324,257
Transaction-related contingent items		
Short-term self-liquidating trade-related contingencies	10,474	8,290
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	157,505	39,531
Foreign exchange derivatives:		
- one year or less	25,412,425	27,670,712
- over one year to five years	1,335,482	1,888,059
Interest rate derivatives:		
- one year or less	7,472,004	11,017,129
- over one year to five years	5,719,482	5,687,434
- over five years	15,000	15,000
Credit Derivatives:		
- one year or less	-	485
- over one year to five years	585,165	549,175
	<u>41,006,090</u>	<u>47,200,072</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

23. Islamic Banking Window

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Note	Bank 31-Mar 2018 RM'000	Bank 31-Dec 2017 RM'000
ASSETS			
Cash and short-term funds	(a)	23,891	22,591
Loans, advances and financing	(b)	4,056	4,017
Other assets	(c)	8,833	8,829
Property, plant and equipment	(d)	3	3
Intangible assets	(e)	4	4
TOTAL ASSETS		<u>36,787</u>	<u>35,444</u>
LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits from customers	(f)	15,057	13,605
Deposits and placements from banks and other financial institutions		-	-
Other liabilities		425	447
Tax Liabilities		131	131
Total liabilities		<u>15,613</u>	<u>14,183</u>
Capital fund		24,350	24,350
Accumulated losses		(3,216)	(3,137)
Reserves		40	48
Islamic Banking Funds		<u>21,174</u>	<u>21,261</u>
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS		<u>36,787</u>	<u>35,444</u>

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

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

23. Islamic Banking Window

UNAUDITED STATEMENT OF PROFIT OR LOSS		Bank	Bank
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018		31-Mar	31-Mar
		2018	2017
		RM'000	RM'000
Income derived from investment of Islamic banking funds and depositors' funds	(g)	201	240
Profit expense to depositors		(72)	(72)
		<hr/>	<hr/>
Net income derived from investment of Islamic Banking funds and depositors' funds		129	168
Other operating income	(h)	92	773
Other operating expenses	(i)	(308)	(520)
Write back for impairment on loans, advances and financing		-	-
		<hr/>	<hr/>
Profit/(Loss) for the financial quarter before zakat and taxation		(87)	421
Zakat		-	-
Income tax expense		-	-
		<hr/>	<hr/>
Profit/(Loss) for the financial quarter after zakat and taxation		(87)	421
		<hr/> <hr/>	<hr/> <hr/>
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss :			
Fair value reserve (from Investment AFS) :			
Net changes in fair value		-	-
		<hr/>	<hr/>
		<hr/>	<hr/>
Total comprehensive profit/(loss) for the quarter		(87)	421
		<hr/> <hr/>	<hr/> <hr/>

BNP PARIBAS MALAYSIA BERHAD**(Incorporated in Malaysia)****Islamic Banking Operations****UNAUDITED STATEMENT OF CHANGES IN EQUITY IN ISLAMIC BANKING FUNDS****FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018**

	Share capital RM'000	Regulatory reserve RM'000	Revaluation reserve- financial assets available--for-sale RM'000	Accumulated losses RM'000	Total RM'000
At 1 January 2018	24,350	48	-	(3,137)	21,261
Loss for the quarter	-	-	-	(87)	(87)
Transfer from regulatory reserve	-	-	-	-	-
At 31 March 2018	24,350	48	-	(3,224)	21,174

	Capital fund RM'000	Regulatory reserve RM'000	Revaluation reserve- financial assets available--for-sale RM'000	Accumulated losses RM'000	Total RM'000
At 1 January 2017	24,350	-	-	(2,532)	21,818
Loss for the year	-	-	-	(557)	(557)
Transfer to regulatory reserve	-	48	-	(48)	-
Other comprehensive income	-	-	-	-	-
At 31 December 2017	24,350	48	-	(3,137)	21,261

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

23. Islamic Banking Window

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018 (CONTI

(a) CASH AND SHORT-TERM FUNDS

	Bank 31-Mar 2018 RM'000	Bank 31-Dec 2017 RM'000
At Amortised Cost		
Cash and balances with banks and other financial institutions	5,088	1,586
Money at call and deposit placements maturing within one month	18,803	21,005
	<u>23,891</u>	<u>22,591</u>

(b) LOANS, ADVANCES AND FINANCING

	Bank 31-Mar 2018 RM'000	Bank 31-Dec 2017 RM'000
At amortised cost:		
By type		
Revolving credit	4,057	4,018
Less: Collective impairment allowances	(1)	(1)
Net loans, advances and financing	<u>4,056</u>	<u>4,017</u>

(c) OTHER ASSETS

	Bank 31-Mar 2018 RM'000	Bank 31-Dec 2017 RM'000
Other receivables, deposit and prepayments	8,833	8,829
Less: Allowance for doubtful debt on other receivables	-	-
	<u>8,833</u>	<u>8,829</u>

Movements of allowance for impairment on other receivables are as follows:

	Bank 31-Mar 2018 RM'000	Bank 31-Dec 2017 RM'000
Individual impairment allowance		
Balance as at 1 January	-	500
Add: Allowance made during the year	-	-
Less: Write back made during the year	-	(500)
Balance as at 31 March/December	<u>-</u>	<u>-</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018 (CONTD.)

23. Islamic Banking Window

(e) INTANGIBLE ASSETS

	Bank 31-Mar 2018 RM'000	Bank 31-Dec 2017 RM'000
<u>Computer Software:</u>		
Cost		
At 1 January	41	41
Additions	-	-
Write Off	-	-
At 31 March/December	41	41
Accumulated Amortisation		
At 1 January	37	36
Amortisation for the year	-	1
At 31 March/December	37	37
Net Book Value	4	4

(f) DEPOSITS FROM CUSTOMERS

Type	Bank 31-Mar 2018 RM'000	Bank 31-Dec 2017 RM'000
At Amortised Cost:		
Non-Mudharabah Fund		
Demand deposits	4,037	2,996
Commodity Murabahah	11,020	10,609
	15,057	13,605

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

	Bank 31-Mar 2018 RM'000	Bank 31-Dec 2017 RM'000
Due within six months	11,020	10,609

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

	Bank 31-Mar 2018 RM'000	Bank 31-Dec 2017 RM'000
Business enterprise	7,463	7,151
Domestic non-bank financial institution	7,594	6,454
	15,057	13,605

BNP PARIBAS MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018 (CONTD.)

23. Islamic Banking Window

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

	Bank 31-Mar 2018 RM'000	Bank 31-Mar 2017 RM'000
Loans, advances and financing	39	-
Money at call and deposit placement with financial institutions	162	229
Financial assets available-for-sale	-	12
	<u>201</u>	<u>241</u>
Amortisation of premium less accretion of discount	-	(1)
	<u>201</u>	<u>240</u>

(h) OTHER OPERATING INCOME

Fee income:		
Commissions	-	-
Other fee income	63	782
Foreign exchange:		
- Unrealised loss	(12)	-
Others	41	(9)
Total	<u>92</u>	<u>773</u>

BNP PARIBAS MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018 (CONTD.)

23. Islamic Banking Window

(i) OTHER OPERATING EXPENSES

	Bank 31-Mar 2018 RM'000	Bank 31-Mar 2017 RM'000
Personnel costs (Note i)	259	373
Establishment costs (Note ii)	20	22
Marketing expenses (Note iii)	-	-
Administration and general expenses (Note iv)	29	125
	<u>308</u>	<u>520</u>
(i) Personnel Costs		
Salaries, bonuses and allowances	194	279
EPF - defined contribution plan	36	52
Other staff related expenses	29	42
	<u>259</u>	<u>373</u>
(ii) Establishment costs		
Rental of premises	16	20
Amortisation of intangible assets	-	-
Depreciation of property, plant and equipment	-	2
Others	4	-
	<u>20</u>	<u>22</u>
(iii) Marketing Expenses		
Others	-	-
	<u>-</u>	<u>-</u>
(iv) Administration and general expenses		
Legal and professional fees	15	113
Others	14	12
	<u>29</u>	<u>125</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018 (CONTD.)

23. Islamic Banking Window

(j) CAPITAL ADEQUACY

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

	Bank 31-Mar 2018 RM'000	Bank 31-Dec 2017 RM'000
Tier-I capital		
Capital fund	24,350	24,350
Accumulated losses	(3,137)	(3,137)
	<u>21,213</u>	<u>21,213</u>
Less :		
- Intangible assets	(4)	(4)
- 55% of cumulative gains of AFS financial instruments	-	-
- Other disclosed reserves	-	-
Total Tier-I capital	<u>21,209</u>	<u>21,209</u>
	Bank 31-Mar 2018 RM'000	Bank 31-Dec 2017 RM'000
Tier-II Capital		
Collective assessment allowance	1	1
Regulatory reserve	48	48
Total Tier-II capital	<u>49</u>	<u>49</u>
Capital base	<u>21,258</u>	<u>21,258</u>
Capital Ratios		
Tier 1 Capital Ratio	127.030%	131.374%
Tier 1 Capital Ratio	127.030%	131.374%
Total Capital Ratio	<u>127.324%</u>	<u>131.677%</u>

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

	Bank 31-Mar 2018 RM'000	Bank 31-Dec 2017 RM'000
Credit Risk	13,030	12,851
Market Risk	271	246
Operational Risk	3,395	3,047
Total risk-weighted assets	<u>16,696</u>	<u>16,144</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018 (CONTD.)

23. Islamic Banking Window

(d) 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 2018					
Cost					
At 1 January 2018	6	-	-	23	29
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2018	6	-	-	23	29
Accumulated Depreciation					
At 1 January 2018	3	-	-	23	26
Charge for the year	-	-	-	-	-
At 31 March 2018	3	-	-	23	26
Net Book Value 31 March 2018	3	-	-	-	3

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018 (CONTD.)

23. Islamic Banking Window

(d) 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 2017					
Cost					
At 1 January 2017	6	-	-	23	29
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Write-off	-	-	-	-	-
At 31 December 2017	6	-	-	23	29
Accumulated Depreciation					
At 1 January 2017	2	-	-	23	25
Charge for the year	1	-	-	-	1
At 31 December 2017	3	-	-	23	26
Net Book Value 31 Dec 2017	3	-	-	-	3