

Company No. 918091-T

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

**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**AS OF 30 SEPTEMBER 2013**

	Note	Bank 30-Sep 2013 RM'000	Bank 31-Dec 2012 RM'000
<b>ASSETS</b>			
Cash and short-term funds	2	983,340	1,237,032
Deposits and placements with banks and other financial institutions	3	485,961	105,522
Financial assets held-for-trading	4	80,400	122,599
Financial assets available-for-sale	5	579,776	332,421
Loans and advances	6	322,466	17,870
Derivative financial assets		197,545	72,783
Statutory deposits with Bank Negara Malaysia	7	-	5,721
Other assets	8	19,562	7,132
Property, plant and equipment	9	4,335	5,458
Intangible assets	10	2,655	2,716
Deferred tax assets		4,893	7,816
<b>TOTAL ASSETS</b>		<b>2,680,933</b>	<b>1,917,070</b>
<b>LIABILITIES AND SHAREHOLDERS' FUNDS</b>			
Deposits from customers	11	913,374	1,136,566
Deposits and placements from banks and other financial institutions	12	1,004,060	172,366
Derivative financial liabilities		112,074	26,260
Other liabilities	13	78,338	13,277
Tax liability		-	-
Subordinated debt capital	14	-	161,238
<b>TOTAL LIABILITIES</b>		<b>2,107,846</b>	<b>1,509,707</b>
Share capital	15	601,920	441,920
Reserves	16	(28,833)	(34,557)
<b>SHAREHOLDER'S FUNDS</b>		<b>573,087</b>	<b>407,363</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS</b>		<b>2,680,933</b>	<b>1,917,070</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	24	<b>18,684,918</b>	<b>7,292,348</b>

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

Company No. 918091-T

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

**UNAUDITED INCOME STATEMENT**  
**AS OF 30 SEPTEMBER 2013**

	Note	Bank 30-Sep 2013 RM'000	Bank 30-Sep 2012 RM'000
Operating Revenue		64,695	39,690
Interest income	17	38,154	18,698
Interest expenses	18	(21,837)	(15,532)
Net interest income		16,317	3,166
Net income from Islamic banking business	25	327	197
Other operating income	19	26,541	20,992
Operating expenses	20	(28,961)	(29,502)
Allowance for impairment on loans, advances and financing	21	(4,638)	(226)
Profit/(Loss) before tax		9,586	(5,373)
Taxation		(3,158)	757
Net profit/(loss) for the financial quarter		6,428	(4,616)

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
**AS OF 30 SEPTEMBER 2013**

	Note	Bank 30-Sep 2013 RM'000	Bank 30-Sep 2012 RM'000
Profit for the period		6,428	(4,616)
Other comprehensive income/(loss):			
Net income/(loss) on revaluation of financial assets available-for-sale		(939)	(16)
Income tax relating to component of other comprehensive income/(loss)		235	4
Other comprehensive income/(loss), net of tax		(704)	(12)
Total comprehensive income/(loss) for the quarter		5,724	(4,628)

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

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

**STATEMENT OF CHANGES IN EQUITY**  
**AS OF 30 SEPTEMBER 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
Increased Capital	160,000	-	-	-	6,428	160,000
Profit for the quarter	-	-	-	-	-	6,428
Unrealised net loss on revaluation of securities available-for-sale	-	-	-	(955)	-	(955)
Deferred tax	-	-	-	251	-	251
Transfer of reserves	-	-	-	-	-	-
At 30 September 2013	601,920	-	-	(734)	(28,079)	573,087

**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						

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

Company No. 918091-T

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

**CASH FLOW STATEMENT**  
**AS OF 30 SEPTEMBER 2013**

	<b>Bank 30-Sep 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
<b>Cash Flows from Operating Activities</b>		
Profit/(Loss) before tax	9,586	(17,301)
Adjustments for:		
Depreciation of property, plant and equipment	1,245	1,611
Amortisation of intangible asset	61	82
Property, plant and equipment written-off	-	-
Allowance for losses on loans and financing	4,638	(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	(2,944)	1,972
Unrealised (gain)/loss on revaluation of securities held-for-trading	124	(31)
Unrealised foreign exchange (gain)/loss	(55,398)	628
Unrealised (gain)/loss on derivatives trading	47,655	(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	4,928	(64,304)

Company No. 918091-T

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

**CASH FLOW STATEMENT**  
**AS OF 30 SEPTEMBER 2013**

	<b>Bank</b> <b>30-Sep</b> <b>2013</b> <b>RM'000</b>	<b>Bank</b> <b>31-Dec</b> <b>2012</b> <b>RM'000</b>
(Increase)/Decrease in:		
Securities held for trading	45,019	(124,540)
Securities available-for-sale	(248,255)	(242,036)
Loans, advances and financing	(304,596)	6,879
Derivative financial assets/liabilities	(37,081)	4,394
Other assets	(12,430)	(3,537)
Statutory deposits with Bank Negara Malaysia	5,721	(5,721)
Increase/(Decrease) in:		
Deposits from customers	(223,192)	991,386
Deposits and placements from banks and other financial institutions	831,694	171,901
Other liabilities	65,061	3,022
Cash (used in)/generated from operations	126,869	737,444
Income taxes paid	-	-
Net cash (used in)/generated from operating activities	<u>126,869</u>	<u>737,444</u>

**Cash Flows from Investing Activities**

Purchase of property, plant and equipment	(122)	(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	<u>(122)</u>	<u>(3,382)</u>

**Cash Flows from Financing Activities**

Proceeds from issue of share capital	-	91,920
--------------------------------------	---	--------

Company No. 918091-T

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

**CASH FLOW STATEMENT**  
**AS OF 30 SEPTEMBER 2013**

	<b>Bank</b> <b>30-Sep</b> <b>2013</b> <b>RM'000</b>	<b>Bank</b> <b>31-Dec</b> <b>2012</b> <b>RM'000</b>
<b>Cash Flows from Financing Activity</b>		
Proceeds from issuance of subordinated debt capital, representing net cash generated from financing activity	-	<u>161,238</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	126,747	987,220
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u>1,342,554</u>	<u>355,334</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>1,469,301</u>	<u>1,342,554</u>
Cash and cash equivalents comprise the following:		
Cash and short-term funds	983,340	1,237,032
Deposits and placements with banks and other financial institutions	485,961	105,522
	<u>1,469,301</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 STATEMENT**

**1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Preparation of the Financial Statement**

The financial statement 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 statement incorporates 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-Sep 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	20,033	192,155
Money at call and deposit placements maturing within one month	963,307	1,044,877
	<u>983,340</u>	<u>1,237,032</u>

<b>Bank 30-Sep 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
--	--

**3. DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS**

Licensed banks	485,961	90,206
Other financial institutions	-	15,316
	<u>485,961</u>	<u>105,522</u>

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

	<b>Bank 30-Sep 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	60,472	20,008
Bank Negara Malaysia Debt Securities	19,928	99,248
	<u>80,400</u>	<u>122,599</u>

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

**5. FINANCIAL ASSETS AVAILABLE-FOR-SALE**

	Bank 30-Sep 2013 RM'000	Bank 31-Dec 2012 RM'000
At Fair Value		
Government securities:		
Malaysian Government Securities	184,607	31,593
Bank Negara Malaysia Debt Securities	79,569	107,372
Malaysian Government Investment Issues	100,877	-
Money market instrument:		
Negotiable Instruments of Deposit	214,723	193,456
Unquoted shares in Malaysia	-	-
	<u>579,776</u>	<u>332,421</u>

**6. LOANS AND ADVANCES**

	Bank 30-Sep 2013 RM'000	Bank 31-Dec 2012 RM'000
<b>At amortised cost</b>		
<b>(i) By type</b>		
Revolving credits	65,089	18,143
Term loan	136,801	-
Bridging loan	122,526	-
Trust Receipt	2,665	-
Overdraft	296	-
	<u>327,377</u>	<u>18,143</u>
Less: Allowance for impaired loans and financing :		
- Collective assessment allowance	(4,911)	(273)
Net loans, advances and financing	<u>322,466</u>	<u>17,870</u>
<b>(ii) By type of customer</b>		
Domestic business enterprises	204,851	18,143
Foreign business enterprise	122,526	-
	<u>327,377</u>	<u>18,143</u>
<b>(iii) By interest rate sensitivity</b>		
Variable rate		
Cost plus	<u>327,377</u>	<u>18,143</u>
<b>(iv) By residual contractual maturity</b>		
Up to 1 year	190,734	18,143
> 1 - 5 years	40,000	-
> 5 years	96,643	-
	<u>327,377</u>	<u>18,143</u>
<b>(v) By geographical distribution</b>		
In Malaysia	204,851	18,143
In Labuan	122,526	-
	<u>327,377</u>	<u>18,143</u>



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

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

	<b>Bank 30-Sep 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
<b>(vi) By Sector</b>		
Manufacturing	63,195	14,813
Wholesale and retail	2,854	3,330
Construction	42,001	-
Transport, Storage & Communication	96,801	-
Other service activities	122,526	-
	<u>327,377</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	4,638	1,076
Write back made during the year	-	(1,178)
Balance as at 30 September	<u>4,911</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-Sep 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
--	--

**7. STATUTORY DEPOSITS WITH BANK NEGARA MALAYSIA**

Statutory Deposits with Bank Negara Malaysia	<u>-</u>	<u>5,721</u>
--	----------	--------------

**8. OTHER ASSETS**

Collateral assets	10,723	4,565
Other receivables, deposits and prepayments	8,839	2,567
	<u>19,562</u>	<u>7,132</u>

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

**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
<b>At 30 September 2013</b>					
<b>Cost</b>					
At 1 January 2013	100	3,479	1,370	3,270	8,219
Additions	2	52	2	66	122
Disposals	-	-	-	-	-
Write-off	-	-	-	-	-
At 30 September 2013	102	3,531	1,372	3,336	8,341
<b>Accumulated Depreciation</b>					
At 1 January 2013	31	1,016	470	1,244	2,761
Charge for the year	15	437	205	588	1,245
Disposals	-	-	-	-	-
Write-off	-	-	-	-	-
At 30 September 2013	46	1,453	675	1,832	4,006
<b>Net Book Value 30 Sept 2013</b>	56	2,078	697	1,504	4,335

Company No. 918091-T

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

**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
<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

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

**10. INTANGIBLE ASSETS**

	<b>Bank 30-Sep 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 September	<u>247</u>	<u>247</u>
<b>Accumulated Amortisation</b>		
At 1 January	131	49
Amortisation for the year	61	82
Write-off	-	-
At 30 September	<u>192</u>	<u>131</u>
<b>Net Book Value</b>	<u>55</u>	<u>116</u>
<u>Interbank Giro license fees</u>		
<b>Cost</b>		
At 1 January	2,600	-
Additions	-	2,600
Write Off	-	-
Interbank Giro license fees	<u>2,600</u>	<u>2,600</u>
<b>Accumulated Depreciation</b>		
At 1 January	-	-
Amortisation for the year	-	-
Write-off	-	-
Interbank Giro license fees	<u>-</u>	<u>-</u>
<b>Net Book Value</b>	<u>2,600</u>	<u>2,600</u>
<b>Total Net Book Value</b>	2,655	2,716

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

**11. DEPOSITS FROM CUSTOMERS**

Type	Bank 30-Sep 2013 RM'000	Bank 31-Dec 2012 RM'000
At amortised cost		
Demand deposits	79,112	33,660
Saving deposits	-	-
Fixed deposits	445,266	807,637
Collateral deposits	110,195	4,650
Structured deposits	269,395	286,619
Commodity Murabaha	9,406	4,000
	<u>913,374</u>	<u>1,136,566</u>

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

	Bank 30-Sep 2013 RM'000	Bank 31-Dec 2012 RM'000
Due within six months	643,979	849,947
Six months to one year	-	15,015
More than one year	269,395	271,604
	<u>913,374</u>	<u>1,136,566</u>

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

	Bank 30-Sep 2013 RM'000	Bank 31-Dec 2012 RM'000
Business enterprises	429,175	766,205
Domestic non-bank financial institutions	374,005	365,711
Licensed bank	90,343	4,650
Other financial institutions	19,851	-
	<u>913,374</u>	<u>1,136,566</u>

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

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

	<b>Bank 30-Sep 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
Licensed banks	-	-
Other financial institutions	1,004,060	172,366
	<u>1,004,060</u>	<u>172,366</u>

**13. OTHER LIABILITIES**

	<b>Bank 30-Sep 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
Other payables	65,169	323
Accruals and charges	13,169	12,954
	<u>78,338</u>	<u>13,277</u>

**14. SUBORDINATED DEBT CAPITAL**

	<b>Bank 30-Sep 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
Subordinated Debt Capital	-	159,094
Accrued interest	-	2,144
At 30 September	<u>-</u>	<u>161,238</u>

Company No. 918091-T

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

**15. SHARE CAPITAL**

	<b>Bank 30-Sep 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
Authorised: 650,000,000 ordinary shares of RM1 each	<u>650,000</u>	<u>600,000</u>
Issued and fully paid: Balance as at 30 September	<u>601,920</u>	<u>441,920</u>

**16. RESERVES**

	<b>Bank 30-Sep 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
Non-distributable:		
Share premium	-	-
Statutory reserves	-	-
Unrealised reserves	(754)	(50)
Distributable:		
Retained earnings	<u>(28,079)</u>	<u>(34,507)</u>
	<u>(28,833)</u>	<u>(34,557)</u>

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

**17. INTEREST INCOME**

	<b>Bank 30-Sep 2013 RM'000</b>	<b>Bank 30-Sep 2012 RM'000</b>
Loans, advances and financing	2,710	1,327
Money at call and deposit placements with financial institutions	23,469	13,188
Financial assets - Available-for-sale	12,138	4,347
Financial assets - Held-for-trading	444	-
	<u>38,761</u>	<u>18,862</u>
Amortisation of premium less accretion of discount	(607)	(164)
<b>Total Interest Income</b>	<u><b>38,154</b></u>	<u><b>18,698</b></u>
Of which:		
Interest income earned on impaired loans, advances and financing	<u>-</u>	<u>-</u>

**18. INTEREST EXPENSE**

	<b>Bank 30-Sep 2013 RM'000</b>	<b>Bank 30-Sep 2012 RM'000</b>
Deposits and placements from banks and other financial institutions	1,443	1,217
Deposits from customers	16,029	9,830
Subordinated debt capital	4,365	4,485
	<u>21,837</u>	<u>15,532</u>



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

**19. OTHER OPERATING INCOME**

	Bank 30-Sep 2013 RM'000	Bank 30-Sep 2012 RM'000
Fee income:		
Commissions	284	503
Guarantee fees	282	82
Other fee income	24,832	-
	<u>25,398</u>	<u>585</u>
Net gain/(loss) arising from sale of securities:		
Financial assets held-for-trading	2,944	2,327
Financial assets - available-for-sale	39	148
	<u>2,983</u>	<u>2,475</u>
Unrealised gain/(loss) on revaluation of securities:		
Financial assets held-for-trading	(124)	(850)
	<u>(124)</u>	<u>(850)</u>
Gross dividend income from:		
Securities available-for-sale	-	-
	<u>-</u>	<u>-</u>
Other income:		
Foreign exchange:		
- Realised gain/(loss)	(21,126)	(3,841)
- Unrealised gain/(loss)	55,398	3,970
Gain/(Loss) on derivatives trading		
- Realised gain/(loss)	(1,786)	(35,374)
- Unrealised gain/(loss)	(47,655)	53,763
Others	13,453	264
	<u>(1,716)</u>	<u>18,782</u>
	-	-
Total	<u>26,541</u>	<u>20,992</u>

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

**20. OTHER OPERATING EXPENSES**

	Bank 30-Sep 2013 RM'000	Bank 30-Sep 2012 RM'000
Personnel costs (Note a)	17,494	17,525
Establishment costs (Note b)	6,230	4,870
Marketing expenses (Note c)	525	492
Administration and general expenses (Note d)	4,712	6,615
	<u>28,961</u>	<u>29,502</u>
 <b>(a) Personnel costs</b>		
Salaries, bonuses and allowances	12,523	14,133
Social security costs		
EPF - defined contribution plan	2,076	2,308
Rental of accommodation		
Redundancy payment - retail and commercial		
Other staff related expenses	2,895	1,084
	<u>17,494</u>	<u>17,525</u>
 <b>(b) Establishment costs</b>		
Share of Group costs	-	-
Share of information technology costs	1,150	954
Depreciation of property, plant and equipment	1,245	1,195
Loss on sale of property, plant and equipment		-
Property, plant and equipment written-off		-
Amortization of intangible asset	61	62
Rental of premises	1,373	1,157
Others	2,401	1,502
	<u>6,230</u>	<u>4,870</u>
 <b>(c) Marketing Expenses</b>		
Advertising	72	193
Others	453	299
	<u>525</u>	<u>492</u>
 <b>(d) Administration and general expenses</b>		
Legal and professional fees	(120)	1,842
Transportation	237	551
Property maintenance		-
Others	4,595	4,222
	<u>4,712</u>	<u>6,615</u>

**BNP PARIBAS MALAYSIA BERHAD**

(Incorporated in Malaysia)

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

	Bank 30-Sep 2013 RM'000	Bank 30-Sep 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	4,638	1,076
- Written back in the financial year		850
	<u>4,638</u>	<u>226</u>

**22. CAPITAL ADEQUACY**

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

	Bank 30-Sep 2013 RM'000	Bank 31-Dec 2012 RM'000
<b>Tier-I capital</b>		
Paid-up share capital	601,920	441,920
Share premium	-	-
Statutory reserves	-	-
Accumulated losses	(34,507)	(34,507)
	<u>567,413</u>	<u>407,413</u>
Less :		
- Deferred tax assets	(4,893)	(7,816)
- 55% of cumulative gains of AFS financial instruments	-	-
- Other disclosed reserves	(754)	-
Total Tier-I capital	<u>561,766</u>	<u>399,597</u>

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

**22. CAPITAL ADEQUACY (CONTD.)**

	<b>Bank 30-Sep 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
<b>Tier-II Capital</b>		
Collective assessment allowance	4,911	273
Subordinated debt capital	-	159,094
Total Tier-II capital	<u>4,911</u>	<u>159,367</u>
Total capital funds	566,677	558,964
Less: Investment in subsidiary companies	-	-
Capital base	<u>566,677</u>	<u>558,964</u>

**Capital Ratios**

Core capital ratio	29.243%	37.992%
Risk-weighted capital ratio	<u>29.499%</u>	<u>53.144%</u>

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

	<b>Bank 30-Sep 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
Credit Risk	898,219	439,741
Market Risk	955,910	545,478
Operational Risk	66,905	66,563
Total risk-weighted assets	<u>1,921,034</u>	<u>1,051,782</u>



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

**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 September 2013		
	Principal amount RM'000	Credit equivalent amount * RM'000	Risk-weighted amount RM'000
<u>Commitments and Contingent Liabilities</u>			
Direct credit substitutes	132,482	132,482	88,182
Transaction-related contingent items			
Short-term self-liquidating trade-related contingencies	426	85	85
Other assets sold with recourse and commitments with certain drawdown			
Irrevocable commitments to extend credit:			
- maturity less than one year	8,054	1,611	1,611
- maturity more than one year			
Foreign exchange related contracts:			
- one year or less	7,710,839	225,365	108,705
- over one year to five years	1,268,566	152,291	109,695
- over five years			
Interest rate related contracts:			
- one year or less	200,000	500	175
- over one year to five years	6,818,092	215,404	104,399
- over five years	201,000	13,580	8,692
Credit Derivatives Contract			
- one year or less			
- over one year to five years	2,345,459	147,955	50,569
- over five years			
	<u>18,684,918</u>	<u>889,273</u>	<u>472,113</u>

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

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

	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
	<b>7,292,348</b>	<b>416,348</b>	<b>247,929</b>

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

**25. Islamic Banking Operations**

**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**AS OF 30 September 2013**

	Note	Bank 30-Sep 2013 RM'000	Bank 31-Dec 2012 RM'000
<b>ASSETS</b>			
Cash and short-term funds	(a)	4,158	5,400
Financial assets held-for-trading	(b)	11,648	-
Financial assets available-for-sale	(c)	20,237	18,957
Other assets	(d)	316	3,648
Deferred tax assets		-	-
<b>TOTAL ASSETS</b>		<u>36,359</u>	<u>28,005</u>
<b>LIABILITIES AND ISLAMIC BANKING FUNDS</b>			
Deposits from customers	(e)	13,270	6,976
Other liabilities	(f)	777	364
Deferred tax liabilities		5	-
<b>Total liabilities</b>		<u>14,052</u>	<u>7,340</u>
Capital fund	(g)	24,350	23,600
Reserves	(h)	(2,043)	(2,935)
<b>Islamic Banking Funds</b>		<u>22,307</u>	<u>20,665</u>
<b>TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS</b>		<u>36,359</u>	<u>28,005</u>
<b>COMMITMENTS AND CONTINGENCIES</b>		-	-

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



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

**UNAUDITED INCOME STATEMENT**  
**AS OF 30 SEPTEMBER 2013**

		<b>Bank</b>	<b>Bank</b>
		<b>30-Sep</b>	<b>30-Sep</b>
		<b>2013</b>	<b>2012</b>
		<b>RM'000</b>	<b>RM'000</b>
		<b>RM'000</b>	
Total income derived from investment of Islamic banking funds and depositors' funds		503	197
Income derived from investment of Islamic banking funds and depositors' funds	(i)	-	197
Profit expense to depositors		(176)	-
Net income derived from investment of Islamic Banking funds and depositors' funds		327	197
Other operating income	(j)	2,621	-
Other operating expenses	(k)	(2,070)	(2,418)
<b>Profit/(Loss) for the financial quarter before zakat and taxation</b>		<b>878</b>	<b>(2,221)</b>
Zakat		-	-
Income tax expense		-	-
<b>Profit/(Loss) for the financial quarter after zakat and income tax</b>		<b>878</b>	<b>(2,221)</b>
Other comprehensive income:			
Net income/(loss) on revaluation of financial assets available-for-sale		19	-
Income tax relating to component of other comprehensive income/(loss)		(5)	-
Other comprehensive income/(loss), net of tax		14	-
<b>Total comprehensive profit/(loss) for the quarter</b>		<b>892</b>	<b>(2,221)</b>

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

**25. Islamic Banking Operations**  
**STATEMENT OF CHANGES IN ISLAMIC BANKING FUNDS**  
**AS OF 30 SEPTEMBER 2013**

Bank	Share capital RM'000	Statutory reserves RM'000	Non-distributable		Distributable		Total RM'000
			Fair Value Reserves AFS Securities RM'000	Fair Value Reserves AFS Securities RM'000	Retained earnings RM'000	Retained earnings RM'000	
At 1 January 2013	23,600	-	2	2	(2,937)	878	20,665
Profit for the quarter					878		878
Unrealised net loss on revaluation of securities available-for-sale			19	19			19
Deferred tax			(5)	(5)			(5)
Capital reallocation	750						750
At 30 September 2013	24,350	-	16	16	(2,059)	-	22,307

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

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

**25. Islamic Banking Operations**

**A. NOTES TO THE FINANCIAL STATEMENT**

**1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Preparation of the Financial Statement**

**(a) CASH AND SHORT-TERM FUNDS**

	Bank 30-Sep 2013 RM'000	Bank 31-Dec 2012 RM'000
<b>At Amortised Cost</b>		
Cash and balances with banks and other financial institutions	4,158	5,400

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

	Bank 30-Sep 2013 RM'000	Bank 31-Dec 2012 RM'000
<b>At Fair Value</b>		
Government Securities		
Bank Negara Malaysia Debt Securities	11,648	-

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

	Bank 30-Sep 2013 RM'000	Bank 31-Dec 2012 RM'000
<b>At Fair Value</b>		
Government Securities		
Malaysian Government Investment Issues	20,237	-
Bank Negara Malaysia Debt Securities	-	18,957
	20,237	18,957

**(d) OTHER ASSETS**

	Bank 30-Sep 2013 RM'000	Bank 31-Dec 2012 RM'000
Other debtors, deposits and prepayments	316	3,648

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

**(e) DEPOSITS FROM CUSTOMERS**

Type	Bank 30-Sep 2013 RM'000	Bank 31-Dec 2012 RM'000
<b>Non-Mudharabah Fund</b>		
Demand deposits	3,864	2,976
Commodity Murabahah	9,406	4,000
	<u>13,270</u>	<u>6,976</u>

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

	Bank 30-Sep 2013 RM'000	Bank 31-Dec 2012 RM'000
Due within six months	<u>13,270</u>	<u>6,976</u>

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

	Bank 30-Sep 2013 RM'000	Bank 31-Dec 2012 RM'000
Business enterprise	58	1,395
Domestic non-bank financial institution	13,212	5,581
	<u>13,270</u>	<u>6,976</u>

**(f) OTHER LIABILITIES**

	Bank 30-Sep 2013 RM'000	Bank 31-Dec 2012 RM'000
Other liabilities	<u>777</u>	<u>364</u>

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

**(g) ISLAMIC BANKING FUNDS**

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

**(h) RESERVES**

	<b>Bank 30-Sep 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
Unrealised reserves	16	2
Accumulated losses	(2,059)	(2,937)
	<u>(2,043)</u>	<u>(2,935)</u>

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

	<b>Bank 30-Sep 2013 RM'000</b>	<b>Bank 30-Sep 2012 RM'000</b>
Money at call and deposit placement with financial institutions	1	197
Financial assets held-for-trading	53	-
Financial assets available-for-sale	462	-
Amortisation of premium less accretion of discount	(13)	-
	<u>503</u>	<u>197</u>

**(j) OTHER OPERATING INCOME**

Fee income:		
Commissions	4	-
Net gain/(loss) arising from sale of securities:		
Financial assets held-for-trading	135	-
Unrealised gain/(loss) on revaluation of securities:		
Financial assets held-for-trading	-	-
Other income	2,482	-
	<u>2,621</u>	<u>-</u>

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

**(k) OTHER OPERATING EXPENSES**

	<b>Bank 30-Sep 2013 RM'000</b>	<b>Bank 30-Sep 2012 RM'000</b>
Personnel costs (Note i)	1,530	1,256
Establishment costs (Note ii)	322	252
Marketing expenses (Note iii)	-	2
Administration and general expenses (Note iv)	218	908
	<u>2,070</u>	<u>2,418</u>
<b>(i) Personnel Costs</b>		
Salaries, bonuses and allowances	1,285	1,037
Social security costs		
EPF - defined contribution plan	136	186
Rental of accomodation		
Redundancy payment - retail and commercial		
Other staff related expenses	109	33
	<u>1,530</u>	<u>1,256</u>
<b>(ii) Establishment costs</b>		
Share of Group costs		
Share of information technology costs		
Depreciation of property, plant and equipment	3	31
Loss on sale of property, plant and equipment		
Property, plant and equipment written-off		
Amortization of intangible asset	108	2
Rental of premises	150	159
Others	61	60
	<u>322</u>	<u>252</u>
<b>(iii) Marketing Expenses</b>		
Advertising	-	2
Others	-	-
	<u>-</u>	<u>2</u>
<b>(iv) Administration and general expenses</b>		
Legal and professional fees	126	686
Communication		
Transportation	-	90
Others	92	132
	<u>218</u>	<u>908</u>

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

**I. CAPITAL ADEQUACY**

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

	<b>Bank 30-Sep 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	(9)	
- Other disclosed reserves	16	
Total Tier-I capital	<u>21,420</u>	<u>20,663</u>
<b>Tier-II Capital</b>		
Collective assessment allowance		-
Subordinated debt capital		-
Total Tier-II capital		<u>-</u>
Capital base	<u>21,420</u>	<u>20,663</u>
<b>Capital Ratios</b>		
Core capital ratio	1585.507%	307.668%
Risk-weighted capital ratio	<u>1585.507%</u>	<u>307.668%</u>

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

	<b>Bank 30-Sep 2013 RM'000</b>	<b>Bank 31-Dec 2012 RM'000</b>
Credit Risk	319	3,648
Market Risk	275	2,453
Operational Risk	757	615
Total risk-weighted assets	<u>1,351</u>	<u>6,716</u>

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

**B. NOTES TO THE FINANCIAL STATEMENTS**

**1. PERFORMANCE REVIEW**

For the third quarter ended 30 September 2013, the bank recorded a net profit after taxation of RM6.428 million. This was achieved on the back of net interest income of RM16.644 million and non-interest income of RM 26.541 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 unrealized gains on foreign exchange. This was offset by the bank's operating expenses for the nine months of RM28.961 million and collective assessment allowance of RM4.638, resulting in the recording of pre-tax profit of RM9.586 million.

**2. CURRENT YEAR PROSPECT**

BNP Paribas Malaysia Berhad's strategy of accelerating growth of our Client franchise and Client assets has been in line with our 2013 business plan. Our business strategy of creating a balanced business mix between capital markets, transactional banking and financing has enabled the Bank to yield positive results as seen in our year to date performance. While the global markets remain volatile, our ability to manage risk and partner our clients in providing hedging solutions have enabled us to also grow our business flow in foreign exchange and interest rates. For the remaining quarter of 2013, BNP Paribas Malaysia Berhad will continue to maintain the current earnings momentum and continue in diversifying its balance sheet. At the same time the Bank is ensuring that its infrastructure remains robust to support future business growth and transaction volume as well as ensuring compliance to all regulations.

On the domestic economic front, BNP Paribas Malaysia Berhad is optimistic that the 2014 budget will address current issues related to the country's debt which will enable the economy to emerge even stronger as we head towards the final quarter in 2013 and the new year in 2014.