



BNP PARIBAS

BNP PARIBAS MALAYSIA BERHAD

(Company No. 918091 - T)

Incorporated in Malaysia

**UNAUDITED STATEMENT OF FINANCIAL POSITION
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019**

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

1. PERFORMANCE REVIEW

For the first quarter ended 31 March 2019, the Bank recorded a net profit after taxation of RM21.65 million. This was contributed by net interest income of RM27.84 million and non-interest income of RM32.77 million. Operating expenses was RM31.47 million whilst written back of expected credit losses on financial assets of RM0.10 million, resulting in pre-tax profit of RM29.35 million.

2. CURRENT YEAR PROSPECT

The Malaysian Institute of Economic Research (MIER) has forecasted Malaysia's 2019 gross domestic product (GDP) to grow between 4.5% as compared to 4.7%. The lower growth forecast was due to overall slowdown in the global and domestic demand.

Private sector expenditure will remain the key driver of growth, with stable employment and wage growth, supporting private consumption which accounts for approximately 55% of GDP. Private sector is expected to expand with outlays channeled into the services and manufacturing sectors. Malaysia's lower public investment is weighing on growth, most notably post-General Elections whereby the new Government is taking a more prudent approach on new mega-projects.

Meanwhile, the Bank would continue to focus on services which brings the best value to its customers amid a challenging economic environment locally and globally.

3. DIVIDENDS

The Directors propose the payment of an interim single-tier dividend of 10.00 sen per ordinary shares on 650,000,000 ordinary shares amounting to RM65,000,000 in respect of the current financial period ended 31 March 2019. The financial statements for the current financial period do not reflect this proposed dividend. Such dividend, if approved by the shareholder will be accounted for in equity as an appropriation of retained earnings in the financial year ended 31 December 2019.

Company No. 918091-T

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Note	Bank 31-Mar 2019 RM'000	Bank 31-Dec 2018 RM'000
ASSETS			
Cash and short-term funds	2	1,559,028	2,003,833
Deposits and placements with banks and other financial institutions	3	600,276	300,110
Reverse repurchase agreements	4	9,585	49,225
Financial assets at fair value through Profit or Loss ("FVTPL")	5	759,730	1,734,650
Financial investments at fair value through other comprehensive income ("FVOCI")	6	757,786	280,836
Loans, advances and financing	7	1,176,402	1,168,302
Derivative financial assets		290,349	374,980
Other assets	8	21,960	56,534
Property, plant and equipment	9	4,168	1,730
Intangible assets	10	1,251	1,807
Deferred tax assets		1,632	3,704
TOTAL ASSETS		5,182,167	5,975,711
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits from customers	11	1,719,259	1,969,571
Deposits and placements from banks and other financial institutions	12	1,968,139	2,759,765
Derivative financial liabilities		237,609	230,293
Other liabilities	13	438,595	222,514
Tax liabilities		6,973	3,723
TOTAL LIABILITIES		4,370,575	5,185,866

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 December 2018.

Company No. 918091-T

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019 (CONTD.)

	Note	Bank 31-Mar 2019 RM'000	Bank 31-Dec 2018 RM'000
Share capital	14	650,000	650,000
Retained profits		145,627	124,513
Reserves	15	15,965	15,332
SHAREHOLDER'S EQUITY		811,592	789,845
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		5,182,167	5,975,711
COMMITMENTS AND CONTINGENCIES	23	62,189,582	58,167,877

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 December 2018.

Company No. 918091-T

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019

	Note	Bank 31-Mar 2019 RM'000	Bank 31-Mar 2018 RM'000
Interest income	16	34,760	24,065
Interest income for financial asset at FVTPL		11,126	6,168
Interest expenses	17	<u>(18,051)</u>	<u>(11,134)</u>
Net interest income		27,835	19,099
Net income from Islamic banking business	24	<u>112</u>	<u>129</u>
		27,947	19,228
Other operating income	18	32,772	35,827
Operating expenses	19	(31,472)	(13,026)
Expected credit losses for impairment on financial asset	20	102	(37)
Profit before tax		<u>29,349</u>	<u>41,992</u>
Taxation		<u>(7,698)</u>	<u>(10,178)</u>
Profit for the financial period		<u>21,651</u>	<u>31,814</u>

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 December 2018.

Company No. 918091-T

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019

	Note	Bank 31-Mar 2019 RM'000	Bank 31-Mar 2018 RM'000
Profit for the financial period		<u>21,651</u>	<u>31,814</u>
Other comprehensive income, net of income tax: Items that may be reclassified subsequently to profit or loss :			
Revaluation reserve - financial investments at FVOCI :			
Net changes in fair value		<u>322</u>	<u>77</u>
Other comprehensive income		<u>322</u>	<u>77</u>
Total comprehensive income for the financial period		<u>21,973</u>	<u>31,891</u>

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 December 2018.

Company No. 918091-T

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

UNAUDITED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019

	Bank 31-Mar 2019 RM'000	Bank 31-Mar 2018 RM'000
Cash Flows from/(Used In) Operating Activities		
Profit before tax	29,349	41,992
Adjustments for:		
Depreciation of property, plant and equipment	838	139
Amortisation of intangible assets	556	232
Expected credit losses/Allowance for impairment on loans, advances and financing	(102)	37
Amortisation of premium less accretion of discount	518	3
Loss/(Gain) from sale on financial assets held-for-trading	-	(2,770)
Interest income on financial investments at FVOCI	(4,739)	-
Unrealised (gain)/loss on derivative financial instrument	(743)	(18,654)
Unrealised (gain)/loss on foreign exchange	37,792	(35,957)
Unrealised gain on financial assets held for trading	(2,638)	(662)
Operating profit before working capital changes	<u>60,831</u>	<u>(15,640)</u>

Company No. 918091-T

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

UNAUDITED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019 (CONTD.)

	Bank	Bank
	31-Mar	31-Mar
	2019	2018
	RM'000	RM'000
(Increase)/Decrease in:		
Deposits and placements with banks and other financial institutions	(300,166)	-
Financial assets at FVTPL	977,558	(376,733)
Financial investments at FVOCI	-	(447,258)
Loans, advances and financing	(8,222)	44,315
Right of use asset	(2,977)	-
Reverse repurchase agreements	39,639	(310,888)
Other assets	34,575	(107,223)
Increase/(Decrease) in:		
Deposits from customers	(250,312)	(38,739)
Deposits and placements from banks and other financial institutions	(791,627)	987,411
Derivative financial assets/liabilities	54,898	57,421
Other liabilities	216,774	(22,381)
Net cash (used in)/generated from operations	30,971	(229,715)
Income taxes paid	(2,377)	(2,363)
Net cash (used in)/from operating activities	<u>28,594</u>	<u>(232,078)</u>
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(298)	(130)
Net proceeds from sales of financial investments at FVOCI	(471,222)	-
Interest income on financial investments at FVOCI	(1,185)	-
Net cash (used in)/generated from investing activities	<u>(472,705)</u>	<u>(130)</u>

Company No. 918091-T

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

UNAUDITED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019 (CONTD.)

	Bank	Bank
	31-Mar	31-Mar
	2019	2018
	RM'000	RM'000
Cash Flows from / (Used In) Financing Activities		
Payment for lease liabilities	(694)	-
Net cash used in financing activities	(694)	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	(444,805)	(232,208)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,003,833	1,299,423
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,559,028	1,067,215
Cash and cash equivalents comprise the following:		
Cash and short-term funds	1,559,028	1,067,215

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 December 2018.

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019

	← Non-distributable →				
	Share capital RM'000	Regulatory reserves RM'000	Revaluation reserve- financial investments at FVOCI RM'000	Retained profits RM'000	Total RM'000
At 1 January 2019	650,000	15,234	98	124,513	789,845
Effect of adoption MFRS 16	-	-	-	(226)	(226)
At 1 January 2019, as restated	650,000	15,234	98	124,287	789,619
Profit for the quarter ended	-	-	-	21,651	21,651
Transfer to regulatory reserve	-	311	-	(311)	-
Other comprehensive income	-	-	322	-	322
At 31 March 2019	650,000	15,545	420	145,627	811,592

	← Non-distributable →				
	Share capital RM'000	Regulatory reserves RM'000	Revaluation reserve- financial investments at FVOCI RM'000	Retained profits RM'000	Total RM'000
At 1 January 2018	650,000	12,705	12	61,889	724,606
Effect of adoption MFRS 9	-	-	-	(417)	(417)
At 1 January 2018, as restated	650,000	12,705	12	61,472	724,189
Profit for the year	-	-	-	65,570	65,570
Transfer to regulatory reserve	-	2,529	-	(2,529)	-
Other comprehensive income	-	-	86	-	86
At 31 December 2018	650,000	15,234	98	124,513	789,845

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 December 2018.

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019

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 2019 RM'000	Bank 31-Dec 2018 RM'000
At Amortised Cost:		
Cash and balances with banks and other financial institutions	50,031	38,610
Money at call and deposit placements maturing within one month	1,508,997	1,965,223
	<u>1,559,028</u>	<u>2,003,833</u>

3. DEPOSITS AND PLACEMENTS WITH BANK AND OTHER FINANCIAL INSTITUTIONS

	Bank 31-Mar 2019 RM'000	Bank 31-Dec 2018 RM'000
Bank Negara Malaysia	<u>600,276</u>	<u>300,110</u>

4. REVERSE REPURCHASE AGREEMENTS

	Bank 31-Mar 2019 RM'000	Bank 31-Dec 2018 RM'000
At Amortised Cost:		
Government Securities:		
Malaysian Government Securities	<u>9,585</u>	<u>49,225</u>

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

	Bank 31-Mar 2019 RM'000	Bank 31-Dec 2018 RM'000
At Fair Value:		
Government Securities:		
Malaysian Government Securities	634,123	1,458,050
Malaysian Government Investment Issues	125,607	276,600
	<u>759,730</u>	<u>1,734,650</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019 (CONTD.)

6. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")

	Bank	Bank
	31-Mar	31-Dec
	2019	2018
	RM'000	RM'000
At Fair Value:		
Government securities:		
Malaysian Government Securities	525,422	270,841
Malaysian Government Investment Issues	232,364	-
Bank Negara Malaysia Debt Securities	-	9,995
	<u>757,786</u>	<u>280,836</u>

7. LOANS, ADVANCES AND FINANCING

	Bank	Bank
	31-Mar	31-Dec
	2019	2018
	RM'000	RM'000
At amortised cost:		
(i) By type		
Revolving credit	578,014	634,581
Term loans	322,391	391,974
Trust receipts	110,877	115,783
Other trade bills discounted	21,939	10,428
Overdrafts	144,349	16,955
	<u>1,177,570</u>	<u>1,169,721</u>
Less: Expected Credit Losses ("ECL")	<u>(1,168)</u>	<u>(1,419)</u>
Net loans, advances and financing	<u>1,176,402</u>	<u>1,168,302</u>
(ii) By type of customer		
Domestic business enterprises	1,048,969	1,131,848
Financial institutions	128,601	37,873
	<u>1,177,570</u>	<u>1,169,721</u>
(iii) By interest rate sensitivity		
Variable rate:		
Cost plus	<u>1,177,570</u>	<u>1,169,721</u>
	<u>1,177,570</u>	<u>1,169,721</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019 (CONTD.)

7. LOANS, ADVANCES AND FINANCING (CONTD.)

	Bank	Bank
	31-Mar	31-Dec
	2019	2018
	RM'000	RM'000
(iv) By residual contractual maturity		
Maturing within one year	887,624	714,749
More than one year to five years	278,846	443,549
More than five years	11,100	11,423
	<u>1,177,570</u>	<u>1,169,721</u>
(v) By geographical distribution		
In Malaysia	1,048,969	1,169,721
Outside Malaysia	128,601	-
	<u>1,177,570</u>	<u>1,169,721</u>
(vi) By Sector		
Manufacturing	856,440	930,078
Mining & Quarrying	4,843	6,545
Construction	10,005	6,001
Wholesale and retail	65,072	66,583
Financial services	128,601	37,873
Other business services	101,445	111,218
Real estate activities	11,164	11,423
	<u>1,177,570</u>	<u>1,169,721</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019 (CONTD.)

7. LOANS, ADVANCES AND FINANCING (CONTD.)

(vii) **Movements in Expected Credit Losses ("ECL") on loans, advances and financing are as follows:**

	12 mth ECL (Stage 1) RM'000	Lifetime ECL not credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
31 March 2019				
Balance at beginning of financial year	1,243	176	-	1,419
Changes in credit risk	-	-	-	-
Allowances made during the financial period	(29)	8	-	(21)
Derecognised during the financial period	(296)	-	-	(296)
Exchange differences	67	(1)	-	66
At end of financial period	<u>985</u>	<u>183</u>	<u>-</u>	<u>1,168</u>
31 December 2018				
Balance at beginning of financial year	-	-	-	-
Effects of adopting MFRS 9	720	300	-	1,020
As restated	<u>720</u>	<u>300</u>	<u>-</u>	<u>1,020</u>
Changes in credit risk	250	(250)	-	-
Allowances made during the financial period	412	149	-	561
Derecognised during the financial period	(181)	(24)	-	(205)
Exchange differences	42	1	-	43
At end of financial period	<u>1,243</u>	<u>176</u>	<u>-</u>	<u>1,419</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019 (CONTD.)

8. OTHER ASSETS

	Bank	Bank
	31-Mar	31-Dec
	2019	2018
	RM'000	RM'000
Other receivables	7,054	9,546
Less: Allowance for impairment on other receivables	(1)	(1)
	<u>7,053</u>	<u>9,545</u>
Collateral assets	13,018	44,991
Deposit	695	696
Prepayments	1,194	1,302
	<u>21,960</u>	<u>56,534</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019 (CONTD.)

9. 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	Work-in progress RM'000	Right of use asset RM'000	Total RM'000
At 31 March 2019								
Cost								
At 1 January 2019	269	4,256	1,847	4,936	15	455	-	11,778
Effect of adoption MFRS 16	-	-	-	-	-	-	8,217	8,217
At 1 January 2019, as restated	269	4,256	1,847	4,936	15	455	8,217	19,995
Additions	-	-	-	299	-	-	-	299
Reclassification	-	-	-	45	-	(45)	-	-
At 31 March 2019	269	4,256	1,847	5,280	15	410	8,217	20,294
Accumulated Depreciation								
At 1 January 2019	197	3,984	1,536	4,317	14	-	-	10,048
Effect of adoption MFRS 16	-	-	-	-	-	-	5,240	5,240
At 1 January 2019, as restated	197	3,984	1,536	4,317	14	-	5,240	15,288
Charge for the period	8	32	28	84	1	-	685	838
At 31 March 2019	205	4,016	1,564	4,401	15	-	5,925	16,126
Net Book Value 31 March 2019	64	240	283	879	-	410	2,292	4,168

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019 (CONTD.)

9. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

	Office equipment and machinery RM'000	Renovation and installation RM'000	Furniture, fixtures and fittings RM'000	Computer equipment and hardware RM'000	Motor vehicle RM'000	Work-in progress RM'000	Right of use asset RM'000	Total RM'000
At 31 December 2018								
Cost								
At 1 January 2018	213	4,256	1,825	4,443	15	-	-	10,752
Additions	56	-	22	493	-	455	-	1,026
At 31 December 2018	<u>269</u>	<u>4,256</u>	<u>1,847</u>	<u>4,936</u>	<u>15</u>	<u>455</u>	<u>-</u>	<u>11,778</u>
Accumulated Depreciation								
At 1 January 2018	168	3,842	1,423	4,054	11	-	-	9,498
Charge for the year	29	142	113	263	3	-	-	550
At 31 December 2018	<u>197</u>	<u>3,984</u>	<u>1,536</u>	<u>4,317</u>	<u>14</u>	<u>-</u>	<u>-</u>	<u>10,048</u>
Net Book Value 31 December 2018	<u>72</u>	<u>272</u>	<u>311</u>	<u>619</u>	<u>1</u>	<u>455</u>	<u>-</u>	<u>1,730</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019 (CONTD.)

10. INTANGIBLE ASSETS

	Bank 31-Mar 2019 RM'000	Bank 31-Dec 2018 RM'000
<u>Computer Software:</u>		
Cost		
At 1 January	3,090	3,032
Additions	-	58
At 31 March/31 Dec	<u>3,090</u>	<u>3,090</u>
Accumulated Amortisation		
At 1 January	1,283	358
Amortisation for the year	556	925
At 31 March/31 Dec	<u>1,839</u>	<u>1,283</u>
Total Net Book Value	<u><u>1,251</u></u>	<u><u>1,807</u></u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019 (CONTD.)

11. DEPOSITS FROM CUSTOMERS

Type	Bank 31-Mar 2019 RM'000	Bank 31-Dec 2018 RM'000
At amortised cost:		
Demand deposits	588,361	754,335
Fixed deposits	1,121,954	1,208,579
Commodity Murabahah	8,944	6,657
	<u>1,719,259</u>	<u>1,969,571</u>
(i) Maturity structure of fixed deposits and Commodity Murabahah are as follows:		
Due within six months	1,130,086	1,214,384
Six months to one year	812	852
	<u>1,130,898</u>	<u>1,215,236</u>
(ii) The deposits are sourced from the following types of customers:		
Business enterprises	1,701,510	1,951,475
Non-bank financial institutions	17,749	18,096
	<u>1,719,259</u>	<u>1,969,571</u>

12. DEPOSITS AND PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

Type	Bank 31-Mar 2019 RM'000	Bank 31-Dec 2018 RM'000
At amortised cost:		
Other financial institutions	1,968,139	2,759,765
	<u>1,968,139</u>	<u>2,759,765</u>

13. OTHER LIABILITIES

Type	Bank 31-Mar 2019 RM'000	Bank 31-Dec 2018 RM'000
Collateral deposits	276,367	174,534
Other payables	149,215	38,014
Accruals and charges	9,855	9,548
Lease Liabilities	2,601	-
Expected credit losses	557	418
	<u>438,595</u>	<u>222,514</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019 (CONTD.)

14. SHARE CAPITAL

	Bank 31-Mar 2019 RM'000	Bank 31-Dec 2018 RM'000
Ordinary shares issued and fully paid:		
Balance as at 31 March/December	650,000	650,000

15. RESERVES

	Bank 31-Mar 2019 RM'000	Bank 31-Dec 2018 RM'000
Non-distributable:		
Revaluation reserve financial investments at FVOCI	420	98
Regulatory reserve	15,545	15,234
	<u>15,965</u>	<u>15,332</u>

16. INTEREST INCOME

	Bank 31-Mar 2019 RM'000	Bank 31-Mar 2018 RM'000
Loans, advances and financing	11,997	10,695
Money at call and deposit placements with financial institutions	12,708	6,415
Financial investment at FVOCI	4,675	1,640
Financial assets at FVTPL	11,126	6,168
Other interest income	5,898	5,318
	<u>46,404</u>	<u>30,236</u>
Amortisation of premium less accretion of discount	(518)	(3)
Total Interest Income	<u>45,886</u>	<u>30,233</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019 (CONTD.)

17. INTEREST EXPENSE

	Bank 31-Mar 2019 RM'000	Bank 31-Mar 2018 RM'000
Deposits and placements from banks and other financial institutions	6,435	5,185
Deposits from customers	11,529	5,939
Other interest expense	87	10
	<u>18,051</u>	<u>11,134</u>

18. OTHER OPERATING INCOME

	Bank 31-Mar 2019 RM'000	Bank 31-Mar 2018 RM'000
Fee income:		
Commissions	212	267
Guarantee fees	338	451
Other fee income	814	2,834
	<u>1,364</u>	<u>3,552</u>
Gain arising from sale of securities:		
Financial assets held-for-trading	12,568	2,770
	<u>12,568</u>	<u>2,770</u>
Gain on derivatives trading		
Realised gain	13,602	6,705
Unrealised gain	743	18,654
	<u>14,345</u>	<u>25,359</u>
Unrealised gain on revaluation of financial assets:		
Financial assets held-for-trading	2,638	662
	<u>2,638</u>	<u>662</u>
Other income:		
Foreign exchange:		
- Realised gain/(loss)	37,448	(37,689)
- Unrealised (loss)/gain	(37,792)	35,957
Others	2,201	5,216
	<u>1,857</u>	<u>3,484</u>
Total	<u>32,772</u>	<u>35,827</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019 (CONTD.)

19. OTHER OPERATING EXPENSES

	Bank 31-Mar 2019 RM'000	Bank 31-Mar 2018 RM'000
Personnel costs (Note a)	9,733	7,448
Establishment costs (Note b)	4,748	3,506
Marketing expenses (Note c)	242	153
Administration and general expenses (Note d)	16,749	1,919
	<u>31,472</u>	<u>13,026</u>
(a) Personnel costs		
Salaries, bonuses and allowances	6,745	5,358
EPF - defined contribution plan	973	412
Social Security cost	488	139
Other staff related expenses	1,527	1,539
	<u>9,733</u>	<u>7,448</u>
(b) Establishment costs		
Information technology costs	2,400	1,867
Depreciation of property, plant and equipment	838	139
Amortization of intangible asset	556	232
Rental of premises	-	398
Others	954	870
	<u>4,748</u>	<u>3,506</u>
(c) Marketing Expenses		
Advertising	12	15
Others	230	138
	<u>242</u>	<u>153</u>
(d) Administration and general expenses		
Legal and professional fees	587	308
Communication & transportation	64	53
Others general expenses	16,098	1,558
	<u>16,749</u>	<u>1,919</u>

20. EXPECTED CREDIT LOSSES FOR IMPAIRMENT ON FINANCIAL ASSETS

	Bank 31-Mar 2019 RM'000	Bank 31-Mar 2018 RM'000
Expected credit losses:		
Allowance made during the financial year	-	37
Allowance written back during the financial year	(102)	-
	<u>(102)</u>	<u>37</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019 (CONTD.)

21. CAPITAL ADEQUACY

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

	Bank 31-Mar 2019 RM'000	Bank 31-Dec 2018 RM'000
Tier-I capital		
Paid-up share capital	650,000	650,000
Retained profits	124,513	124,513
IFRS16 Day 1 Adjustment	(226)	-
Other disclosed reserves	420	98
	<u>774,707</u>	<u>774,611</u>
<u>Less : Regulatory adjustments</u>		
Intangible assets	(1,251)	(1,807)
Deferred tax assets	(1,632)	(3,704)
55% of cumulative gains of financial instruments at FVOCI	(231)	(54)
Total Tier-I capital	<u>771,593</u>	<u>769,046</u>
	Bank 31-Mar 2019 RM'000	Bank 31-Dec 2018 RM'000
Tier-II Capital		
Expected Credit Losses ("ECL")	1,725	1,837
Regulatory reserve	15,545	15,234
Total Tier-II capital	<u>17,270</u>	<u>17,071</u>
Total capital funds	<u>788,863</u>	<u>786,117</u>
Total capital base	<u>788,863</u>	<u>786,117</u>
Capital Ratios		
Common Equity Tier 1 Ratio	18.051%	19.989%
Tier 1 Capital Ratio	18.051%	19.989%
Total Capital Ratio	<u>18.455%</u>	<u>20.433%</u>

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

	Bank 31-Mar 2019 RM'000	Bank 31-Dec 2018 RM'000
Credit Risk	2,055,371	2,119,262
Market Risk	1,791,459	1,329,763
Operational Risk	427,605	398,206
Total risk-weighted assets	<u>4,274,435</u>	<u>3,847,231</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019 (CONTD.)

22. INTEREST RATE RISK

The following table represents the Bank's assets and liabilities at carrying amounts as at 31 March 2019

	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	1,558,031	-	-	-	-	-	997	1,559,028
Deposits and placements with banks and other financial institutions	-	600,000	-	-	-	-	276	600,276
Reverse repurchase agreements	9,580	-	-	-	-	-	5	9,585
Financial assets at fair value through profit or loss	-	-	-	-	-	759,730	-	759,730
Financial investments at fair value through other comprehensive income	3	-	421,284	331,998	-	-	4,501	757,786
Loans, advances and financing	793,119	295,786	85,607	-	-	-	1,890	1,176,402
Derivatives Financial assets	-	-	-	-	-	290,349	-	290,349
Other assets	-	-	-	-	-	-	20,071	20,071
Total Assets	2,360,733	895,786	506,891	331,998	-	1,050,079	27,740	5,173,227
Liabilities								
Deposits from customers	1,585,415	117,308	14,656	-	-	-	1,880	1,719,259
Deposits and placements from banks and other financial institutions	1,146,647	817,800	1,000	-	-	-	2,692	1,968,139
Derivatives Financial Liabilities	-	-	-	-	-	237,609	-	237,609
Other liabilities	-	-	-	-	-	-	438,595	438,595
Total Liabilities	2,732,062	935,108	15,656	-	-	237,609	443,167	4,363,602
Net interest rate gap	(371,329)	(39,322)	491,235	331,998	-	812,470	(415,427)	809,625

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019 (CONTD.)

22. INTEREST RATE RISK (CONTD)

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

	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	2,001,610	-	-	-	-	-	2,223	2,003,833
Deposits and placements with banks and other financial institutions	-	300,000	-	-	-	-	110	300,110
Reverse repurchase agreements	49,136	-	-	-	-	-	89	49,225
Financial assets at fair value through profit or loss	-	-	-	-	-	1,734,650	-	1,734,650
Financial investments at fair value through other comprehensive income	9,998	-	268,570	-	-	-	2,268	280,836
Loans, advances and financing	498,727	163,459	61,968	442,230	-	-	1,918	1,168,302
Derivative financial assets	-	-	-	-	-	374,980	-	374,980
Other assets	-	-	-	-	-	-	54,536	54,536
Total Assets	2,559,471	463,459	330,538	442,230	-	2,109,630	61,144	5,966,472
Liabilities								
Deposits from customers	1,762,153	198,339	7,155	-	-	-	1,924	1,969,571
Deposits and placements from banks and other financial institutions	2,548,695	208,375	-	-	-	-	2,695	2,759,765
Derivatives financial liabilities	-	-	-	-	-	230,293	-	230,293
Other liabilities	-	-	-	-	-	-	222,514	222,514
Total Liabilities	4,310,848	406,714	7,155	-	-	230,293	227,133	5,182,143
Net interest rate gap	(1,751,377)	56,745	323,383	442,230	-	1,879,337	(165,989)	784,329

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019 (CONTD.)

23. 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 2019 RM'000	Bank 31-Dec 2018 RM'000
<u>Commitments and Contingent Liabilities</u>		
Direct credit substitutes	407,741	406,655
Short-term self-liquidating trade-related contingencies	-	3,245
Irrevocable commitments to extend credit:		
Maturity more than one year	183,295	183,841
Total credit related commitment and contingencies	<u>591,036</u>	<u>593,741</u>
Foreign exchange derivatives:		
One year or less	36,453,290	44,584,659
Over one year to five years	1,248,048	944,655
Interest rate derivatives:		
One year or less	5,441,685	1,056,750
Over one year to five years	16,184,442	9,566,530
Over five years	1,068,118	204,000
Credit Derivatives:		
Over one year to five years	1,202,963	1,217,542
Total treasury related commitment and contingencies	<u>61,598,546</u>	<u>57,574,136</u>
Total commitment and contingencies	<u>62,189,582</u>	<u>58,167,877</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

24. Islamic Banking Window

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Note	31-Mar 2019 RM'000	31-Dec 2018 RM'000
ASSETS			
Cash and short-term funds	(a)	16,579	17,813
Financial investments at fair value through other comprehensive income ("FVOCI")	(b)	10,084	9,995
Loans, advances and financing		-	-
Other assets	(c)	9,540	9,575
Property, plant and equipment	(d)	1	1
Intangible assets	(e)	4	4
TOTAL ASSETS		36,208	37,388
LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits from customers	(f)	14,727	15,586
Other liabilities		178	189
Tax Liabilities		-	-
Total liabilities		14,905	15,775
Capital fund		25,750	25,750
Accumulated losses		(4,505)	(4,185)
Reserves		58	48
Islamic banking funds		21,303	21,613
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS		36,208	37,388

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 December 2018.

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

24. Islamic Banking Window

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019	Bank 31-Mar 2019 RM'000	Bank 31-Mar 2018 RM'000
Income derived from investment of Islamic banking funds and depositors' funds (g)	189	201
Profit expense to depositors	(77)	(72)
Net income derived from investment of Islamic banking funds and depositors' funds	112	129
Other operating income (h)	27	92
Other operating expenses (i)	(459)	(308)
Expected credit losses for impairment on financial asset	-	-
Loss for the financial quarter before zakat and taxation	(320)	(87)
Zakat	-	-
Income tax expense	-	-
Loss for the financial quarter after zakat and taxation	(320)	(87)
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss :		
Fair value reserve (from Investment AFS) :		
Net changes in fair value	-	-
	-	-
Total comprehensive loss for the quarter	(320)	(87)

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 2019**

	Capital fund RM'000	Regulatory reserve RM'000	Revaluation reserve- financial investments at FVOCI RM'000	Accumulated losses RM'000	Total RM'000
At 1 January 2019	25,750	48	-	(4,185)	21,613
Loss for the quarter	-	-	-	(320)	(320)
Transfer from regulatory reserve	-	-	-	-	-
Other comprehensive income	-	-	10	-	10
At 31 March 2019	<u>25,750</u>	<u>48</u>	<u>10</u>	<u>(4,505)</u>	<u>21,303</u>

	Capital fund RM'000	Regulatory reserve RM'000	Revaluation reserve- financial investments at FVOCI RM'000	Accumulated losses RM'000	Total RM'000
At 1 January 2018	24,350	48	-	(3,137)	21,261
Additional capital fund	1,400	-	-	-	1,400
Loss for the year	-	-	-	(1,048)	(1,048)
Other comprehensive income	-	-	-	-	-
At 31 December 2018	<u>25,750</u>	<u>48</u>	<u>-</u>	<u>(4,185)</u>	<u>21,613</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

24. Islamic Banking Window

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019

(a) CASH AND SHORT-TERM FUNDS

	Bank 31-Mar 2019 RM'000	Bank 31-Dec 2018 RM'000
<u>At Amortised Cost</u>		
Cash and balances with banks and other financial institutions	3,576	3,812
Money at call and deposit placements maturing within one month	13,003	14,001
	<u>16,579</u>	<u>17,813</u>

(b) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

	Bank 31-Mar 2019 RM'000	Bank 31-Dec 2018 RM'000
<u>At Fair Value</u>		
Government Securities:		
Bank Negara Malaysia Debt Securities	-	9,995
Malaysian Government Investment Issues	10,036	-
	<u>10,036</u>	<u>9,995</u>

(c) OTHER ASSETS

	Bank 31-Mar 2019 RM'000	Bank 31-Dec 2018 RM'000
Other receivables, deposit and prepayments	9,540	9,575
	<u>9,540</u>	<u>9,575</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED
31 MARCH 2019 (CONTD.)

24. Islamic Banking Window

(d) PROPERTY, PLANT AND EQUIPMENT

	Office Equipment and Machinery RM'000	Computer Equipment RM'000	Total RM'000
At 31 March 2019			
Cost			
At 1 January 2019	6	23	29
Additions	-	-	-
Disposals	-	-	-
At 31 March 2019	<u>6</u>	<u>23</u>	<u>29</u>
Accumulated Depreciation			
At 1 January 2019	5	23	28
Charge for the year	-	-	-
At 31 March 2019	<u>5</u>	<u>23</u>	<u>28</u>
Net Book Value 31 March 2019	<u>1</u>	<u>-</u>	<u>1</u>
	Office Equipment and Machinery RM'000	Computer Equipment RM'000	Total RM'000
At 31 December 2018			
Cost			
At 1 January 2018	6	23	29
Additions	-	-	-
At 31 December 2018	<u>6</u>	<u>23</u>	<u>29</u>
Accumulated Depreciation			
At 1 January 2018	3	23	26
Charge for the year	2	-	2
At 31 December 2018	<u>5</u>	<u>23</u>	<u>28</u>
Net Book Value 31 Dec 2018	<u>1</u>	<u>-</u>	<u>1</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019 (CONTD)

24. Islamic Banking Window

(e) INTANGIBLE ASSETS

	Bank 31-Mar 2019 RM'000	Bank 31-Dec 2018 RM'000
<u>Computer Software:</u>		
Cost		
At 1 January	41	41
Additions	-	-
Write Off	-	-
At 31 Dec	<u>41</u>	<u>41</u>
Accumulated Amortisation		
At 1 January	37	37
Amortisation for the year	-	-
At 31 Dec	<u>37</u>	<u>37</u>
Net Book Value	<u>4</u>	<u>4</u>

(f) DEPOSITS FROM CUSTOMERS

	Bank 31-Mar 2019 RM'000	Bank 31-Dec 2018 RM'000
Type		
At Amortised Cost:		
Non-Mudharabah Fund		
Demand deposits	5,783	8,929
Commodity Murabahah	8,944	6,657
	<u>14,727</u>	<u>15,586</u>

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

	Bank 31-Mar 2019 RM'000	Bank 31-Dec 2018 RM'000
Due within six months	<u>8,944</u>	<u>6,657</u>

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

	Bank 31-Mar 2019 RM'000	Bank 31-Dec 2018 RM'000
Business enterprise	8,920	8,356
Domestic non-bank financial institution	5,807	7,230
	<u>14,727</u>	<u>15,586</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019 (CONTD)

24. Islamic Banking Window

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

	Bank 31-Mar 2019 RM'000	Bank 31-Mar 2018 RM'000
Loans, advances and financing	-	39
Money at call and deposit placement with financial institutions	128	162
Financial investment at FVOCI	65	-
	<u>193</u>	<u>201</u>
Amortisation of premium less accretion of discount	(4)	-
	<u>189</u>	<u>201</u>

(h) OTHER OPERATING INCOME

	Bank 31-Mar 2019 RM'000	Bank 31-Mar 2018 RM'000
Fee income:		
Commissions	-	-
Other fee income	9	63
Foreign exchange:		
- Unrealised gain/(loss)	(28)	(12)
Others	46	41
Total	<u>27</u>	<u>92</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019 (CONTD)

24. Islamic Banking Window

(i) OTHER OPERATING EXPENSES

	Bank 31-Mar 2019 RM'000	Bank 31-Mar 2018 RM'000
Personnel costs (Note i)	300	259
Establishment costs (Note ii)	30	20
Marketing expenses (Note iii)	-	-
Administration and general expenses (Note iv)	129	29
	<u>459</u>	<u>308</u>

(i) Personnel Costs

Salaries, bonuses and allowances	224	194
EPF - defined contribution plan	43	36
Other staff related expenses	33	29
	<u>300</u>	<u>259</u>

(ii) Establishment costs

Rental of premises	26	16
Others	4	4
	<u>30</u>	<u>20</u>

(iii) Marketing Expenses

Others	-	-
	<u>-</u>	<u>-</u>

(iv) Administration and general expenses

Legal and professional fees	68	15
Others	61	14
	<u>129</u>	<u>29</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019 (CONTD)

24. Islamic Banking Window

(j) CAPITAL ADEQUACY

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

	Bank 31-Mar 2019 RM'000	Bank 31-Dec 2018 RM'000
Tier-I capital		
Capital fund	25,750	25,750
Accumulated losses	(4,505)	(4,185)
Other disclosed reserves	10	-
	<u>21,255</u>	<u>21,565</u>
Less :		
- Intangible assets	(4)	(4)
- 55% of cumulative gains of AFS financial instruments	(6)	-
Total Tier-I capital	<u>21,245</u>	<u>21,561</u>
	Bank 31-Mar 2019 RM'000	Bank 31-Dec 2018 RM'000
Tier-II Capital		
Regulatory reserve	48	48
Total Tier-II capital	<u>48</u>	<u>48</u>
Total capital base	<u>21,293</u>	<u>21,609</u>
Capital Ratios		
Tier 1 Capital Ratio	156.709%	158.409%
Tier 1 Capital Ratio	156.709%	158.409%
Total Capital Ratio	<u>157.063%</u>	<u>158.761%</u>

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

	Bank 31-Mar 2019 RM'000	Bank 31-Dec 2018 RM'000
Credit Risk	8,433	8,398
Market Risk	2,068	1,959
Operational Risk	3,056	3,254
Total risk-weighted assets	<u>13,557</u>	<u>13,611</u>