

Company No. 918091-T

**BNP PARIBAS MALAYSIA BERHAD**  
(Incorporated in Malaysia)

**UNAUDITED STATEMENTS OF FINANCIAL POSITION**  
**AS OF 30 JUNE 2013**

	Note	Bank 30-Jun 2013 RM'000	Bank 31-Dec 2012 RM'000
<b>ASSETS</b>			
Cash and short-term funds	2	249,015	1,237,032
Deposits and placements with banks and other financial institutions	3	867,553	105,522
Financial assets held-for-trading	4	50,383	122,599
Financial assets available-for-sale	5	496,556	332,421
Loans and advances	6	204,897	17,870
Derivative financial assets		126,642	72,783
Statutory deposits with Bank Negara Malaysia	7	-	5,721
Other assets	8	18,023	7,132
Property, plant and equipment	9	4,736	5,458
Intangible assets	10	2,675	2,716
Deferred tax assets		8,136	7,816
<b>TOTAL ASSETS</b>		<b>2,028,616</b>	<b>1,917,070</b>
<b>LIABILITIES AND SHAREHOLDERS' FUNDS</b>			
Deposits from customers	11	806,098	1,136,566
Deposits and placements from banks and other financial institutions	12	542,554	172,366
Derivative financial liabilities		84,013	26,260
Other liabilities	13	22,660	13,277
Tax liability			
Subordinated debt capital	14	166,954	161,238
<b>TOTAL LIABILITIES</b>		<b>1,622,279</b>	<b>1,509,707</b>
Share capital	15	441,920	441,920
Reserves	16	(35,583)	(34,557)
<b>SHAREHOLDER'S FUNDS</b>		<b>406,337</b>	<b>407,363</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS</b>		<b>2,028,616</b>	<b>1,917,070</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	24	<b>13,944,832</b>	<b>7,292,348</b>

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 2ND QUARTER ENDED 30 JUNE 2013**

	Note	Bank 30-Jun 2013 RM'000	Bank 30-Jun 2012 RM'000
Operating Revenue		37,158	30,258
Interest income	17	21,906	10,397
Interest expenses	18	(15,823)	(7,332)
Net interest income		6,083	3,065
Net income from Islamic banking business	25	278	-
Other operating income	19	15,252	19,861
Operating expenses	20	(19,540)	(19,700)
Allowance for impairment on loans, advances and financing	21	(2,847)	(1,076)
Profit/(Loss) before tax		(774)	2,150
Taxation		182	(853)
Net profit/(loss) for the financial quarter		(592)	1,297

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE 2ND QUARTER ENDED 30 JUNE 2013**

	Note	Bank 30-Jun 2013 RM'000	Bank 30-Jun 2012 RM'000
Profit for the period		(592)	1,297
Other comprehensive income/(loss):			
Net income/(loss) on revaluation of financial assets available-for-sale		(579)	149
Income tax relating to component of other comprehensive income/(loss)		145	
Other comprehensive income/(loss), net of tax		(434)	149
Total comprehensive income/(loss) for the quarter		(1,026)	1,446

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 2013**

Bank	Share capital RM'000	Share premium RM'000	Non-distributable			Total RM'000
			Statutory reserves RM'000	Fair Value Reserves AFS Securities RM'000	Accumulated losses RM'000	
At 1 January 2013	441,920	-	-	(50)	(34,507)	407,363
Loss for the quarter	-	-	-	-	(592)	(592)
Unrealised net loss on revaluation of securities available-for-sale	-	-	-	(595)	-	(595)
Deferred tax	-	-	-	161	-	161
Transfer of reserves	-	-	-	-	-	-
At 30 June 2013	441,920	-	-	(484)	(35,099)	406,337

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

Bank	Share capital RM'000	Share premium RM'000	Non-distributable			Total RM'000
			Statutory reserves RM'000	Fair Value Reserves AFS Securities RM'000	Accumulated losses RM'000	
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	-	-	-	17	-	17
Deferred tax	-	-	-	17	-	17
Transfer of reserves	91,920	-	-	-	-	91,920
Issuance of share	441,920	-	-	(50)	(34,507)	407,363
At 31 December 2012	441,920	-	-	(50)	(34,507)	407,363

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

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**BNP PARIBAS MALAYSIA BERHAD**  
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**CASH FLOW STATEMENT**  
**FOR THE 2ND QUARTER ENDED 30 JUNE 2013**

	<b>Bank 30-Jun 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
<b>Cash Flows from Operating Activities</b>		
Loss before taxation	(774)	(17,301)
Adjustments for:		
Depreciation of property, plant and equipment	822	1,611
Amortisation of intangible asset	41	82
Property, plant and equipment written-off	-	-
Allowance for losses on loans and financing	2,847	(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	(2,337)	1,972
Unrealised (gain)/loss on revaluation of securities held-for-trading	44	(31)
Unrealised foreign exchange (gain)/loss	(5,369)	628
Unrealised (gain)/loss on derivatives trading	9,748	(51,015)
Write back of provision for diminution for value in shares	-	-
Write back of provision for commitments and contingencies	-	-
Share of profit of associate	-	-
Operating profit before working capital changes	4,983	(64,304)

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**CASH FLOW STATEMENT**  
**FOR THE 2ND QUARTER ENDED 30 JUNE 2013**

	<b>Bank 30-Jun 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
(Increase)/Decrease in:		
Securities held for trading	74,509	(124,540)
Securities available-for-sale	(164,675)	(242,036)
Loans, advances and financing	(187,027)	6,879
Derivative financial assets/liabilities	(3,323)	4,394
Other assets	(10,892)	(3,537)
Statutory deposits with Bank Negara Malaysia	5,721	(5,721)
Increase/(Decrease) in:		
Deposits from customers	(330,468)	991,386
Deposits and placements from banks and other financial institutions	370,188	171,901
Other liabilities	9,382	3,022
Cash (used in)/generated from operations	(231,602)	737,444
Income taxes paid	-	-
Net cash (used in)/generated from operating activities	(231,602)	737,444

**Cash Flows from Investing Activities**

Purchase of property, plant and equipment	(100)	(782)
Purchase of intangible asset	-	(2,600)
Proceeds from disposal of property, plant and equipment	-	-
Investment in associated company	-	-
Net cash (used in)/generated from investing activities	(100)	(3,382)

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**CASH FLOW STATEMENT**  
**FOR THE 2ND QUARTER ENDED 30 JUNE 2013**

	<b>Bank 30-Jun 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
<b>Cash Flows from Financing Activity</b>		
Proceeds from issuance of subordinated debt capital, representing net cash generated from financing activity	5,716	161,238
	<hr/>	<hr/>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(225,986)	987,220
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	1,342,554	355,334
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	1,116,568	1,342,554
	<hr/>	<hr/>
 Cash and cash equivalents comprise the following:		
Cash and short-term funds	249,015	1,237,032
Deposits and placements with banks and other financial institutions	867,553	105,522
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	1,116,568	1,342,554
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The accompanying notes form an integral part of the financial statements.

**BNP PARIBAS MALAYSIA BERHAD**  
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**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**

	<b>Bank 30-Jun 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
<b>At Amortised Cost</b>		
Cash and balances with banks and other financial institutions	22,912	192,155
Money at call and deposit placements maturing within one month	226,103	1,044,877
	<b>249,015</b>	<b>1,237,032</b>

<b>Bank 30-Jun 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
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**3. DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS**

Licensed banks	851,690	90,206
Other financial institutions	15,863	15,316
	<b>867,553</b>	<b>105,522</b>

**4. FINANCIAL ASSETS HELD-FOR-TRADING**

	<b>Bank 30-Jun 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
<b>At Fair Value</b>		
Government Securities		
Government Investment Issues	-	3,343
Malaysian Government Securities	424	20,008
Bank Negara Malaysia Debt Securities	49,959	99,248
	<b>50,383</b>	<b>122,599</b>

**BNP PARIBAS MALAYSIA BERHAD**  
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**5. FINANCIAL ASSETS AVAILABLE-FOR-SALE**

	<b>Bank 30-Jun 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
At Fair Value		
Government securities:		
Malaysian Government Securities	145,361	31,593
Bank Negara Malaysia Debt Securities	249,878	107,372
Treasury Bills	11,920	
Money market instrument:		
Negotiable Instruments of Deposit	89,397	193,456
Unquoted shares in Malaysia	-	-
	<u>496,556</u>	<u>332,421</u>

**6. LOANS AND ADVANCES**

	<b>Bank 30-Jun 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
At amortised cost		
(i) By type		
Revolving credits	35,502	18,143
Term loan	52,017	-
Bridging loan	116,256	-
Trust Receipt	4,242	-
	<u>208,017</u>	<u>18,143</u>
Less: Allowance for impaired loans and financing :		
- Collective assessment allowance	(3,120)	(273)
Net loans, advances and financing	<u>204,897</u>	<u>17,870</u>
(ii) By type of customer		
Domestic business enterprises	91,761	18,143
Foreign business enterprise	116,256	-
	<u>208,017</u>	<u>18,143</u>
(iii) By interest rate sensitivity		
Variable rate		
Cost plus	<u>208,017</u>	<u>18,143</u>
(iv) By residual contractual maturity		
Up to 1 year	156,000	18,143
> 1 - 5 years	52,017	-
> 5 years	<u>208,017</u>	<u>18,143</u>
(v) By geographical distribution		
In Malaysia	91,761	18,143
In Labuan	116,256	-
	<u>208,017</u>	<u>18,143</u>



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**6. LOANS AND ADVANCES (CONTD.)**

	<b>Bank 30-Jun 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
<b>(vi) By Sector</b>		
Manufacturing	34,414	14,813
Wholesale and retail	3,330	3,330
Construction	54,017	-
Other service activities	116,256	-
	<u>208,017</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:**

<b>Collective Assessment Allowance</b>		
Balance as at 1 January	273	375
Allowance made during the year	2,847	1,076
Write back made during the year	-	(1,178)
Balance as at 30 June	<u>3,120</u>	<u>273</u>
As % of gross loans, advances and financing less collective assessment allowance	<u>1.5%</u>	<u>1.5%</u>

<b>Bank 30-Jun 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
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**7. STATUTORY DEPOSITS WITH BANK NEGARA MALAYSIA**

Statutory Deposits with Bank Negara Malaysia	<u>-</u>	<u>5,721</u>
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**8. OTHER ASSETS**

Collateral assets	-	4,565
Other receivables, deposits and prepayments	18,023	2,567
	<u>18,023</u>	<u>7,132</u>

**BNP PARIBAS MALAYSIA BERHAD**  
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**9. PROPERTY, PLANT AND EQUIPMENT**

<b>Bank</b>	<b>Office Equipment and Machinery RM'000</b>	<b>Renovation and Installation RM'000</b>	<b>Furniture, Fixtures and Fittings RM'000</b>	<b>Computer Equipment RM'000</b>	<b>Total RM'000</b>
<b>At 30 June 2013</b>					
<b>Cost</b>					
At 1 January 2013	100	3,479	1,370	3,270	8,219
Additions	-	52	2	46	100
Disposals	-	-	-	-	-
Write-off	-	-	-	-	-
At 30 June 2013	100	3,531	1,372	3,316	8,319
<b>Accumulated Depreciation</b>					
At 1 January 2013	31	1,016	470	1,244	2,761
Charge for the year	10	288	136	388	822
Disposals	-	-	-	-	-
Write-off	-	-	-	-	-
At 30 June 2013	41	1,304	606	1,632	3,583
<b>Net Book Value 30 June 2013</b>	59	2,227	766	1,684	4,736

**BNP PARIBAS MALAYSIA BERHAD**  
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**PROPERTY, PLANT AND EQUIPMENT**

<b>Bank</b>	<b>Office equipment RM'000</b>	<b>Renovation and installation RM'000</b>	<b>Furniture, fixtures and fittings RM'000</b>	<b>Computer Equipment and hardware RM'000</b>	<b>Total RM'000</b>
<b>2012</b>					
<b>Cost</b>					
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
<b>2012</b>					
<b>Accumulated Depreciation</b>					
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
<b>Net Book Value 31 December 2012</b>	69	2,463	900	2,026	5,458

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**10. INTANGIBLE ASSETS**

	<b>Bank 30-Jun 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
<u>Computer Software:</u>		
<b>Cost</b>		
At 1 January	247	247
Additions	-	-
Write Off	-	-
At 30 June	<u>247</u>	<u>247</u>
<b>Accumulated Amortisation</b>		
At 1 January	131	49
Amortisation for the year	41	82
Write-off	-	-
At 30 June	<u>172</u>	<u>131</u>
<b>Net Book Value</b>	<u>75</u>	<u>116</u>
<u>Interbank Giro license fees</u>		
<b>Cost</b>		
At 1 January	2,600	-
Additions	-	2,600
Write Off	-	-
At 30 June	<u>2,600</u>	<u>2,600</u>
<b>Accumulated Depreciation</b>		
At 1 January	-	-
Amortisation for the year	-	-
Write-off	-	-
At 30 June	<u>-</u>	<u>-</u>
<b>Net Book Value</b>	<u>2,600</u>	<u>2,600</u>
<b>Total Net Book Value</b>	<u>2,675</u>	<u>2,716</u>

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**11. DEPOSITS FROM CUSTOMERS**

Type	Bank 30-Jun 2013 RM'000	Bank 31-Dec 2012 RM'000
At amortised cost		
Demand deposits	52,538	33,660
Saving deposits	-	-
Fixed deposits	399,393	807,637
Collateral deposits	63,930	4,650
Structured deposits	284,386	286,619
Commodity Murabaha	5,851	4,000
	<u>806,098</u>	<u>1,136,566</u>

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

	Bank 30-Jun 2013 RM'000	Bank 31-Dec 2012 RM'000
Due within six months	536,725	849,947
Six months to one year	-	15,015
More than one year	269,373	271,604
	<u>806,098</u>	<u>1,136,566</u>

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

	Bank 30-Jun 2013 RM'000	Bank 31-Dec 2012 RM'000
Business enterprises	369,747	766,205
Domestic non-bank financial institutions	372,421	365,711
Licensed bank	42,878	4,650
Other financial institutions	21,052	-
	<u>806,098</u>	<u>1,136,566</u>

**12. DEPOSITS AND PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS**

	Bank 30-Jun 2013 RM'000	Bank 31-Dec 2012 RM'000
Licensed banks	-	-
Other financial institutions	542,554	172,366
	<u>542,554</u>	<u>172,366</u>

**13. OTHER LIABILITIES**

	Bank 30-Jun 2013 RM'000	Bank 31-Dec 2012 RM'000
Other payables	5,183	323
Accruals and charges	17,477	12,954
	<u>22,660</u>	<u>13,277</u>

**BNP PARIBAS MALAYSIA BERHAD**  
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**14. SUBORDINATED DEBT CAPITAL**

	<b>Bank 30-Jun 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
Subordinated Debt Capital	164,788	159,094
Accrued interest	2,166	2,144
At 30 June	<u>166,954</u>	<u>161,238</u>

**15. SHARE CAPITAL**

	<b>Bank 30-Jun 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
Authorised: 600,000,000 ordinary shares of RM1 each	<u>600,000</u>	<u>600,000</u>
Issued and fully paid: Balance as at 30 June	<u>441,920</u>	<u>441,920</u>

**16. RESERVES**

	<b>Bank 30-Jun 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
Non-distributable:		
Share premium	-	-
Statutory reserves	-	-
Unrealised reserves	(484)	(50)
Distributable:		
Retained earnings	<u>(35,099)</u>	<u>(34,507)</u>
	<u>(35,583)</u>	<u>(34,557)</u>

**BNP PARIBAS MALAYSIA BERHAD**  
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**17. INTEREST INCOME**

	<b>Bank 30-Jun 2013 RM'000</b>	<b>Bank 30-Jun 2012 RM'000</b>
Loans, advances and financing	815	670
Money at call and deposit placements with financial institutions	12,413	7,394
Financial assets - Available-for-sale	8,691	2,333
Financial assets - Held-for-trading	284	-
	<u>22,203</u>	<u>10,397</u>
Amortisation of premium less accretion of discount	(297)	-
<b>Total Interest Income</b>	<u>21,906</u>	<u>10,397</u>

## Of which:

Interest income earned on impaired loans, advances and financing	-	-
	<u>-</u>	<u>-</u>

**18. INTEREST EXPENSE**

	<b>Bank 30-Jun 2013 RM'000</b>	<b>Bank 30-Jun 2012 RM'000</b>
Deposits and placements from banks and other financial institutions	489	1,001
Deposits from customers	11,019	3,958
Subordinated debt capital	4,315	2,373
	<u>15,823</u>	<u>7,332</u>

**19. OTHER OPERATING INCOME**

	<b>Bank 30-Jun 2013 RM'000</b>	<b>Bank 30-Jun 2012 RM'000</b>
Fee income:		
Commissions	286	-
Guarantee fees	184	21
Other fee income	3,507	90
	<u>3,977</u>	<u>111</u>
Net gain/(loss) arising from sale of securities:		
Financial assets held-for-trading	2,337	-
Financial assets - available-for-sale	39	-
	<u>2,376</u>	<u>-</u>
Unrealised gain/(loss) on revaluation of securities:		
Financial assets held-for-trading	(44)	817
	<u>(44)</u>	<u>817</u>
Gross dividend income from:		
Securities available-for-sale	-	-
	<u>-</u>	<u>-</u>
Other income:		
Foreign exchange:		
- Realised gain/(loss)	6,863	(5,246)
- Unrealised gain/(loss)	5,369	4,284
Gain/(Loss) on derivatives trading		
- Realised gain/(loss)	(4,880)	(40,259)
- Unrealised gain/(loss)	(9,748)	59,921
Others	11,339	233
	<u>8,943</u>	<u>18,933</u>
	<u>-</u>	<u>-</u>
<b>Total</b>	<u>15,252</u>	<u>19,861</u>

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**20. OTHER OPERATING EXPENSES**

	<b>Bank 30-Jun 2013 RM'000</b>	<b>Bank 30-Jun 2012 RM'000</b>
Personnel costs (Note a)	12,493	11,854
Establishment costs (Note b)	4,298	3,409
Marketing expenses (Note c)	339	246
Administration and general expenses (Note d)	2,410	4,191
	<u>19,540</u>	<u>19,700</u>
<b>(a) Personnel costs</b>		
Salaries, bonuses and allowances	9,223	9,453
Social security costs		
EPF - defined contribution plan	1,372	1,511
Rental of accommodation		
Redundancy payment - retail and commercial		
Other staff related expenses	1,898	890
	<u>12,493</u>	<u>11,854</u>
<b>(b) Establishment costs</b>		
Share of Group costs	-	-
Share of information technology costs	747	668
Depreciation of property, plant and equipment	822	778
Loss on sale of property, plant and equipment		-
Property, plant and equipment written-off		-
Amortization of intangible asset	41	41
Rental of premises	935	840
Others	1,753	1,082
	<u>4,298</u>	<u>3,409</u>
<b>(c) Marketing Expenses</b>		
Advertising	113	114
Others	226	132
	<u>339</u>	<u>246</u>
<b>(d) Administration and general expenses</b>		
Legal and professional fees	(371)	1,463
Transportation	155	377
Property maintenance	-	-
Others	2,626	2,351
	<u>2,410</u>	<u>4,191</u>



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**21. ALLOWANCE FOR IMPAIRMENT ON LOANS, ADVANCES AND FINANCING**

	<b>Bank 30-Jun 2013 RM'000</b>	<b>Bank 30-Jun 2012 RM'000</b>
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	2,847	1,076
- Written back in the financial year	-	-
	<u>2,847</u>	<u>1,076</u>

**22. CAPITAL ADEQUACY**

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

	<b>Bank 30-Jun 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
<b>Tier-I capital</b>		
Paid-up share capital	441,920	441,920
Share premium	-	-
Statutory reserves	-	-
Accumulated losses	(35,099)	(34,507)
	<u>406,821</u>	<u>407,413</u>
Less :		
- Deferred tax assets	(8,136)	(7,816)
- 55% of cumulative gains of AFS financial instruments	(355)	-
- Other disclosed reserves	645	-
Total Tier-I capital	<u>398,975</u>	<u>399,597</u>
<b>Tier-II Capital</b>		
Collective assessment allowance	3,120	273
Subordinated debt capital	164,788	159,094
Total Tier-II capital	<u>167,908</u>	<u>159,367</u>
Total capital funds	566,883	558,964
Less: Investment in subsidiary companies	-	-
Capital base	<u>566,883</u>	<u>558,964</u>
<b>Capital Ratios</b>		
Core capital ratio	22.645%	37.992%
Risk-weighted capital ratio	<u>32.175%</u>	<u>53.144%</u>

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

	<b>Bank 30-Jun 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
Credit Risk	647,070	439,741
Market Risk	1,055,435	545,478
Operational Risk	59,385	66,563
Total risk-weighted assets	<u>1,761,890</u>	<u>1,051,782</u>



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**24 COMMITMENTS AND CONTINGENCIES**

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

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

	30 June 2013		
	Principal amount RM'000	Credit amount* RM'000	Risk-weighted amount RM'000
<u>Commitments and Contingent Liabilities</u>			
Direct credit substitutes	142,053	142,053	142,053
Transaction-related contingent items			
Short-term self-liquidating trade-related contingencies	116	23	5
Other assets sold with recourse and commitments with certain drawdown			
Irrevocable commitments to extend credit:			
- maturity less than one year	10,889	3,463	1,731
- maturity more than one year	6,925	2,178	436
Foreign exchange related contracts:			
- one year or less	5,117,318	118,167	58,446
- over one year to five years	755,665	70,756	49,795
- over five years			
Interest rate related contracts:			
- one year or less	200,000	500	175
- over one year to five years	5,285,882	172,775	85,792
- over five years	160,000	10,606	6,928
Credit Derivatives Contract			
- one year or less	27,405	790	770
- over one year to five years	2,238,579	158,208	50,061
- over five years			
	<u>13,944,832</u>	<u>679,519</u>	<u>396,192</u>

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



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**25. Islamic Banking Operations****UNAUDITED STATEMENTS OF FINANCIAL POSITION  
AS OF 30 JUNE 2013**

	Note	Bank 30-Jun 2013 RM'000	Bank 31-Dec 2012 RM'000
<b>ASSETS</b>			
Cash and short-term funds	(a)	7,146	5,400
Financial assets held-for-trading	(b)	16,347	-
Financial assets available-for-sale	(c)	10,587	18,957
Other assets	(d)	2,173	3,648
Deferred tax assets		-	-
<b>TOTAL ASSETS</b>		<u>36,253</u>	<u>28,005</u>
<b>LIABILITIES AND ISLAMIC BANKING FUNDS</b>			
Deposits from customers	(e)	13,003	6,976
Other liabilities	(f)	660	364
<b>Total liabilities</b>		<u>13,663</u>	<u>7,340</u>
Capital fund	(g)	24,350	23,600
Reserves	(h)	(1,760)	(2,935)
<b>Islamic Banking Funds</b>		<u>22,590</u>	<u>20,665</u>
<b>TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS</b>		<u>36,253</u>	<u>28,005</u>
<b>COMMITMENTS AND CONTINGENCIES</b>		-	-

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

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**UNAUDITED INCOME STATEMENTS**  
**FOR THE 2ND QUARTER ENDED 30 JUNE 2013**

		<b>Bank 30-Jun 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
		<b>RM'000</b>	
Total income derived from investment of Islamic banking funds and depositors' funds		405	385
Income derived from investment of Islamic banking funds and depositors' funds	(i)	-	-
Profit expense to depositors		405	385
		(127)	(32)
Net income derived from investment of Islamic Banking funds and depositors' funds		278	353
Other operating income	(j)	2,183	-
Other operating expenses	(k)	(1,284)	(3,290)
<b>Profit for the financial quarter before zakat and taxation</b>		<b>1,177</b>	<b>(2,937)</b>
Zakat		-	-
Income tax expense		-	-
<b>Profit for the financial quarter after zakat and income tax</b>		<b>1,177</b>	<b>(2,937)</b>
Other comprehensive income:			
Net loss on revaluation of financial assets available-for-sale		-	3
Income tax relating to component of other comprehensive income		-	(1)
Other comprehensive income, net of tax		-	2
<b>Total comprehensive profit for the quarter</b>		<b>1,177</b>	<b>(2,935)</b>

**BNP PARIBAS MALAYSIA BERHAD**  
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**Islamic Banking Operations**  
**STATEMENTS OF CHANGES IN ISLAMIC BANKING FUNDS**  
**FOR THE 2ND QUARTER ENDED 30 JUNE 2013**

Bank	Non-distributable		Fair Value Reserves AFS Securities RM'000	Distributable		Total RM'000
	Share capital RM'000	Statutory reserves RM'000		Retained earnings RM'000		
At 1 January 2013	23,600	-	2	(2,937)		20,665
Profit for the quarter				1,177		1,177
Unrealised net loss on revaluation of securities available-for-sale			(2)			(2)
Deferred tax						-
Capital reallocation	750					750
At 30 June 2013	24,350	-	-	(1,760)		22,590

Bank	Non-distributable		Fair Value Reserves AFS Securities RM'000	Accumulated losses		Total RM'000
	Capital fund RM'000	Statutory reserve RM'000		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**  
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**25. 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**

	<b>Bank 30-Jun 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
<b>At Amortised Cost</b>		
Cash and balances with banks and other financial institutions	7,146	5,400

**(b) FINANCIAL ASSETS HELD-FOR-TRADING**

	<b>Bank 30-Jun 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
<b>At Fair Value</b>		
Government Securities		
Bank Negara Malaysia Debt Securities	16,347	-

**(c) SECURITIES AVAILABLE-FOR-SALE**

	<b>Bank 30-Jun 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
<b>At Fair Value</b>		
Government Securities		
Bank Negara Malaysia Debt Securities	10,587	18,957

**(d) OTHER ASSETS**

	<b>Bank 30-Jun 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
<b>Other debtors, deposits and prepayments</b>	2,173	3,648



**BNP PARIBAS MALAYSIA BERHAD**  
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**(e) DEPOSITS FROM CUSTOMERS**

Type	<b>Bank 30-Jun 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
<b>Non-Mudharabah Fund</b>		
Demand deposits	7,152	2,976
Commodity Murabahah	5,851	4,000
	<u>13,003</u>	<u>6,976</u>

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

	<b>Bank 30-Jun 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
Due within six months	<u>13,003</u>	<u>6,976</u>

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

	<b>Bank 30-Jun 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
Business enterprise	5,620	1,395
Domestic non-bank financial institution	7,383	5,581
	<u>13,003</u>	<u>6,976</u>

**(f) OTHER LIABILITIES**

	<b>Bank 30-Jun 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
Other liabilities	<u>660</u>	<u>364</u>

**BNP PARIBAS MALAYSIA BERHAD**  
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**(g) ISLAMIC BANKING FUNDS**

	<b>Bank 30-Jun 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
Issued and fully paid:		
Balance as at 31 March	24,350	23,600

**(h) RESERVES**

	<b>Bank 30-Jun 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
Unrealised reserves	-	2
Accumulated losses	(1,760)	(2,937)
	<u>(1,760)</u>	<u>(2,935)</u>

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

	<b>Bank 30-Jun 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
Money at call and deposit placement with financial institutions	1	253
Financial assets held-for-trading	109	-
Financial assets available-for-sale	295	132
	<u>405</u>	<u>385</u>

**(j) OTHER OPERATING INCOME**

Fee income:		
Commissions	4	-
Net gain/(loss) arising from sale of securities:		
Financial assets held-for-trading	14	-
Unrealised gain/(loss) on revaluation of securities:		
Financial assets held-for-trading	-	-
Other income	2,165	-
	<u>2,183</u>	<u>-</u>

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**(k) OTHER OPERATING EXPENSES**

	<b>Bank 30-Jun 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
Personnel costs (Note i)	1,040	1,778
Establishment costs (Note ii)	143	449
Marketing expenses (Note iii)	-	35
Administration and general expenses (Note iv)	101	1,028
<b>(i) Personnel Costs</b>		
Salaries, bonuses and allowances	870	1,410
Social security costs		
EPF - defined contribution plan	96	250
Rental of accomodation		
Redundancy payment - retail and commercial		
Other staff related expenses	74	118
	<u>1,040</u>	<u>1,778</u>
<b>(ii) Establishment costs</b>		
Share of Group costs		
Share of information technology costs		
Depreciation of property, plant and equipment	2	171
Loss on sale of property, plant and equipment		
Property, plant and equipment written-off		
Amortization of intangible asset	4	9
Rental of premises	100	206
Others	37	63
	<u>143</u>	<u>449</u>
<b>(iii) Marketing Expenses</b>		
Advertising	-	17
Others	-	18
	<u>-</u>	<u>35</u>
<b>(iv) Administration and general expenses</b>		
Legal and professional fees	57	810
Communication		
Transportation	-	120
Others	44	98
	<u>101</u>	<u>1,028</u>

**BNP PARIBAS MALAYSIA BERHAD**  
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**I. CAPITAL ADEQUACY**

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

	<b>Bank 30-Jun 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
<b>Tier-I capital</b>		
Capital fund	24,350	23,600
Accumulated losses	(2,937)	(2,937)
	<u>21,413</u>	<u>20,663</u>
Less :		
- Deferred tax assets	-	-
- 55% of cumulative gains of AFS financial instruments	-	-
- Other disclosed reserves	-	-
Total Tier-I capital	<u>21,413</u>	<u>20,663</u>
<b>Tier-II Capital</b>		
Collective assessment allowance		-
Subordinated debt capital		-
Total Tier-II capital	<u>-</u>	<u>-</u>
Capital base	<u>21,413</u>	<u>20,663</u>
<b>Capital Ratios</b>		
Core capital ratio	623.559%	307.668%
Risk-weighted capital ratio	<u>623.559%</u>	<u>307.668%</u>

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

	<b>Bank 30-Jun 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
Credit Risk	2,173	3,648
Market Risk	91	2,453
Operational Risk	1,170	615
Total risk-weighted assets	<u>3,434</u>	<u>6,716</u>

**BNP PARIBAS MALAYSIA BERHAD**  
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**B. NOTES TO THE FINANCIAL STATEMENTS**

**1. PERFORMANCE REVIEW**

For the half year ended 30 June 2013, the bank recorded a net loss after taxation of RM0.592 million. This was achieved on the back of net interest income of RM6.361 million and non-interest income of RM 15.252 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 fee income and profit/(loss) from trading securities and unrealized/realized gains/(losses) on foreign exchange. This was offset by the bank's operating expenses for the six months of RM19.54 million, resulting in the recording of pre-tax loss of RM0.774 million.

**2. CURRENT YEAR PROSPECT**

BNP Paribas Malaysia Berhad's strategy of accelerating growth of our Client franchise is yielding positive results as seen through the growth of client assets from the 2nd quarter of 2013. BNP Paribas Malaysia Berhad has also leveraged successfully on its expertise in specialised financing and advisory, as evidenced through some significant mandates that are currently in progress.

For the remaining half of 2013, BNP Paribas Malaysia Berhad will continue to accelerate growth in all business areas including Financing, Fixed Income, Structured Finance and Transaction Banking, while ensuring the local platform and infrastructure is enabled to support the growing business requirements. In this context, we are beginning to see a business mix that is reflective of BNP Paribas Malaysia Berhad's Business plan in 2013.

On the domestic economic front, sound fiscal policies to manage household debt and pre-empt asset bubbles bode well for the economy in the longer term. With continuing progress in the major economies US, EU, Japan and continued growth in China, the outlook for 2013 remains positive.