

Company No. 918091-T

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS OF 30 JUNE 2012

	Note	Bank 30-Jun 2012 RM'000	Bank 31-Mar 2012 RM'000
ASSETS			
Cash and short-term funds	2	6,182	102,266
Deposits and placements with other financial institutions		1,176,940	397,662
Securities purchased under resale agreements		-	-
Securities held-for-trading	4	159,581	246,834
Securities available-for-sale	5	260,265	59,935
Loans, advances and financing	6	95,286	9,629
Derivatives financial assets		692,137	1,220
Other assets	7	4,761	34,837
Statutory deposits with Bank Negara Malaysia	8	-	-
Investments in subsidiary companies		-	-
Investment in associated company		-	-
Property, plant and equipment	9	6,274	6,349
Intangible asset	10	158	178
Deferred tax assets		3,330	3,042
TOTAL ASSETS		2,404,914	861,952
LIABILITIES AND SHAREHOLDERS' FUNDS			
Deposits from customers	11	870,252	245,135
Deposits and placements of banks and other financial institutions	12	306,536	182,646
Derivatives financial liabilities		627,349	1,936
Other liabilities	13	12,604	99,888
Provision for taxation		-	-
Subordinated debt capital		165,620	-
TOTAL LIABILITIES		1,982,361	529,605

Company No. 918091-T

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS OF 30 JUNE 2012 (CONTD.)

	Note	Bank 30-Jun 2012 RM'000	Bank 31-Mar 2012 RM'000
Share capital	14	441,920	350,000
Reserves	15	(19,367)	(17,653)
SHAREHOLDER'S FUNDS		<u>422,553</u>	<u>332,347</u>
TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS		<u>2,404,914</u>	<u>861,952</u>
COMMITMENTS AND CONTINGENCIES	23	<u>4,458,310</u>	<u>2,235,574</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 STATEMENTS
FOR THE 2ND QUARTER ENDED 30 JUNE 2012

	Note	Bank 30-Jun 2012 RM'000	Bank 31-Mar 2012 RM'000
Revenue		30,258	15,756
Interest income	16	10,397	4,062
Interest expense	17	(7,332)	(1,897)
Other operating income	18	19,861	11,694
Other operating expenses	19	(19,700)	(9,576)
Allowance for impairment on loans, advances and financing	20	(1,076)	-
Share of profit of associate		-	-
Profit before taxation		2,150	4,283
Taxation		(853)	(1,142)
Profit for the year attributable to equity holder of the Bank		1,297	3,141
Earnings per share (sen)		0.29	0.90

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 2ND QUARTER ENDED 30 JUNE 2012

	Note	Bank 30-Jun 2012 RM'000	Bank 31-Mar 2012 RM'000
Profit for the period		1,297	3,141
Other comprehensive income:			
Unrealised net gain/(loss) on revaluation securities available for sale		149	19
Total comprehensive income for for the period		1,446	3,160

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

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE 2ND QUARTER ENDED 30 JUNE 2012**

Bank	← Share premium		Non-distributable		Fair Value		Distributable		Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Reserves AFS Securities RM'000	Retained earnings RM'000	Reserves AFS Securities RM'000	Retained earnings RM'000	Total RM'000	
At 1 January 2012	350,000	-	-	(84)	(20,729)	(84)	(20,729)	329,187	
Capital injection	91,920	-	-	-	-	-	-	91,920	
Profit for the quarter	-	-	-	-	1,297	-	1,297	1,297	
Unrealised net loss on revaluation of securities available-for-sale	-	-	-	-	-	149	-	149	
Deferred tax	-	-	-	-	-	-	-	-	
Transfer of reserves	-	-	-	-	-	-	-	-	
At 30 June 2012	441,920	-	-	65	(19,432)	65	(19,432)	422,553	

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 13 OCTOBER 2010 (DATE OF INCORPORATION) TO 31 MARCH 2012**

Bank	← Share premium		Non-distributable		Fair Value		Distributable		Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Reserves AFS Securities RM'000	Retained earnings RM'000	Reserves AFS Securities RM'000	Retained earnings RM'000	Total RM'000	
At 1 January 2012	350,000	-	-	(84)	(20,729)	(84)	(20,729)	329,187	
Profit for the quarter	-	-	-	-	3,141	-	3,141	3,141	
Unrealised net loss on revaluation of securities available-for-sale	-	-	-	-	-	19	-	19	
Deferred tax	-	-	-	-	-	-	-	-	
Transfer of reserves	-	-	-	-	-	-	-	-	
At 31 March 2012	350,000	-	-	(65)	(17,588)	(65)	(17,588)	332,347	

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

Company No. 918091-T

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

CASH FLOW STATEMENTS
FOR THE 2ND QUARTER ENDED 30 JUNE 2012

	Bank 30-Jun 2012 RM'000	Bank 31-Mar 2012 RM'000
Cash Flows from Operating Activities		
Profit before taxation	2,150	4,283
Adjustments for:		
Depreciation of property, plant and equipment	778	371
Amortisation of intangible asset	40	20
Property, plant and equipment written-off	-	-
Allowance for losses on loans and financing	1,076	-
Amortisation of premium less accretion of discount	-	-
(Gain)/loss from sale of securities held-for-trading	-	-
Unrealised (gain)/loss on revaluation of securities held-for-trading	(817)	3,707
Unrealised foreign exchange (gain)/loss	(4,284)	(2,002)
Unrealised (gain)/loss on derivatives trading	(59,921)	(11,763)
Write back of provision for diminution for value in shares	-	-
Share of profit of associate	-	-
Operating profit before working capital changes	<u>(60,978)</u>	<u>(5,384)</u>

Company No. 918091-T

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

CASH FLOW STATEMENTS
FOR THE 2ND QUARTER ENDED 30 JUNE 2012

	Bank 30-Jun 2012 RM'000	Bank 31-Mar 2012 RM'000
(Increase)/Decrease in:		
Securities held for trading	(159,581)	(250,541)
Securities available-for-sale	(170,073)	30,396
Loans, advances and financing	(71,715)	15,018
Derivative financial assets/liabilities	(1,298)	1,246
Other assets	1,166	(31,242)
Statutory deposits with Bank Negara Malaysia	-	-
Increase/(Decrease) in:		
Deposits from customers	725,072	113,720
Deposits and placements of banks and other financial institutions	306,071	182,181
Other liabilities	2,349	89,633
Cash (used in)/generated from operations	571,013	145,027
Income taxes paid	-	-
Net cash (used in)/generated from operating activities	<u>571,013</u>	<u>145,027</u>

Cash Flows from Investing Activities

Purchase of property, plant and equipment	(765)	(433)
Purchase of intangible asset	-	-
Investment in associated company	-	-
Net cash (used in)/generated from investing activities	<u>(765)</u>	<u>(433)</u>

Cash Flows from Financing Activities

Proceeds from issue of share capital	91,920	-
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Company No. 918091-T

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

CASH FLOW STATEMENTS
FOR THE 2ND QUARTER ENDED 30 JUNE 2012

	Bank 30-Jun 2012 RM'000	Bank 31-Mar 2012 RM'000
Cash Flows from Financing Activity		
Proceeds from issuance of subordinated debt capital, representing net cash generated from financing activity	165,620	-
	<u>257,540</u>	
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	827,788	144,594
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	355,334	355,334
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>1,183,122</u>	<u>499,928</u>
 Cash and cash equivalents comprise the following:		
Cash and short-term funds	6,182	102,266
Deposits and placements with banks and other financial institutions	1,176,940	397,662
	<u>1,183,122</u>	<u>499,928</u>
	-	-

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

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

A. NOTES TO THE FINANCIAL STATEMENTS

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of the Financial Statements

The financial statements of the Group and the Bank have been prepared in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards ("FRS") in Malaysia as modified by Bank Negara Malaysia Guidelines.

2. CASH AND SHORT-TERM FUNDS

	Bank 30-Jun 2012 RM'000	Bank 31-Mar 2012 RM'000
At Amortised Cost		
Cash and balances with banks and other financial institutions	6,182	102,266
Money at call and deposit placements maturing within one month	-	-
	<u>6,182</u>	<u>102,266</u>

3. SECURITIES PURCHASED UNDER RESALE AGREEMENTS

Security purchased under resale agreements are as follows:-

	Bank 30-Jun 2012 RM'000	Bank 31-Mar 2012 RM'000
At Fair Value		
Reverse Repo	-	-
	<u>-</u>	<u>-</u>

4. SECURITIES - HELD FOR TRADING

	Bank 30-Jun 2012 RM'000	Bank 31-Mar 2012 RM'000
At Fair Value		
Money market instruments:		
Government Investment Issues	-	-
Malaysian Government Securities	159,581	226,926
BNM Debt Securities	-	19,908
	<u>159,581</u>	<u>246,834</u>

5. SECURITIES - AVAILABLE FOR SALE

	Bank 30-Jun 2012 RM'000	Bank 31-Mar 2012 RM'000
At Fair Value		
Quoted securities:		
Malaysian Government Securities	51,570	-
Government Investment Issues	-	-
BNM Bills	29,692	-
Negotiable Instruments of Deposit	179,003	59,935
Unquoted shares in Malaysia	-	-
	<u>260,265</u>	<u>59,935</u>
Less: Provision for diminution in value of shares	-	-
Total securities available-for-sale	<u>260,265</u>	<u>59,935</u>

6. LOANS, ADVANCES AND FINANCING

	Bank 30-Jun 2012 RM'000	Bank 31-Mar 2012 RM'000
At amortised cost		
(i) By type		
Overdrafts	-	-
Term loans/financing		
Housing loans/financing	-	-
Other term loans/financing	-	-
Bills receivable	-	-
Claims on customers under acceptance credits	-	-
Staff loans	-	-
Revolving credit	96,737	10,004
Less: Unearned interest and income	-	-
	<u>96,737</u>	<u>10,004</u>
Less: Allowance for impaired loans and financing :		
- Collective assessment allowance	(1,451)	(375)
- Individual assessment allowance	-	-
Net loans, advances and financing	<u>95,286</u>	<u>9,629</u>

6. LOANS, ADVANCES AND FINANCING (CONTD.)

	Bank 30-Jun 2012 RM'000	Bank 31-Mar 2012 RM'000
(ii) By type of customer		
Domestic business enterprises		
Small medium enterprises	-	-
Others	56,602	10,004
Domestic Non-bank Financial institutions	40,135	-
Individuals	-	-
Other domestic entities	-	-
Foreign entities	-	-
	<u>96,737</u>	<u>10,004</u>
(iii) By interest/profit rate sensitivity		
Fixed rate		
Housing loans/financing	-	-
Other fixed rate loan/financing	-	-
Variable rate		
BLR plus	-	-
Cost plus	96,737	10,004
	<u>96,737</u>	<u>10,004</u>
(iv) By residual contractual maturity		
Maturity within one year	96,737	10,004
More than one year to three years	-	-
More than three years to five years	-	-
More than five years	-	-
	<u>96,737</u>	<u>10,004</u>
(v) By geographical distribution		
Malaysia		
Kuala Lumpur	96,737	10,004
Penang	-	-
Johor	-	-
Perak	-	-
	<u>96,737</u>	<u>10,004</u>

6. LOANS, ADVANCES AND FINANCING (CONTD.)

	Bank 30-Jun 2012 RM'000	Bank 31-Mar 2012 RM'000
(vi) By Sector		
Electricity, Gas & Water	6,502	
Manufacturing	-	-
Construction	-	-
Purchase of landed properties (Residential)	-	-
Wholesale and retail	50,100	10,004
Finance, insurance and business services	40,135	-
Mining and quarrying	-	-
Consumption credit	-	-
Transport, storage and communication	-	-
Purchase of transport vehicles	-	-
Agriculture, hunting, forestry & fishing	-	-
Real estate	-	-
	<u>96,737</u>	<u>10,004</u>
(vii) Movements in impaired loans, advances and financing are as follows:		
Balance as at 1 January	-	-
Impaired during the year	-	-
Reclassified as non-impaired	-	-
Recoveries	-	-
Amount written off	-	-
Balance as at 30 June	<u>-</u>	<u>-</u>
Individual Assessment allowance	-	-
Net impaired loans, advances and financing	<u>-</u>	<u>-</u>
Gross impaired loans as a percentage of gross loans, advances and financing	<u>0.00%</u>	<u>0.00%</u>
(viii) Movements in allowance for impaired loans, advances and financing are as follows:		
Collective Assessment Allowance		
Balance as at 1 January	375	375
Allowance made	1,076	
Amount written back	-	-
Balance as at 30 June	<u>1,451</u>	<u>375</u>
As % of gross loans, advances and financing less collective assessment allowance	<u>1.5%</u>	<u>3.7%</u>

6. LOANS, ADVANCES AND FINANCING (CONTD.)

	Bank 30-Jun 2012 RM'000	Bank 31-Mar 2012 RM'000
Individual Assessment allowance		
Balance as at 1 January	-	-
Allowance made during the year	-	-
Amount written back	-	-
Amount written off	-	-
Balance as at 30 June	<u>-</u>	<u>-</u>

(ix) Impaired loans, advances and financing by sector

Purchase of landed properties (Residential)	-	-
Manufacturing	-	-
Construction	-	-
Wholesale and retail	-	-
	<u>-</u>	<u>-</u>

7. OTHER ASSETS

Tax recoverable	-	-
Other debtors, deposits and prepayments	4,761	34,837
	<u>4,761</u>	<u>34,837</u>

8. STATUTORY DEPOSITS WITH BANK NEGARA MALAYSIA

The non-interest bearing statutory deposits are maintained with Bank Negara Malaysia in compliance with Section 37(1)(c) of the Central Bank of Malaysia Act, 1958 (revised 1994), the amounts of which are determined at set percentages of total eligible liabilities.

9. PROPERTY, PLANT AND EQUIPMENT

Bank	Freehold Land and Buildings RM'000	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 2012							
Cost							
At 1 January 2012	-	-	2,042	3,213	1,293	889	7,437
Additions	-	-	7	266	73	419	765
Disposals	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	-
At 30 June 2012	-	-	2,049	3,479	1,366	1,308	8,202
Accumulated Depreciation							
At 1 January 2012	-	-	323	449	200	178	1,150
Depreciation charge for the period	-	-	216	275	133	154	778
Disposals	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	-
At 30 June 2012	-	-	539	724	333	332	1,928
Net Book Value	-	-	1,510	2,755	1,033	976	6,274

PROPERTY, PLANT AND EQUIPMENT

Bank	Freehold Land and Buildings RM'000	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 31 March 2012							
Cost							
At 1 January 2012	-	-	2,042	3,213	1,293	889	7,437
Additions	-	-	2	-	68	363	433
Disposals	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	-
At 31 March 2012	-	-	2,044	3,213	1,361	1,252	7,870
Accumulated Depreciation							
At 1 January 2012	-	-	323	449	200	178	1,150
Depreciation charge for the period	-	-	109	133	65	64	371
Disposals	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	-
At 31 March 2012	-	-	432	582	265	242	1,521
Net Book Value	-	-	1,612	2,631	1,096	1,010	6,349

10. INTANGIBLE ASSET

	Bank 30-Jun 2012 RM'000	Bank 31-Mar 2012 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	49	49
Amortisation for the year	40	20
Write-off	-	-
At 30 June	<u>89</u>	<u>69</u>
Net	<u>158</u>	<u>178</u>

11. DEPOSITS FROM CUSTOMERS

Type	Bank 30-Jun 2012 RM'000	Bank 31-Mar 2012 RM'000
Demand deposits	13,495	3,525
Saving deposits	-	-
Fixed deposits	461,244	226,610
Other deposits	97,696	-
Investments linked to Derivatives Offered	282,817	-
Negotiable instruments of deposit	15,000	15,000
	<u>870,252</u>	<u>245,135</u>

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

	Bank 30-Jun 2012 RM'000	Bank 31-Mar 2012 RM'000
Due within six months	440,931	245,135
Six months to one year	20,313	-
One year to three years	-	-
More than three years	15,000	-
	<u>476,244</u>	<u>245,135</u>

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

	Bank 30-Jun 2012 RM'000	Bank 31-Mar 2012 RM'000
Government and statutory bodies	-	-
Business enterprises	404,689	195,755
Individuals	-	-
Others	465,563	49,380
	<u>870,252</u>	<u>245,135</u>

12. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Bank 30-Jun 2012 RM'000	Bank 31-Mar 2012 RM'000
Licensed banks	-	-
Other financial institutions	306,536	182,646
	<u>306,536</u>	<u>182,646</u>

13. OTHER LIABILITIES

	Bank 30-Jun 2012 RM'000	Bank 31-Mar 2012 RM'000
Retirement benefits	-	-
Other liabilities	12,604	99,888
Internal settlement cost	-	-
	<u>12,604</u>	<u>99,888</u>

14. SHARE CAPITAL

	Bank 30-Jun 2012 RM'000	Bank 31-Mar 2012 RM'000
Authorised: 600,000,000 ordinary shares of RM1 each	600,000	600,000
Issued and fully paid: Balance as at 30 June	441,920	350,000

15. RESERVES

	Bank 30-Jun 2012 RM'000	Bank 31-Mar 2012 RM'000
Non-distributable:		
Share premium	-	-
Statutory reserves	-	-
Unrealised reserves	65	(65)
Distributable:		
Retained earnings	(19,432)	(17,588)
	<u>(19,367)</u>	<u>(17,653)</u>

16. INTEREST INCOME

	Bank 30-Jun 2012 RM'000	Bank 31-Mar 2012 RM'000
Loans, advances and financing	670	89
Money at call and deposit placements with financial institutions	7,394	3,008
Securities - Available-for-sale	2,333	631
Securities - Held-for-trading	-	334
	<u>10,397</u>	<u>4,062</u>
Amortisation of premium less accretion of discount	-	-
Total Interest Income	<u>10,397</u>	<u>4,062</u>
Of which:		
Interest income earned on impaired loans, advances and financing	<u>-</u>	<u>-</u>

17. INTEREST EXPENSE

	Bank 30-Jun 2012 RM'000	Bank 31-Mar 2012 RM'000
Deposits and placements of banks and other financial institutions	1,001	857
Deposits from other customers	6,331	1,040
Others	-	-
	<u>7,332</u>	<u>1,897</u>

18. OTHER OPERATING INCOME

	Bank 30-Jun 2012 RM'000	Bank 31-Mar 2012 RM'000
Fee income:		
Commission	-	-
Service charges and fees	-	-
Guarantee fees	21	6
Advisory fees	-	-
Other fee income	90	4
	<u>111</u>	<u>10</u>
Net gain/(loss) arising from sale of securities:		
Securities held-for-trading	-	-
Securities available for sale	-	-
	<u>-</u>	<u>-</u>
Unrealised gain/(loss) on revaluation of securities:		
Securities held-for-trading	817	(3,707)
	<u>817</u>	<u>(3,707)</u>
Gross dividend income from:		
Securities available-for-sale	-	-
	<u>-</u>	<u>-</u>
Other income:		
Foreign exchange gain/(loss)		
Unrealised	4,284	2,002
Realised	(5,246)	(2,067)
(Loss)/gain on derivatives trading		
Unrealised	59,921	11,763
Realised	(40,259)	3,372
Others	233	321
	<u>18,933</u>	<u>15,391</u>
Total	<u>19,861</u>	<u>11,694</u>

19. OTHER OPERATING EXPENSES

	Bank 30-Jun 2012 RM'000	Bank 31-Mar 2012 RM'000
Personnel costs (Note a)	11,854	4,966
Establishment costs (Note b)	3,409	1,463
Marketing expenses (Note c)	246	209
Administration and general expenses (Note d)	4,191	2,938
	<u>19,700</u>	<u>9,576</u>
 (a) Personnel costs		
Salaries, bonuses and allowances	9,453	4,130
Social security costs		-
EPF - defined contribution plan	1,511	666
Rental of accomodation		-
Redundancy payment - retail and commercial		-
Other staff related expenses	890	170
	<u>11,854</u>	<u>4,966</u>
 (b) Establishment costs		
Share of Group costs	-	-
Share of information technology costs	668	119
Depreciation of property, plant and equipment	778	371
Loss on sale of property, plant and equipment	-	-
Property, plant and equipment written-off	-	-
Amortization of intangible asset	41	20
Rental of premises	840	455
Others	1,082	498
	<u>3,409</u>	<u>1,463</u>
 (c) Marketing Expenses		
Advertising	114	152
Others	132	57
	<u>246</u>	<u>209</u>
 (d) Administration and general expenses		
Legal and professional fees	1,463	627
Communication	-	-
Transportation	377	188
Property maintenance		-
Others	2,351	2,123
	<u>4,191</u>	<u>2,938</u>

20. ALLOWANCE FOR IMPAIRMENT ON LOANS, ADVANCES AND FINANCING

	Bank 30-Jun 2012 RM'000	Bank 31-Mar 2012 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	1,076	-
- Written back in the financial year	-	-
	<u>1,076</u>	<u>-</u>

21. CAPITAL ADEQUACY

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

	Bank 30-Jun 2012 RM'000	Bank 31-Mar 2012 RM'000
Tier-I capital		
Paid-up share capital	441,920	350,000
Share premium	-	-
Statutory reserves	-	-
Retained earnings	<u>(20,729)</u>	<u>(20,729)</u>
	421,191	329,271
Less :		
- Deferred tax assets	<u>(3,330)</u>	<u>(3,042)</u>
Total Tier-I capital	<u>417,861</u>	<u>326,229</u>

21. CAPITAL ADEQUACY (CONTD.)

	Bank 30-Jun 2012 RM'000	Bank 31-Mar 2012 RM'000
Tier-II Capital		
Collective assessment allowance	1,451	375
Subordinated debt capital	165,620	-
Total Tier-II capital	<u>167,071</u>	<u>375</u>
Total capital funds	584,932	326,604
Less: Investment in subsidiary companies	-	-
Capital base	<u>584,932</u>	<u>326,604</u>

Capital Ratios

Core capital ratio	57.90%	77.96%
Risk-weighted capital ratio	<u>81.05%</u>	<u>78.05%</u>

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

	Bank 30-Jun 2012 RM'000	Bank 31-Mar 2012 RM'000
Credit Risk	453,280	170,675
Market Risk	227,701	240,056
Operational Risk	40,732	7,714
Total risk-weighted assets	<u>721,713</u>	<u>418,445</u>

22 INTEREST RATE RISK (CONTD.)

The following table represents the Bank's carrying assets and liabilities at carrying amounts as at 30 June 2012.

	Up to 1 month RM'000	1 - 3 months RM'000	3 - 12 months RM'000	Non-Trading Book			SPL-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	Non-interest sensitive RM'000				
Assets										
Cash and short-term funds	6,182	-	-	-	-	-	-	-	-	6,182
Deposits and placements with banks and other financial institutions	1,076,464	100,476	-	-	-	-	-	-	-	1,176,940
Securities held-for-trading	-	-	-	-	-	-	-	159,581	-	159,581
Securities available-for-sale	179,003	-	29,692	-	51,570	-	-	-	-	260,265
Loans, advances and financing	50,100	46,637	-	-	-	-	-	-	(1,451)	95,286
Derivatives Financial assets	-	-	-	-	-	-	-	692,137	-	692,137
Other assets	-	-	-	-	-	-	-	-	4,761	4,761
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	-	-	-	-	-
Total Assets	1,311,749	147,113	29,692	-	51,570	-	-	851,718	3,310	2,395,152
Liabilities										
Deposits from customers	502,104	-	70,331	297,817	-	-	-	-	-	870,252
Deposits and placements of banks and other financial institutions	306,536	-	-	-	-	-	-	627,349	-	306,536
Derivatives Financial Liabilities	-	-	-	-	-	-	-	-	-	627,349
Other liabilities	-	-	-	-	-	-	-	-	12,604	12,604
Total Liabilities	808,640	-	70,331	297,817	-	-	-	627,349	12,604	1,816,741
Interest rate gap	503,109	147,113	(40,639)	(297,817)	51,570	-	-	224,369	-	-

The following table represents the Bank's carrying assets and liabilities at carrying amounts as at 31 March 2012.

	Up to 1 month RM'000	1 - 3 months RM'000	3 - 12 months RM'000	Non-Trading Book			SPL-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	Non-interest sensitive RM'000				
Assets										
Cash and short-term funds	10,346	-	91,920	-	-	-	-	-	-	102,266
Deposits and placements with banks and other financial institutions	397,662	-	-	-	-	-	-	-	-	397,662
Securities held-for-trading	-	-	-	-	-	-	-	246,834	-	246,834
Securities available-for-sale	59,935	-	-	-	-	-	-	-	-	59,935
Loans, advances and financing	10,004	-	-	-	-	-	-	-	(375)	9,629
Derivatives Financial assets	-	-	-	-	-	-	-	1,220	-	1,220
Other assets	6,942	-	288	27,607	-	-	-	-	-	34,837
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	-	-	-	-	-
Total Assets	484,889	-	92,208	27,607	-	-	-	248,054	(375)	852,383
Liabilities										
Deposits from customers	180,080	29,900	20,155	15,000	-	-	-	-	-	245,135
Deposits and placements of banks and other financial institutions	182,646	-	-	-	-	-	-	1,936	-	182,646
Derivatives Financial Liabilities	-	-	-	-	-	-	-	-	-	1,936
Other liabilities	1,542	4,057	94,289	-	-	-	-	-	-	99,888
Total Liabilities	364,268	33,957	114,444	15,000	-	-	-	1,936	-	529,605
Interest rate gap	120,621	(33,957)	(22,236)	12,607	-	-	-	246,118	-	-

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

	30 June 2012		
	Principal amount RM'000	Credit equivalent amount* RM'000	Risk-weighted amount RM'000
<u>Commitments and Contingent Liabilities</u>			
Direct credit substitutes	81,419	81,419	81,419
Transaction-related contingent items	4,500	2,250	1,125
Short-term self-liquidating trade-related contingencies	2,049	410	82
Other assets sold with recourse and commitments with certain drawdown	-	-	-
Irrevocable commitments to extend credit:			
- maturity less than one year	-	-	-
- maturity more than one year	-	-	-
Foreign exchange related contracts:			
- less than one year	379,997	9,608	5,261
- one year to less than five years	223,856	17,995	10,335
- five years and above	-	-	-
Interest rate related contracts:			
- less than one year	1,358,998	117,374	58,687
- one year to less than five years	368,500	37,574	18,787
- five years and above	-	-	-
Credit Derivatives Contract			
- less than one year	2,038,991	196,791	50,178
- one year to less than five years	-	-	-
- five years and above	-	-	-
	<u>4,458,310</u>	<u>463,421</u>	<u>225,874</u>

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

31 March 2012

	Principal amount RM'000	Credit equivalent amount* RM'000	Risk-weighted amount RM'000
<u>Commitments and Contingent Liabilities</u>			
Direct credit substitutes	46,425	46,425	46,425
Transaction-related contingent items	-	-	-
Short-term self-liquidating trade-related contingencies	-	-	-
Other assets sold with recourse and commitments with certain drawdown	-	-	-
Irrevocable commitments to extend credit:			
- maturity less than one year	40,000	8,000	8,000
- maturity more than one year	-	-	-
Foreign exchange related contracts:			
- less than one year	785,893	5,536	4,302
- one year to less than five years	61,115	6,258	1,252
- five years and above	-	-	-
Interest rate related contracts:			
- less than one year	400,000	8,000	1,600
- one year to less than five years	-	-	-
- five years and above	-	-	-
Credit Derivatives Contract			
- less than one year	902,141	110,670	22,134
- one year to less than five years	-	-	-
- five years and above	-	-	-
	2,235,574	184,889	83,713

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

B. NOTES TO THE FINANCIAL STATEMENTS

1. PERFORMANCE REVIEW

For the half year ended 30 June 2012, the bank recorded a net profit after taxation of RM 1.297 million. The revenue of the bank consisting of net interest income and other operating income has grown from RM 13.859 million for the first quarter ended 31 March 2012 to RM 22.926 million for the half year ended 30 June 2012, an increase of RM 9.067 million in the second quarter. The increase came mainly from unrealized gain on derivative transactions. However, this was offset by the bank's operating expenses for the six months of RM 19.70 million, resulting in the pre-tax profit of RM 2.150 million.

2 CURRENT YEAR PROSPECT

The first six months of 2012 has been very challenging so far, having secured some large deals in credit derivatives and a structured deposit product. The bank will continue to maintain a very focused strategy in developing its business in Malaysia. Most of the products planned for the first phase are already in place while the bank continues to roll out the full platform of funding and trade finance, cash management and investment solutions and fixed income products such as foreign exchange and interest rate derivatives. The Islamic Banking Window was successfully launched on 4th June 2012 with the start-up of the Islamic current account and deposit products. In view of the increasing prominence of Islamic finance and Malaysia's position as an international Islamic financial hub, the Group has designated BNP Paribas Malaysia as its Islamic finance hub for the Asia-Pacific region. With this, the Islamic Banking unit under the Najmah's brand name will focus on originating, structuring and marketing Shariah-compliant products for the Malaysian markets as well as the Group's clients in the region.