

Company No. 918091-T

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS OF 31 MARCH 2013

	Note	Bank 31-Mar 2013 RM'000	Bank 31-Dec 2012 RM'000
ASSETS			
Cash and short-term funds	2	573,308	1,237,032
Deposits and placements with banks and other financial institutions	3	461,305	105,522
Financial assets held-for-trading	4	189,931	122,599
Financial assets available-for-sale	5	541,567	332,421
Loans and advances	6	17,936	17,870
Derivative financial assets		87,622	72,783
Statutory deposits with Bank Negara Malaysia	7	-	5,721
Other assets	8	8,644	7,132
Property, plant and equipment	9	5,068	5,458
Intangible assets	10	2,696	2,716
Deferred tax assets		8,704	7,816
TOTAL ASSETS		<u>1,896,781</u>	<u>1,917,070</u>
LIABILITIES AND SHAREHOLDERS' FUNDS			
Deposits from customers	11	873,282	1,136,566
Deposits and placements from banks and other financial institutions	12	407,887	172,366
Derivative financial liabilities		39,543	26,260
Other liabilities	13	8,620	13,277
Subordinated debt capital	14	162,778	161,238
TOTAL LIABILITIES		<u>1,492,110</u>	<u>1,509,707</u>
		Bank 31-Mar 2013 RM'000	Bank 31-Dec 2012 RM'000
Share capital	15	441,920	441,920
Reserves	16	(37,249)	(34,557)
SHAREHOLDER'S FUNDS		<u>404,671</u>	<u>407,363</u>
TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS		<u>1,896,781</u>	<u>1,917,070</u>
COMMITMENTS AND CONTINGENCIES	24	<u>9,534,253</u>	<u>7,292,348</u>

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

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BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

UNAUDITED INCOME STATEMENTS
FOR THE 1ST QUARTER ENDED 31 MARCH 2013

	Note	Bank 31-Mar 2013 RM'000	Bank 31-Mar 2012 RM'000
Operating Revenue		12,162	15,756
Interest income	17	11,213	4,062
Interest expenses	18	(8,062)	(1,897)
Net interest income		3,151	2,165
Net income from Islamic banking business	22	133	-
Other operating income	19	948	11,694
Operating expenses	20	(7,717)	(9,576)
Allowance for impairment on loans, advances and financing	21	-	-
Profit/(Loss) before tax		(3,485)	4,283
Taxation		864	(1,142)
Net profit/(loss) for the financial quarter		(2,621)	3,141

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 1ST QUARTER ENDED 31 MARCH 2013

	Bank 31-Mar 2013 RM'000	Bank 31-Mar 2012 RM'000
Profit for the period	(2,621)	3,141
Other comprehensive income/(loss):		
Net income/(loss) on revaluation of financial assets available-for-sale	(95)	19
Income tax relating to component of other comprehensive income/(loss)	24	
Other comprehensive income/(loss), net of tax	(71)	19
Total comprehensive income/(loss) for the quarter	(2,692)	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 1ST QUARTER ENDED 31 MARCH 2013**

Bank	Share capital RM'000	Share premium RM'000	Non-distributable		Fair Value Reserves AFS Securities RM'000	Accumulated losses RM'000	Total RM'000
			Statutory reserves RM'000	Reserves			
At 1 January 2013	441,920	-	-	(50)	(34,507)	407,363	
Loss for the quarter	-	-	-	-	(2,621)	(2,621)	
Unrealised net loss on revaluation of securities available-for-sale	-	-	-	(111)	-	(111)	
Deferred tax	-	-	-	40	-	40	
Transfer of reserves	-	-	-	-	-	-	
At 31 March 2013	441,920	-	-	(121)	(37,128)	404,671	

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012**

Bank	Share capital RM'000	Share premium RM'000	Non-distributable		Fair Value Reserves AFS Securities RM'000	Accumulated losses RM'000	Total RM'000
			Statutory reserves RM'000	Reserves			
At 1 January 2012	350,000	-	-	(84)	(20,729)	329,187	
Loss for the year	-	-	-	-	(13,778)	(13,778)	
Unrealised net loss on revaluation of available-for-sale	-	-	-	-	-	-	
Deferred tax	-	-	-	17	-	17	
Transfer of reserves	-	-	-	17	-	17	
Issuance of share	91,920	-	-	-	-	91,920	
At 31 December 2012	441,920	-	-	(50)	(34,507)	407,363	

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

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

CASH FLOW STATEMENT
FOR THE 1ST QUARTER ENDED 31 MARCH 2013

	Bank 31-Mar 2013 RM'000	Bank 31-Dec 2012 RM'000
Cash Flows from Operating Activities		
Loss before taxation	(3,485)	(17,301)
Adjustments for:		
Depreciation of property, plant and equipment	408	1,611
Amortisation of intangible asset	21	82
Property, plant and equipment written-off	-	-
Allowance for losses on loans and financing	-	(102)
Amortisation of premium less accretion of discount	-	-
(Gain)/loss from sale of securities available-for-sale	(39)	(148)
(Gain)/loss from sale of securities held-for-trading	(492)	1,972
Unrealised (gain)/loss on revaluation of securities held-for-trading	-	(31)
Unrealised foreign exchange (gain)/loss	(14,229)	628
Unrealised (gain)/loss on derivatives trading	4,359	(51,015)
Write back of provision for diminution for value in shares	-	-
Share of profit of associate	-	-
Operating profit before working capital changes	(13,457)	(64,304)
(Increase)/Decrease in:		
Securities held for trading	(66,840)	(124,540)
Securities available-for-sale	(209,202)	(242,036)
Loans, advances and financing	(66)	6,879
Derivative financial assets/liabilities	8,314	4,394
Other assets	(1,513)	(3,537)
Statutory deposits with Bank Negara Malaysia	5,721	(5,721)
Increase/(Decrease) in:		
Deposits from customers	(263,284)	991,386
Deposits and placements from banks and other financial institutions	235,521	171,901
Other liabilities	(4,657)	3,022
Cash (used in)/generated from operations	(309,463)	737,444
Income taxes paid	-	-
Net cash (used in)/generated from operating activities	(309,463)	737,444

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	Bank 31-Mar 2013 RM'000	Bank 31-Dec 2012 RM'000
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(18)	(782)
Purchase of intangible asset	-	(2,600)
Investment in associated company	-	-
Net cash (used in)/generated from investing activities	<u>(18)</u>	<u>(3,382)</u>
Cash Flows from Financing Activities		
Proceeds from issue of share capital	-	91,920
Cash Flows from Financing Activity		
Proceeds from issuance of subordinated debt capital, representing net cash generated from financing activity	<u>1,540</u>	<u>161,238</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		
	(307,941)	987,220
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>1,342,554</u>	<u>355,334</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>1,034,613</u>	<u>1,342,554</u>
Cash and cash equivalents comprise the following:		
Cash and short-term funds	573,308	1,237,032
Deposits and placements with banks and other financial institutions	<u>461,305</u>	<u>105,522</u>
	<u>1,034,613</u>	<u>1,342,554</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 Bank have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), Bank Negara Malaysia Guidelines, International Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia.

The financial statements incorporate all activities relating to the Islamic banking business which have commenced operations during the year. Islamic banking business refer generally to the acceptance of deposits and granting of financing under the principles of Shariah.

2. CASH AND SHORT-TERM FUNDS

	Bank 31-Mar 2013 RM'000	Bank 31-Dec 2012 RM'000
At Amortised Cost		
Cash and balances with banks and other financial institutions	22,305	192,155
Money at call and deposit placements maturing within one month	551,003	1,044,877
	573,308	1,237,032

Bank 31-Mar 2013 RM'000	Bank 31-Dec 2012 RM'000
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3. DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

Licensed banks	445,837	90,206
Other financial institutions	15,468	15,316
	461,305	105,522

4. FINANCIAL ASSETS HELD-FOR-TRADING

	Bank 31-Mar 2013 RM'000	Bank 31-Dec 2012 RM'000
At Fair Value		
Government Securities		
Government Investment Issues	-	3,343
Malaysian Government Securities	40,397	20,008
Bank Negara Malaysia Debt Securities	149,534	99,248
	189,931	122,599

5. FINANCIAL ASSETS AVAILABLE-FOR-SALE

	Bank 31-Mar 2013 RM'000	Bank 31-Dec 2012 RM'000
At Fair Value		
Government securities:		
Malaysian Government Securities	93,646	31,593
Bank Negara Malaysia Debt Securities	154,721	107,372
Treasury Bills	11,823	
Money market instrument:		
Negotiable Instruments of Deposit	281,377	193,456
Unquoted shares in Malaysia	-	-
	541,567	332,421

6. LOANS AND ADVANCES

	Bank 31-Mar 2013 RM'000	Bank 31-Dec 2012 RM'000
At amortised cost		
(i) By type		
Revolving credits	18,209	18,143
Less: Allowance for impaired loans and financing :		
- Collective assessment allowance	(273)	(273)
Net loans, advances and financing	<u>17,936</u>	<u>17,870</u>
(ii) By type of customer		
Domestic business enterprises	<u>18,209</u>	<u>18,143</u>
(iii) By interest rate sensitivity		
Variable rate		
Cost plus	<u>18,209</u>	<u>18,143</u>
(iv) By residual contractual maturity		
Maturity within one year	<u>18,209</u>	<u>18,143</u>
(v) By geographical distribution		
In Malaysia	<u>18,209</u>	<u>18,143</u>
(vi) By Sector		
Manufacturing	14,829	14,813
Wholesale and retail	3,380	3,330
	<u>18,209</u>	<u>18,143</u>

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

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

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

	Bank 31-Mar 2013 RM'000	Bank 31-Dec 2012 RM'000
Collective Assessment Allowance		
Balance as at 1 January	273	375
Allowance made during the year	-	1,076
Write back made during the year	-	(1,178)
Balance as at 31 March	<u>273</u>	<u>273</u>

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

1.5%	1.5%
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Bank 31-Mar 2013 RM'000	Bank 31-Dec 2012 RM'000
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7. STATUTORY DEPOSITS WITH BANK NEGARA MALAYSIA

Statutory Deposits with Bank Negara Malaysia

-	<u>5,721</u>
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8. OTHER ASSETS

Collateral assets
Other receivables, deposits and prepayments

6,510	4,565
2,134	2,567
<u>8,644</u>	<u>7,132</u>

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 RM'000	Total RM'000
At 31 March 2013					
Cost					
At 1 January 2013	100	3,479	1,370	3,270	8,219
Additions	-	-	-	18	18
Disposals	-	-	-	-	-
Write-off	-	-	-	-	-
At 31 March 2013	100	3,479	1,370	3,288	8,237
Accumulated Depreciation					
At 1 January 2013	31	1,016	470	1,244	2,761
Charge for the year	5	143	68	192	408
Disposals	-	-	-	-	-
Write-off	-	-	-	-	-
At 31 March 2013	36	1,159	538	1,436	3,169
Net Book Value 31 March 2013	64	2,320	832	1,852	5,068

PROPERTY, PLANT AND EQUIPMENT

Bank	Office equipment RM'000	Renovation and installation RM'000	Furniture, fixtures and fittings RM'000	Computer Equipment and hardware RM'000	Total RM'000
2012					
Cost					
At beginning of year	2,042	3,213	1,293	889	7,437
Addition	8	266	77	431	782
Reclassification	(1,950)	-	-	1,950	-
At 31 December 2012	100	3,479	1,370	3,270	8,219
2012					
Accumulated Depreciation					
At beginning of year	323	449	200	178	1,150
Charge for the year	19	567	270	755	1,611
Reclassification	(311)	-	-	311	-
At 31 December 2012	31	1,016	470	1,244	2,761
Net Book Value 31 December 2012	69	2,463	900	2,026	5,458

10. INTANGIBLE ASSETS

	Bank 31-Mar 2013 RM'000	Bank 31-Dec 2012 RM'000
<u>Computer Software:</u>		
Cost		
At 1 January	247	247
Additions	-	-
Write Off	-	-
At 31 March	<u>247</u>	<u>247</u>
Accumulated Amortisation		
At 1 January	131	49
Amortisation for the year	20	82
Write-off	-	-
At 31 March	<u>151</u>	<u>131</u>
Net Book Value	<u>96</u>	<u>116</u>
<u>Interbank Giro license fees</u>		
Cost		
At 1 January	2,600	-
Additions	-	2,600
Write Off	-	-
At 31 March	<u>2,600</u>	<u>2,600</u>
Accumulated Depreciation		
At 1 January	-	-
Amortisation for the year	-	-
Write-off	-	-
At 31 March	<u>-</u>	<u>-</u>
Net Book Value	<u>2,600</u>	<u>2,600</u>
Total Net Book Value	2,696	2,716

11. DEPOSITS FROM CUSTOMERS

Type	Bank	Bank
	31-Mar 2013 RM'000	31-Dec 2012 RM'000
At amortised cost		
Demand deposits	54,234	33,660
Saving deposits	-	-
Fixed deposits	476,745	807,637
Collateral deposits	54,498	4,650
Structured deposits	286,553	286,619
Commodity Murabaha	1,252	4,000
	<u>873,282</u>	<u>1,136,566</u>

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

	Bank	Bank
	31-Mar 2013 RM'000	31-Dec 2012 RM'000
Due within six months	601,744	849,947
Six months to one year	-	15,015
More than one year	271,538	271,604
	<u>873,282</u>	<u>1,136,566</u>

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

	Bank	Bank
	31-Mar 2013 RM'000	31-Dec 2012 RM'000
Business enterprises	451,948	766,205
Domestic non-bank financial institutions	366,835	365,711
Licensed bank	7,920	4,650
Other financial institutions	46,579	-
	<u>873,282</u>	<u>1,136,566</u>

12. DEPOSITS AND PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	Bank	Bank
	31-Mar 2013 RM'000	31-Dec 2012 RM'000
Licensed banks	37,080	-
Other financial institutions	370,807	172,366
	<u>407,887</u>	<u>172,366</u>

13. OTHER LIABILITIES

	Bank	Bank
	31-Mar 2013 RM'000	31-Dec 2012 RM'000
Other payables	157	323
Accruals and charges	8,463	12,954
	<u>8,620</u>	<u>13,277</u>

14. SUBORDINATED DEBT CAPITAL

	Bank 31-Mar 2013 RM'000	Bank 31-Dec 2012 RM'000
Subordinated Debt Capital	160,680	159,094
Accrued interest	2,098	2,144
At 31 March	<u>162,778</u>	<u>161,238</u>

15. SHARE CAPITAL

	Bank 31-Mar 2013 RM'000	Bank 31-Dec 2012 RM'000
Authorised: 600,000,000 ordinary shares of RM1 each	<u>600,000</u>	<u>600,000</u>
Issued and fully paid: Balance as at 31 March	<u>441,920</u>	<u>441,920</u>

16. RESERVES

	Bank 31-Mar 2013 RM'000	Bank 31-Dec 2012 RM'000
Non-distributable:		
Share premium	-	-
Statutory reserves	-	-
Unrealised reserves	(121)	(50)
Distributable:		
Retained earnings	<u>(37,128)</u>	<u>(34,507)</u>
	<u>(37,249)</u>	<u>(34,557)</u>

17. INTEREST INCOME

	Bank 31-Mar 2013 RM'000	Bank 31-Mar 2012 RM'000
Loans, advances and financing	173	89
Money at call and deposit placements with financial institutions	5,464	3,008
Financial assets - Available-for-sale	4,610	631
Financial assets - Held-for-trading	1,141	334
	<u>11,388</u>	<u>4,062</u>
Amortisation of premium less accretion of discount	(175)	-
Total Interest Income	<u>11,213</u>	<u>4,062</u>
Of which:		
Interest income earned on impaired loans, advances and financing	<u>-</u>	<u>-</u>

18. INTEREST EXPENSE

	Bank 31-Mar 2013 RM'000	Bank 31-Mar 2012 RM'000
Deposits and placements from banks and other financial institutions	203	857
Deposits from customers	5,709	1,040
Subordinated debt capital	2,150	-
	<u>8,062</u>	<u>1,897</u>

19. OTHER OPERATING INCOME

	Bank 31-Mar 2013 RM'000	Bank 31-Mar 2012 RM'000
Fee income:		
Commissions	261	-
Guarantee fees	87	6
Other fee income	14	4
	<u>362</u>	<u>10</u>
Net gain/(loss) arising from sale of securities:		
Financial assets held-for-trading	492	-
Financial assets - available-for-sale	39	-
	<u>531</u>	<u>-</u>
Unrealised gain/(loss) on revaluation of securities:		
Financial assets held-for-trading	-	(3,707)
	<u>-</u>	<u>(3,707)</u>
Gross dividend income from:		
Securities available-for-sale	-	-
	<u>-</u>	<u>-</u>
Other income:		
Foreign exchange:		
- Realised gain/(loss)	(11,549)	(2,067)
- Unrealised gain/(loss)	14,229	2,002
Gain/(Loss) on derivatives trading		
- Realised gain/(loss)	1,734	3,372
- Unrealised gain/(loss)	(4,359)	11,763
Others	-	321
	<u>55</u>	<u>15,391</u>
Total	<u>948</u>	<u>11,694</u>

20. OTHER OPERATING EXPENSES

	Bank 31-Mar 2013 RM'000	Bank 31-Mar 2012 RM'000
Personnel costs (Note a)	3,256	4,966
Establishment costs (Note b)	2,253	1,463
Marketing expenses (Note c)	160	209
Administration and general expenses (Note d)	2,048	2,938
	<u>7,717</u>	<u>9,576</u>
(a) Personnel costs		
Salaries, bonuses and allowances	2,344	4,130
Social security costs		
EPF - defined contribution plan	237	666
Rental of accomodation		
Redundancy payment - retail and commercial		
Other staff related expenses	675	170
	<u>3,256</u>	<u>4,966</u>
(b) Establishment costs		
Share of Group costs	-	-
Share of information technology costs	657	119
Depreciation of property, plant and equipment	407	371
Loss on sale of property, plant and equipment		-
Property, plant and equipment written-off		-
Amortization of intangible asset	20	20
Rental of premises	471	455
Others	698	498
	<u>2,253</u>	<u>1,463</u>
(c) Marketing Expenses		
Advertising	53	152
Others	107	57
	<u>160</u>	<u>209</u>
(d) Administration and general expenses		
Legal and professional fees	335	627
Transportation	67	188
Property maintenance	-	-
Others	1,646	2,123
	<u>2,048</u>	<u>2,938</u>

21. ALLOWANCE FOR IMPAIRMENT ON LOANS, ADVANCES AND FINANCING

	Bank 31-Mar 2013 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	-	-
- Written back in the financial year	-	-
	<u>-</u>	<u>-</u>

23. CAPITAL ADEQUACY

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

	Bank 31-Mar 2013 RM'000	Bank 31-Dec 2012 RM'000
Tier-I capital		
Paid-up share capital	441,920	441,920
Share premium	-	-
Statutory reserves	-	-
Accumulated losses	(37,128)	(34,507)
	<u>404,792</u>	<u>407,413</u>
Less :		
- Deferred tax assets	(8,704)	(7,816)
- 55% of cumulative gains of AFS financial instruments	(89)	-
- Other disclosed reserves	161	-
Total Tier-I capital	<u>396,160</u>	<u>399,597</u>

23. CAPITAL ADEQUACY (CONTD.)

	Bank 31-Mar 2013 RM'000	Bank 31-Dec 2012 RM'000
Tier-II Capital		
Collective assessment allowance	273	273
Subordinated debt capital	160,680	159,094
Total Tier-II capital	<u>160,953</u>	<u>159,367</u>
Total capital funds	557,113	558,964
Less: Investment in subsidiary companies	-	-
Capital base	<u>557,113</u>	<u>558,964</u>
Capital Ratios		
Core capital ratio	56.46%	37.99%
Risk-weighted capital ratio	<u>79.40%</u>	<u>53.14%</u>

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

	Bank 31-Mar 2013 RM'000	Bank 31-Dec 2012 RM'000
Credit Risk	375,803	439,741
Market Risk	256,972	545,478
Operational Risk	68,882	66,563
Total risk-weighted assets	<u>701,657</u>	<u>1,051,782</u>

23 INTEREST RATE RISK (CONTD.)

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

	Up to 1 month RM'000	1 - 3 months RM'000	3 - 12 months RM'000	Non-Trading Book		Non-interest sensitive RM'000	Allowances RM'000	SPF-related items RM'000	Trading book RM'000	Non-interest sensitive RM'000	Total RM'000
				1 - 5 years RM'000	Over 5 years RM'000						
Assets											
Cash and short-term funds	570,746							2,562			573,308
Deposits and placements with banks and other financial institutions		445,837	15,468						182,561		461,305
Financial assets held-for-trading								7,370			189,931
Financial assets available-for-sale	201,291	80,085	150,582	93,647				15,962		(273)	541,567
Loans, advances and financing	18,209								87,622		17,936
Derivatives Financial assets											87,622
Statutory deposits with Bank Negara Malaysia											
Other assets								2,977		5,667	8,644
Total Assets	790,246	525,922	166,050	93,647				28,871	270,183	5,394	1,880,313
Liabilities											
Deposits from customers	485,970	57,233	49,827	271,538				8,714			873,282
Deposits and placements from banks and other financial institutions	407,887								39,543		407,887
Derivatives Financial Liabilities											39,543
Subordinated Debt Capital		162,778									162,778
Other liabilities										8,620	8,620
Total Liabilities	893,857	220,011	49,827	271,538				8,714	39,543	8,620	1,492,110
Net interest rate gap	(103,611)	305,911	116,223	(177,891)				20,157	230,640	(3,226)	388,203

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

	Up to 1 month RM'000	1 - 3 months RM'000	3 - 12 months RM'000	Non-Trading Book		Non-interest sensitive RM'000	Allowances RM'000	SPF-related items RM'000	Trading book RM'000	Non-interest sensitive RM'000	Total RM'000
				1 - 5 years RM'000	Over 5 years RM'000						
Assets											
Cash and short-term funds	1,231,632							5,400			1,237,032
Deposits and placements with banks and other financial institutions		90,206	15,316								105,522
Financial assets held-for-trading									122,599		122,599
Financial assets available-for-sale	133,434	148,437		31,593				18,937			332,421
Loans, advances and financing	18,143										17,870
Derivative Financial assets									72,783		72,783
Statutory deposits with Bank Negara Malaysia										5,721	5,721
Other assets								3,648		3,484	7,132
Total Assets	1,383,209	238,643	15,316	31,593				28,005	195,382	8,932	1,901,080
Liabilities											
Deposits from customers	792,135	29	65,822	271,604				6,976			1,136,566
Deposits and placements from banks and other financial institutions	172,366								26,260		172,366
Derivatives Financial Liabilities											26,260
Subordinated Debt Capital		161,238									161,238
Other liabilities										12,913	13,277
Total Liabilities	964,501	161,267	65,822	271,604				7,340	26,260	12,913	1,509,707
Net interest rate gap	418,708	77,376	(50,506)	(240,011)				20,665	169,122	(3,981)	391,373

24 COMMITMENTS AND CONTINGENCIES

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

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

	31 March 2013		
	Principal amount RM'000	Credit equivalent amount * RM'000	Risk-weighted amount RM'000
<u>Commitments and Contingent Liabilities</u>			
Direct credit substitutes	135,811	135,811	135,811
Transaction-related contingent items			
Short-term self-liquidating trade-related contingencies	396	79	16
Other assets sold with recourse and commitments with certain drawdown			
Irrevocable commitments to extend credit:			
- maturity less than one year			
- maturity more than one year			
Foreign exchange related contracts:			
- one year or less	3,719,559	71,101	29,214
- over one year to five years	237,895	19,359	11,196
- over five years			
Interest rate related contracts:			
- one year or less			
- over one year to five years	3,192,867	100,661	49,838
- over five years	75,000	5,934	3,684
Credit Derivatives Contract			
- one year or less	26,877	791	771
- over one year to five years	2,145,848	128,395	42,820
- over five years			
	<u>9,534,253</u>	<u>462,131</u>	<u>273,350</u>

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

31 December 2012

	Principal amount RM'000	Credit equivalent amount * RM'000	Risk-weighted amount RM'000
<u>Commitments and Contingent Liabilities</u>			
Direct credit substitutes	129,173	129,173	129,173
Transaction-related contingent items	4,500	2,250	1,125
Short-term self-liquidating trade-related contingencies	404	81	16
Other assets sold with recourse and commitments with certain drawdown	-	-	-
Irrevocable commitments to extend credit:			
- maturity less than one year	-	-	-
- maturity more than one year	-	-	-
Foreign exchange related contracts:			
- one year or less	2,044,660	36,568	15,102
- over one year to five years	275,907	20,556	13,443
Interest rate related contracts:			
- over one year to five years	2,628,491	87,949	41,654
- over five years	50,000	4,500	2,250
Credit Derivatives Contract			
- one year or less	27,115	897	823
- over one year to five years	2,132,098	134,374	44,343

7,292,348	416,348	247,929
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BNP PARIBAS MALAYSIA BERHAD**(Incorporated in Malaysia)****22. Islamic Banking Operations****UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS OF 31 MARCH 2013**

	Note	Bank 31-Mar 2013 RM'000	Bank 31-Dec 2012 RM'000
ASSETS			
Cash and short-term funds	(a)	2,562	5,400
Financial assets held-for-trading	(b)	7,370	-
Financial assets available-for-sale	(c)	15,962	18,957
Other assets	(d)	2,977	3,648
Deferred tax assets		4	-
TOTAL ASSETS		<u>28,875</u>	<u>28,005</u>
LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits from customers	(e)	8,714	6,976
Other liabilities	(f)	-	364
Total liabilities		<u>8,714</u>	<u>7,340</u>
Capital fund	(g)	23,600	23,600
Reserves	(h)	(3,439)	(2,935)
Islamic Banking Funds		<u>20,161</u>	<u>20,665</u>
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS		<u>28,875</u>	<u>28,005</u>
COMMITMENTS AND CONTINGENCIES		-	-

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

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

UNAUDITED INCOME STATEMENTS
FOR THE 1ST QUARTER ENDED 31 MARCH 2013

	Bank 31-Mar 2013 RM'000	Bank 31-Dec 2012 RM'000
	RM'000	
Total income derived from investment of Islamic banking funds and depositors' funds	212	385
Income derived from investment of Islamic banking funds and depositors' funds	-	
Profit expense to depositors	(82)	(32)
Net income derived from investment of Islamic Banking funds and depositors' funds	130	353
Other operating income	3	-
Other operating expenses	(623)	(3,290)
Loss for the financial quarter before zakat and taxation	(490)	(2,937)
Zakat	-	
Income tax expense	-	
Loss for the financial quarter after zakat and income tax	(490)	(2,937)
Other comprehensive income:		
Net loss on revaluation of financial assets available-for-sale	(13)	3
Income tax relating to component of other comprehensive income	3	(1)
Other comprehensive income, net of tax	<u>(10)</u>	<u>2</u>
Total comprehensive loss for the quarter	<u>(500)</u>	<u>(2,935)</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

22. Islamic Banking Operations

**STATEMENTS OF CHANGES IN ISLAMIC BANKING FUNDS
AS OF 31 MARCH 2013**

Bank	Share capital RM'000	Statutory reserves RM'000	Non-distributable		Distributable	Total RM'000
			Statutory reserves RM'000	Fair Value Reserves AFS Securities RM'000		
At 1 January 2013	23,600	-	-	2	(2,937)	20,665
Loss for the quarter					(490)	(490)
Unrealised net loss on revaluation of securities available-for-sale				(14)		(14)
Deferred tax				4		4
At 31 March 2013	23,600	-	-	(8)	(3,427)	20,165

Bank	Capital fund RM'000	Statutory reserve RM'000	Non-distributable		Accumulated losses RM'000	Total RM'000
			Statutory reserve RM'000	Fair Value Reserves AFS Securities RM'000		
At 4 June 2012	20,000	-	-	-	-	20,000
Loss for the period	-	-	-	-	(2,937)	(2,937)
Other comprehensive income				2		2
Capital reallocation	3,600					3,600
At 31 December 2012	23,600	-	-	2	(2,937)	20,665

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

22. Islamic Banking Operations

A. NOTES TO THE FINANCIAL STATEMENTS

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of the Financial Statements

(a) CASH AND SHORT-TERM FUNDS

	Bank 31-Mar 2013 RM'000	Bank 31-Dec 2012 RM'000
At Amortised Cost		
Cash and balances with banks and other financial institutions	2,562	5,400

(b) FINANCIAL ASSETS HELD-FOR-TRADING

	Bank 31-Mar 2013 RM'000	Bank 31-Dec 2012 RM'000
At Fair Value		
Government Securities		
Bank Negara Malaysia Debt Securities	7,370	-

(c) SECURITIES AVAILABLE-FOR-SALE

	Bank 31-Mar 2013 RM'000	Bank 31-Dec 2012 RM'000
At Fair Value		
Government Securities		
Bank Negara Malaysia Debt Securities	15,962	18,957

(d) OTHER ASSETS

	Bank 31-Mar 2013 RM'000	Bank 31-Dec 2012 RM'000
Other debtors, deposits and prepayments	2,977	3,648

(e) DEPOSITS FROM CUSTOMERS

Type	Bank 31-Mar 2013 RM'000	Bank 31-Dec 2012 RM'000
Non-Mudharabah Fund		
Demand deposits	7,462	2,976
Commodity Murabahah	1,252	4,000
	<u>8,714</u>	<u>6,976</u>

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

	Bank 31-Mar 2013 RM'000	Bank 31-Dec 2012 RM'000
Due within six months	<u>8,714</u>	<u>6,976</u>

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

	Bank 31-Mar 2013 RM'000	Bank 31-Dec 2012 RM'000
Business enterprise	1,318	1,395
Domestic non-bank financial institution	7,396	5,581
	<u>8,714</u>	<u>6,976</u>

(f) OTHER LIABILITIES

	Bank 31-Mar 2013 RM'000	Bank 31-Dec 2012 RM'000
Other liabilities	-	<u>364</u>

(g) ISLAMIC BANKING FUNDS

	Bank 31-Mar 2013 RM'000	Bank 31-Dec 2012 RM'000
Issued and fully paid: Balance as at 31 March	23,600	23,600

(h) RESERVES

	Bank 31-Mar 2013 RM'000	Bank 31-Dec 2012 RM'000
Unrealised reserves	(8)	2
Accumulated losses	(3,427)	(2,937)
	<u>(3,435)</u>	<u>(2,935)</u>

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

	Bank 31-Mar 2013 RM'000	Bank 31-Dec 2012 RM'000
Money at call and deposit placement with financial institutions	1	253
Financial assets held-for-trading	4	-
Financial assets available-for-sale	207	132
	<u>212</u>	<u>385</u>

(j) OTHER OPERATING INCOME

Net gain/(loss) arising from sale of securities: Financial assets held-for-trading	5	-
Unrealised gain/(loss) on revaluation of securities: Financial assets held-for-trading	(2)	-
	<u>3</u>	<u>-</u>

(k) OTHER OPERATING EXPENSES

	Bank 31-Mar 2013 RM'000	Bank 31-Dec 2012 RM'000
Personnel costs (Note i)	474	1,778
Establishment costs (Note ii)	66	449
Marketing expenses (Note iii)	-	35
Administration and general expenses (Note iv)	83	1,028
(i) Personnel Costs		
Salaries, bonuses and allowances	364	1,410
Social security costs		
EPF - defined contribution plan	49	250
Rental of accomodation		
Redundancy payment - retail and commercial		
Other staff related expenses	61	118
	<u>474</u>	<u>1,778</u>
(ii) Establishment costs		
Share of Group costs		
Share of information technology costs		
Depreciation of property, plant and equipment	1	171
Loss on sale of property, plant and equipment		
Property, plant and equipment written-off		
Amortization of intangible asset	1	9
Rental of premises	50	206
Others	14	63
	<u>66</u>	<u>449</u>
(iii) Marketing Expenses		
Advertising		17
Others	-	18
	<u>-</u>	<u>35</u>
(iv) Administration and general expenses		
Legal and professional fees	62	810
Communication		
Transportation	-	120
Others	21	98
	<u>83</u>	<u>1,028</u>

I. CAPITAL ADEQUACY

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

	Bank 31-Mar 2013 RM'000	Bank 31-Dec 2012 RM'000
Tier-I capital		
Capital fund	23,600	23,600
Accumulated losses	(3,427)	(2,937)
	<u>20,173</u>	<u>20,663</u>
Less :		
- Deferred tax assets	(4)	-
- 55% of cumulative gains of AFS financial instruments	(9)	
- Other disclosed reserves	16	
Total Tier-I capital	<u>20,176</u>	<u>20,663</u>
	Bank 31-Mar 2013 RM'000	Bank 31-Dec 2012 RM'000
Tier-II Capital		
Collective assessment allowance		-
Subordinated debt capital		-
Total Tier-II capital		<u>-</u>
Capital base	<u>20,176</u>	<u>20,663</u>
Capital Ratios		
Core capital ratio	488.64%	307.67%
Risk-weighted capital ratio	<u>488.64%</u>	<u>307.67%</u>

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

	Bank 31-Mar 2013 RM'000	Bank 31-Dec 2012 RM'000
Credit Risk	2,978	3,648
Market Risk	283	2,453
Operational Risk	868	615
Total risk-weighted assets	<u>4,129</u>	<u>6,716</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

B. NOTES TO THE FINANCIAL STATEMENTS

1. PERFORMANCE REVIEW

For the first quarter under review, the bank recorded a net loss after taxation of RM 2.621 million. This was achieved on the back of net interest income of RM 3.281 million and non-interest income of RM 0.951 million. The net interest income was generated mainly from placement of funds with Bank Negara Malaysia and financial institutions while the non-interest income came from profit/(loss) from trading securities and unrealized/realized gains/(losses) on foreign exchange and derivative transactions. This was offset by the bank's operating expenses for the first quarter of RM 7.717 million, resulting in the recording of pre-tax loss of RM 3.485 million.

2 CURRENT YEAR PROSPECT

BNP Paribas Malaysia will remain focused on our commitments to our clients by providing specific solutions through the offering of our products and expertise, combined with superior client service.

BNP Paribas Malaysia has a good pipeline of client asset deals and structured finance and advisory transactions. At the same time we are continuing our focus to deepen existing client relationships and increase client driven flow activities in foreign exchange and fixed income.

In the broader context, we are confident there will be continuous momentum in business and economic activities throughout the year. Domestic business activity remains resilient and we expect less volatility in the global markets .

Through this combination of internal and external factors, we are confident BNP Paribas Malaysia Berhad will be able to demonstrate positive results for the current year.