

Company No. 918091-T

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS OF 31 MARCH 2014

	Note	Bank 31-Mar 2014 RM'000	Bank 31-Dec 2013 RM'000
ASSETS			
Cash and short-term funds	2	1,277,871	1,577,236
Deposits and placements with banks and other financial institutions	3	140,233	-
Financial assets held-for-trading	4	19,848	59,265
Financial assets available-for-sale	5	645,429	550,765
Loans and advances	6	400,394	392,021
Derivative financial assets		150,056	216,735
Statutory deposits with Bank Negara Malaysia	7	-	-
Other assets	8	57,972	32,965
Property, plant and equipment	9	3,596	3,987
Intangible assets	10	2,614	2,634
Deferred tax assets		2,276	6,464
TOTAL ASSETS		2,700,289	2,842,072
LIABILITIES AND SHAREHOLDERS' FUNDS			
Deposits from customers	11	1,010,752	1,019,209
Deposits and placements from banks and other financial institutions	12	916,010	1,054,385
Derivative financial liabilities		135,121	162,410
Other liabilities	13	45,175	20,868
Subordinated debt capital	14	-	-
TOTAL LIABILITIES		2,107,058	2,256,872

Company No. 918091-T

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS OF 31 MARCH 2014 (CONTD.)

	Note	Bank 31-Mar 2014 RM'000	Bank 31-Dec 2013 RM'000
Share capital	15	601,920	601,920
Reserves	16	(8,689)	(16,720)
SHAREHOLDER'S FUNDS		<u>593,231</u>	<u>585,200</u>
TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS		<u>2,700,289</u>	<u>2,842,072</u>
COMMITMENTS AND CONTINGENCIES	24	<u>19,836,080</u>	<u>19,011,922</u>
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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 31 MARCH 2014

	Note	Bank 31-Mar 2014 RM'000	Bank 31-Mar 2013 RM'000
Operating Revenue		<u>31,270</u>	<u>12,161</u>
Interest income	17	18,385	11,213
Interest expenses	18	(6,761)	(8,062)
Net interest income		11,624	3,151
Net income from Islamic banking business	25	46	133
Other operating income	19	12,885	948
Operating expenses	20	(12,506)	(7,717)
Allowance for impairment on loans, advances and financing	21	(128)	-
Profit/(Loss) before tax		11,921	(3,485)
Taxation		<u>(4,113)</u>	<u>864</u>
Net profit/(loss) for the financial quarter		<u>7,808</u>	<u>(2,621)</u>

Company No. 918091-T

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
AS OF 31 MARCH 2014**

	Note	Bank 31-Mar 2014 RM'000	Bank 31-Mar 2013 RM'000
Profit for the period		7,808	(2,621)
Other comprehensive income/(loss):			
Net income/(loss) on revaluation of financial assets available-for-sale		297	(95)
Income tax relating to component of other comprehensive income/(loss)		(74)	24
Other comprehensive income/(loss), net of tax		<u>223</u>	<u>(71)</u>
Total comprehensive income/(loss) for the quarter		<u>8,031</u>	<u>(2,692)</u>

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

Company No. 918091-T

STATEMENT OF CHANGES IN EQUITY

BNP PARIBAS MALAYSIA BERHAD (Incorporated in Malaysia)

CASH FLOW STATEMENT AS OF 31 MARCH 2014

	Bank 31-Mar 2014 RM'000	Bank 31-Dec 2013 RM'000
Cash Flows from Operating Activities		
Profit/(Loss) before tax	11,921	19,084
Adjustments for:		
Depreciation of property, plant and equipment	412	1,672
Amortisation of intangible asset	20	82
Property, plant and equipment written-off	-	-
Allowance for losses on loans and financing	128	5,697
Amortisation of premium less accretion of discount	-	-
(Gain)/loss from sale of securities available-for-sale	176	356
(Gain)/loss from sale of securities held-for-trading	(1,424)	(3,532)
Unrealised (gain)/loss on revaluation of securities held-for-trading	(29)	60
Unrealised foreign exchange (gain)/loss	7,952	9,414
Unrealised (gain)/loss on derivatives trading	21,236	29,648
Write back of provision for diminution for value in shares	-	-
Share of profit of associate	-	-
Operating profit before working capital changes	40,392	62,481

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

CASH FLOW STATEMENT
AS OF 31 MARCH 2014

	Bank 31-Mar 2014 RM'000	Bank 31-Dec 2013 RM'000
(Increase)/Decrease in:		
Securities held for trading	40,870	66,806
Securities available-for-sale	(94,543)	(218,595)
Loans, advances and financing	(8,501)	(379,848)
Derivative financial assets/liabilities	10,203	(46,864)
Other assets	(25,007)	(25,833)
Statutory deposits with Bank Negara Malaysia	-	5,721
Increase/(Decrease) in:		
Deposits from customers	(8,457)	(117,357)
Deposits and placements from banks and other financial institutions	(138,375)	882,019
Other liabilities	24,307	7,591
Cash (used in)/generated from operations	(159,111)	236,121
Income taxes paid	-	-
Net cash (used in)/generated from operating activities	(159,111)	236,121

Cash Flows from Investing Activities

Purchase of property, plant and equipment	(21)	(201)
Purchase of intangible asset	-	-
Investment in associated company	-	-
Net cash (used in)/generated from investing activities	(21)	(201)

Cash Flows from Financing Activities

Payment of accrued interest on subordinated debts	-	(1,238)
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Company No. 918091-T

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

CASH FLOW STATEMENT
AS OF 31 MARCH 2014

	Bank 31-Mar 2014 RM'000	Bank 31-Dec 2013 RM'000
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(159,132)	234,682
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>1,577,236</u>	<u>1,342,554</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>1,418,104</u>	<u>1,577,236</u>
Cash and cash equivalents comprise the following:		
Cash and short-term funds	1,277,871	1,577,236
Deposits and placements with banks and other financial institutions	<u>140,233</u>	<u>-</u>
	<u>1,418,104</u>	<u>1,577,236</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.

2. CASH AND SHORT-TERM FUNDS

	Bank 31-Mar 2014 RM'000	Bank 31-Dec 2013 RM'000
At Amortised Cost		
Cash and balances with banks and other financial institutions	13,436	31,222
Money at call and deposit placements maturing within one month	1,264,435	1,546,014
	<u>1,277,871</u>	<u>1,577,236</u>

Bank 31-Mar 2014 RM'000	Bank 31-Dec 2013 RM'000
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3. DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

Licensed banks	140,233	-
Other financial institutions	-	-
	<u>140,233</u>	<u>-</u>

4. FINANCIAL ASSETS HELD-FOR-TRADING

	Bank 31-Mar 2014 RM'000	Bank 31-Dec 2013 RM'000
At Fair Value		
Government Securities		
Government Investment Issues	-	-
Malaysian Government Securities	-	9,604
Bank Negara Malaysia Debt Securities	19,848	49,661
	<u>19,848</u>	<u>59,265</u>

5. FINANCIAL ASSETS AVAILABLE-FOR-SALE

	Bank 31-Mar 2014 RM'000	Bank 31-Dec 2013 RM'000
At Fair Value		
Government securities:		
Malaysian Government Securities	174,384	122,837
Treasury Bills	29,767	-
Malaysian Government Investment Issues	200,844	202,364
Money market instrument:		
Negotiable Instruments of Deposit	240,434	225,564
Unquoted shares in Malaysia	-	-
	<u>645,429</u>	<u>550,765</u>

6. LOANS AND ADVANCES

	Bank 31-Mar 2014 RM'000	Bank 31-Dec 2013 RM'000
At amortised cost		
(i) By type		
Revolving credits	143,060	68,959
Overdraft	150	-
Syndicated Term loan	90,334	93,342
Term loan	17,269	29,735
Bridging loan	-	123,210
Trust Receipt	12,308	4,679
Bills Discounting	143,370	78,066
	<u>406,491</u>	<u>397,991</u>
Less: Allowance for impaired loans and financing :		
- Collective assessment allowance	(6,097)	(5,970)
Net loans, advances and financing	<u>400,394</u>	<u>392,021</u>
(ii) By type of customer		
Domestic business enterprise	263,121	319,925
Banking institutions	143,370	78,066
	<u>406,491</u>	<u>397,991</u>
(iii) By interest rate sensitivity		
Variable rate		
Cost plus	<u>406,491</u>	<u>397,991</u>
(iv) By residual contractual maturity		
Up to 1 year	302,153	274,914
> 1 - 5 years	14,004	29,735
> 5 years	90,334	93,342
	<u>406,491</u>	<u>397,991</u>
(v) By geographical distribution		
In Malaysia	263,121	319,925
In Singapore	85,674	-
In Hong Kong	57,696	78,066
	<u>406,491</u>	<u>397,991</u>

6. LOANS AND ADVANCES (CONTD.)

	Bank 31-Mar 2014 RM'000	Bank 31-Dec 2013 RM'000
(vi) By Sector		
Manufacturing	151,604	66,462
Wholesale and retail	3,204	3,204
Construction	16,017	31,736
Financial services	143,370	78,066
Transport, Storage & Communication	92,296	95,313
Other service activities	-	123,210
	<u>406,491</u>	<u>397,991</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:**Collective Assessment Allowance**

Balance as at 1 January	5,970	273
Allowance made during the year	3,150	5,870
Write back made during the year	(3,023)	(173)
Balance as at 31 March	<u>6,097</u>	<u>5,970</u>

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

<u>1.5%</u>	<u>1.5%</u>
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Bank 31-Mar 2014 RM'000	Bank 31-Dec 2013 RM'000
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7. STATUTORY DEPOSITS WITH BANK NEGARA MALAYSIA

Statutory Deposits with Bank Negara Malaysia	<u>-</u>	<u>-</u>
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8. OTHER ASSETS

Collateral assets	11,675	16,740
Other receivables, deposit and prepayments	46,297	16,225
	<u>57,972</u>	<u>32,965</u>

9. PROPERTY, PLANT AND EQUIPMENT

10. INTANGIBLE ASSETS

	Bank 31-Mar 2014 RM'000	Bank 31-Dec 2013 RM'000
<u>Computer Software:</u>		
Cost		
At 1 January	247	247
Additions	-	-
Write Off	-	-
At 31 March	247	247
Accumulated Amortisation		
At 1 January	213	131
Amortisation for the year	20	82
Write-off	-	-
At 31 March	233	213
Net Book Value	14	34
<u>Interbank Giro license fees</u>		
Cost		
At 1 January	2,600	2,600
Additions	-	-
Write Off	-	-
Interbank Giro license fees	2,600	2,600
Accumulated Depreciation		
At 1 January	-	-
Amortisation for the year	-	-
Write-off	-	-
Interbank Giro license fees	-	-
Net Book Value	2,600	2,600
Total Net Book Value	2,614	2,634

11. DEPOSITS FROM CUSTOMERS

Type	Bank 31-Mar 2014 RM'000	Bank 31-Dec 2013 RM'000
At amortised cost		
Demand deposits	84,886	88,742
Fixed deposits	540,826	460,881
Collateral deposits	105,529	124,308
Structured deposits	269,373	269,417
Commodity Murabaha	10,138	75,861
	<u>1,010,752</u>	<u>1,019,209</u>

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

	Bank 31-Mar 2014 RM'000	Bank 31-Dec 2013 RM'000
Due within six months	656,493	661,050
Six months to one year	-	-
More than one year	269,373	269,417
	<u>925,866</u>	<u>930,467</u>

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

	Bank 31-Mar 2014 RM'000	Bank 31-Dec 2013 RM'000
Business enterprises	529,463	456,408
Domestic non-bank financial institutions	375,760	372,843
Licensed bank	65,019	79,885
Other financial institutions	40,510	110,073
	<u>1,010,752</u>	<u>1,019,209</u>

12. DEPOSITS AND PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	Bank 31-Mar 2014 RM'000	Bank 31-Dec 2013 RM'000
Licensed banks	-	-
Other financial institutions	916,010	1,054,385
	<u>916,010</u>	<u>1,054,385</u>

13. OTHER LIABILITIES

	Bank 31-Mar 2014 RM'000	Bank 31-Dec 2013 RM'000
Other payables	36,059	10,786
Accruals and charges	9,116	10,082
	<u>45,175</u>	<u>20,868</u>

14. SUBORDINATED DEBT CAPITAL

	Bank 31-Mar 2014 RM'000	Bank 31-Dec 2013 RM'000
Subordinated Debt Capital	-	-
Accrued interest	-	-
At 31 March	<u>-</u>	<u>-</u>

15. SHARE CAPITAL

	Bank 31-Mar 2014 RM'000	Bank 31-Dec 2013 RM'000
Authorised: 650,000,000 ordinary shares of RM1 each	650,000	650,000
Issued and fully paid: Balance as at 31 March	601,920	601,920

16. RESERVES

	Bank 31-Mar 2014 RM'000	Bank 31-Dec 2013 RM'000
Non-distributable:		
Share premium	-	-
Statutory reserves	-	-
Unrealised reserves	252	29
Distributable:		
Retained earnings	(8,941)	(16,749)
	<u>(8,689)</u>	<u>(16,720)</u>

17. INTEREST INCOME

	Bank 31-Mar 2014 RM'000	Bank 31-Mar 2013 RM'000
Loans, advances and financing	2,803	173
Money at call and deposit placements with financial institutions	11,759	5,464
Financial assets - Available-for-sale	4,320	4,610
Financial assets - Held-for-trading	(140)	1,141
Other interest income	111	-
	<u>18,853</u>	<u>11,388</u>
Amortisation of premium less accretion of discount	(468)	(175)
Total Interest Income	<u>18,385</u>	<u>11,213</u>
Of which:		
Interest income earned on impaired loans, advances and financing	<u>-</u>	<u>-</u>

18. INTEREST EXPENSE

	Bank 31-Mar 2014 RM'000	Bank 31-Mar 2013 RM'000
Deposits and placements from banks and other financial institutions	666	203
Deposits from customers	6,089	5,709
Subordinated debt capital	-	2,150
Other interest expense	6	-
	<u>6,761</u>	<u>8,062</u>

19. OTHER OPERATING INCOME

	Bank 31-Mar 2014 RM'000	Bank 31-Mar 2013 RM'000
Fee income:		
Commissions	38	261
Guarantee fees	122	87
Other fee income	3,992	14
	<u>4,152</u>	<u>362</u>
Net gain/(loss) arising from sale of securities:		
Financial assets held-for-trading	1,424	492
Financial assets - available-for-sale	(176)	39
	<u>1,248</u>	<u>531</u>
Unrealised gain/(loss) on revaluation of securities:		
Financial assets held-for-trading	29	-
	<u>29</u>	<u>-</u>
Gross dividend income from:		
Securities available-for-sale	-	-
	<u>-</u>	<u>-</u>
Other income:		
Foreign exchange:		
- Realised gain/(loss)	18,942	(11,549)
- Unrealised gain/(loss)	(7,952)	14,229
Gain/(Loss) on derivatives trading		
- Realised gain/(loss)	10,903	1,734
- Unrealised gain/(loss)	(21,236)	(4,359)
Others	6,799	-
	<u>7,456</u>	<u>55</u>
	-	-
Total	<u>12,885</u>	<u>948</u>

20. OTHER OPERATING EXPENSES

	Bank 31-Mar 2014 RM'000	Bank 31-Mar 2013 RM'000
Personnel costs (Note a)	7,021	3,256
Establishment costs (Note b)	2,165	2,253
Marketing expenses (Note c)	240	160
Administration and general expenses (Note d)	3,080	2,048
	<u>12,506</u>	<u>7,717</u>
(a) Personnel costs		
Salaries, bonuses and allowances	5,219	2,344
Social security costs	-	-
EPF - defined contribution plan	652	237
Recruitment fees	148	-
Other staff related expenses	1,002	675
	<u>7,021</u>	<u>3,256</u>
(b) Establishment costs		
Share of Group costs	-	-
Share of information technology costs	281	657
Depreciation of property, plant and equipment	413	407
Loss on sale of property, plant and equipment	-	-
Property, plant and equipment written-off	-	-
Amortization of intangible asset	20	20
Rental of premises	525	471
Others	926	698
	<u>2,165</u>	<u>2,253</u>
(c) Marketing Expenses		
Advertising	23	53
Others	217	107
	<u>240</u>	<u>160</u>
(d) Administration and general expenses		
Legal and professional fees	429	335
Communication & transportation	96	67
Others general expenses	2,555	1,646
	<u>3,080</u>	<u>2,048</u>

21. ALLOWANCE FOR IMPAIRMENT ON LOANS, ADVANCES AND FINANCING

	Bank 31-Mar 2014 RM'000	Bank 31-Mar 2013 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	128	
- Written back in the financial year		
	<u>128</u>	<u>-</u>

22. CAPITAL ADEQUACY

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

	Bank 31-Mar 2014 RM'000	Bank 31-Dec 2013 RM'000
Tier-I capital		
Paid-up share capital	601,920	601,920
Share premium	-	-
Statutory reserves	-	-
Accumulated losses	<u>(16,749)</u>	<u>(16,749)</u>
	585,171	585,171
Less :		
- Deferred tax assets	(2,276)	(6,464)
- 55% of cumulative gains of AFS financial instruments	(139)	(16)
- Other disclosed reserves	252	29
Total Tier-I capital	<u>583,008</u>	<u>578,720</u>

22. CAPITAL ADEQUACY (CONTD.)

	Bank 31-Mar 2014 RM'000	Bank 31-Dec 2013 RM'000
Tier-II Capital		
Collective assessment allowance	6,097	5,970
Subordinated debt capital	-	-
Total Tier-II capital	<u>6,097</u>	<u>5,970</u>
Total capital funds	589,105	584,690
Less: Investment in subsidiary companies	-	-
Capital base	<u>589,105</u>	<u>584,690</u>
Capital Ratios		
Core capital ratio	35.011%	35.460%
Risk-weighted capital ratio	<u>35.377%</u>	<u>35.826%</u>

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

	Bank 31-Mar 2014 RM'000	Bank 31-Dec 2013 RM'000
Credit Risk	735,558	774,286
Market Risk	835,132	767,866
Operational Risk	94,544	89,876
Total risk-weighted assets	<u>1,665,234</u>	<u>1,632,028</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

B. NOTES TO THE FINANCIAL STATEMENTS

1. PERFORMANCE REVIEW

For the first quarter ended 31 March 2014, the Bank recorded a net profit after taxation of RM7.808 million. This was achieved on the back of net interest income of RM11.670 million and non-interest income of RM12.885 million. This was partially offset by the bank's operating expenses of RM12.506 million, plus the allowances for losses on loans and advances RM0.128 million, resulting in the recording of pre-tax profit of RM11.921 million.

2. CURRENT YEAR PROSPECT

With the Malaysian economy expected to register a moderate gross domestic product growth in 2014, the Bank 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.

The outlook for Malaysia's economy remains positive despite the many headwinds in the global markets and sovereign debt crisis in other regions. The Government Economic Transformation Projects, since the rollout in 2010, has resulted in a healthy pipeline of activities and investments for the country.

Creation of new growth corridors, urban development and infrastructure projects has translated into a spur of economic activities, attracting talent and capital inflows.

Several other aspects that complement the positive outlook are seen through changes in the regulatory and legal framework, divestment by government linked companies, introduction of minimum wage and other reforms.

The Bank will target to grow client assets and continue to build and develop the local platform. The bank will also maintain its strong risk and control culture, which are critical to set a strong foundation while embarking on our growth plans. We will grow our client base as well as increasing intensity and deepening client relationships with our existing clients. Apart from advisory, financing and capital market activities, we will continue to focus on growing our market share in the flow business and transactional banking activities.

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
AS OF 31 MARCH 2014

Bank	←		Non-distributable		→		Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Fair Value Reserves AFS Securities RM'000	Accumulated losses RM'000		
At 1 January 2014	601,920	-	-	29	(16,749)	585,200	
Profit for the year	-	-	-		7,808	7,808	
Unrealised net gain on revaluation of securities available-for-sale	-	-	-	307	-	307	
Deferred tax				(84)	-	(84)	
At 31 March 2014	601,920	-	-	252	(8,941)	593,231	

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013

Bank	←		Non-distributable		→		Total RM'000
	Share capital RM'000	Share premium 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	
Profit for the year	-	-	-		17,758	17,758	
Unrealised net gain on revaluation of securities available-for-sale	-	-	-	88	-	88	
Deferred tax	-	-	-	(9)	-	(9)	
Issuance of shares	160,000	-	-	-	-	160,000	
At 31 December 2013	601,920	-	-	29	(16,749)	585,200	

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

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 2014					
Cost					
At 1 January 2014	102	3,531	1,372	3,415	8,420
Additions	7			14	21
Disposals					-
Write-off					-
At 31 March 2014	<u>109</u>	<u>3,531</u>	<u>1,372</u>	<u>3,429</u>	<u>8,441</u>
Accumulated Depreciation					
At 1 January 2014	51	1,601	744	2,037	4,433
Charge for the year	5	145	68	194	412
Disposals					
Write-off					
At 31 March 2014	<u>56</u>	<u>1,746</u>	<u>812</u>	<u>2,231</u>	<u>4,845</u>
Net Book Value 31 March 2014	<u>53</u>	<u>1,785</u>	<u>560</u>	<u>1,198</u>	<u>3,596</u>

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
2013					
Cost					
At 1 January 2013	100	3,479	1,370	3,270	8,219
Additions	2	52	2	145	201
Disposals					
Write-off					
At 31 December 2013	<u>102</u>	<u>3,531</u>	<u>1,372</u>	<u>3,415</u>	<u>8,420</u>
2013					
Accumulated Depreciation					
At 1 January 2013	31	1,016	470	1,244	2,761
Charge for the year	20	585	274	793	1,672
Disposals					
Write-off					
At 31 December 2013	<u>51</u>	<u>1,601</u>	<u>744</u>	<u>2,037</u>	<u>4,433</u>
Net Book Value 31 December 2013	<u>51</u>	<u>1,930</u>	<u>628</u>	<u>1,378</u>	<u>3,987</u>

23 INTEREST RATE RISK (CONTD.)

The following table represents the Bank's carrying assets and liabilities at carrying amounts as at 31 March 2014

	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	SPI-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	1,272,290							5,581			1,277,871
Deposits and placements with banks and other financial institutions		140,233									140,233
Financial assets held-for-trading								12,912	6,936		19,848
Financial assets available-for-sale	122,753	240,435	210,415	51,630				20,196			645,429
Loans, advances and financing	281,021	9,875	11,257	14,004	90,334					(6,097)	400,394
Derivatives Financial assets									150,056		150,056
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	-	-	-	-	-	-
Other assets								1,288		56,684	57,972
Total Assets	1,676,064	390,543	221,672	65,634	90,334	-	-	39,977	156,992	50,587	2,691,803
Liabilities											
Deposits from customers	627,087	56,854	40,941	269,373				16,497			1,010,752
Deposits and placements from banks and other financial institutions	850,657	65,353									916,010
Derivatives Financial Liabilities									135,121		135,121
Subordinated Debt Capital		-									-
Other liabilities								79		45,096	45,175
Total Liabilities	1,477,744	122,207	40,941	269,373	-	-	-	16,576	135,121	45,096	2,107,058
Net interest rate gap	198,320	268,336	180,731	(203,739)	90,334	-	-	23,401	21,871	5,491	584,745

The following table represents the Bank's carrying assets and liabilities at carrying amounts as at 31 December 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	SPI-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	1,507,180	-	-	-	-	-	-	70,056	-	-	1,577,236
Deposits and placements with banks and other financial institutions	-	-	-	-	-	-	-	-	-	-	-
Financial assets held-for-trading								11,571	47,694	-	59,265
Financial assets available-for-sale	75,355	150,210	222,582	82,217				20,401	-	-	550,765
Loans, advances and financing	140,074	11,630	123,210	29,735	93,342			-	-	(5,970)	392,021
Derivative Financial assets	-								216,735	-	216,735
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	-	-	-	-	-	-
Other assets								1,516		31,449	32,965
Total Assets	1,722,609	161,840	345,792	111,952	93,342	-	-	103,544	264,429	25,479	2,828,987
Liabilities											
Deposits from customers	596,326	12,030	62,477	269,417	-	-	-	78,959	-	-	1,019,209
Deposits and placements from banks and other financial institutions	988,732	65,653	-	-	-	-	-	-	-	-	1,054,385
Derivatives Financial Liabilities									162,410		162,410
Subordinated Debt Capital		-									-
Other liabilities								714		20,154	20,868
Total Liabilities	1,585,058	77,683	62,477	269,417	-	-	-	79,673	162,410	20,154	2,256,872
Net interest rate gap	137,551	84,157	283,315	(157,465)	93,342	-	-	23,871	102,019	5,325	572,115

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 2014		
	Principal amount RM'000	Credit equivalent amount * RM'000	Risk- weighted amount RM'000
<u>Commitments and Contingent Liabilities</u>			
Direct credit substitutes	128,433	128,433	102,153
Transaction-related contingent items			
Short-term self-liquidating trade-related contingencies	7,961	1,592	1,592
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	8,262,839	136,720	54,108
- over one year to five years	1,532,546	179,992	106,429
- over five years			
Interest rate related contracts:			
- one year or less	1,133,763	2,534	789
- over one year to five years	6,157,329	220,610	55,222
- over five years	299,000	21,339	5,908
Credit Derivatives Contract			
- one year or less	811,705	52,307	10,461
- over one year to five years	1,502,504	83,771	18,047
- over five years			
	19,836,080	827,298	354,709

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

	31 December 2013		
	Principal amount RM'000	Credit equivalent amount * RM'000	Risk- weighted amount RM'000
<u>Commitments and Contingent Liabilities</u>			
Direct credit substitutes	133,080	133,080	89,676
Transaction-related contingent items			
Short-term self-liquidating trade-related contingencies	429	86	86
Other assets sold with recourse and commitments with certain drawdown	-	-	-
Irrevocable commitments to extend credit:			
- maturity less than one year	8,098	1,620	1,620
- maturity more than one year	-	-	-
Foreign exchange related contracts:			
- one year or less	7,885,343	187,218	66,772
- over one year to five years	1,305,588	173,862	104,470
Interest rate related contracts:			
- one year or less	835,488	1,868	680
- over one year to five years	6,192,688	225,076	53,150
- over five years	317,000	23,094	7,019
Credit Derivatives Contract			
- one year or less			
- over one year to five years	2,334,208	143,314	29,790
	<u>19,011,922</u>	<u>889,218</u>	<u>353,263</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

25. Islamic Banking Operations

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS OF 31 March 2014

	Note	Bank 31-Mar 2014 RM'000	Bank 31-Dec 2013 RM'000
ASSETS			
Cash and short-term funds	(a)	5,581	70,056
Financial assets held-for-trading	(b)	12,912	11,571
Financial assets available-for-sale	(c)	20,196	20,401
Other assets	(d)	2,232	1,516
Property, plant and equipment	(e)	13	15
Intangible assets	(f)	9	12
Deferred tax assets		-	-
TOTAL ASSETS		<u>40,943</u>	<u>103,571</u>
LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits from customers	(g)	16,497	78,959
Deposits and placements from banks and other financial institutions		-	-
Other liabilities	(h)	123	714
Deferred tax liabilities		3	6
Total liabilities		<u>16,623</u>	<u>79,679</u>
Capital fund	(i)	24,350	24,350
Reserves	(j)	(30)	(458)
Islamic Banking Funds		<u>24,320</u>	<u>23,892</u>
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS		<u>40,943</u>	<u>103,571</u>
COMMITMENTS AND CONTINGENCIES		-	-

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

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

UNAUDITED INCOME STATEMENT
AS OF 31 MARCH 2014

	Bank	Bank
	31-Mar	31-Mar
	2014	2013
	RM'000	RM'000
	RM'000	
Total income derived from investment of Islamic banking funds and depositors' funds	129	212
Income derived from investment of Islamic banking funds and depositors' funds	-	
Profit expense to depositors (k)	129	212
	(83)	(82)
Net income derived from investment of Islamic Banking funds and depositors' funds	46	130
Other operating income (l)	886	3
Other operating expenses (m)	(495)	(623)
Profit/(Loss) for the financial quarter before zakat and taxation	437	(490)
Zakat	-	-
Income tax expense	-	-
Profit/(Loss) for the financial quarter after zakat and income tax	437	(490)
Other comprehensive income:		
Net income/(loss) on revaluation of financial assets available-for-sale	(12)	(13)
Income tax relating to component of other comprehensive income/(loss)	3	3
Other comprehensive income/(loss), net of tax	(9)	(10)
Total comprehensive profit/(loss) for the quarter	428	(500)

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 31-Mar 2014 RM'000	Bank 31-Dec 2013 RM'000
At Amortised Cost		
Cash and balances with banks and other financial institutions	5,581	70,056

(b) FINANCIAL ASSETS HELD-FOR-TRADING

	Bank 31-Mar 2014 RM'000	Bank 31-Dec 2013 RM'000
At Fair Value		
Government Securities		
Bank Negara Malaysia Debt Securities	12,912	11,571

(c) SECURITIES AVAILABLE-FOR-SALE

	Bank 31-Mar 2014 RM'000	Bank 31-Dec 2013 RM'000
At Fair Value		
Government Securities		
Malaysian Government Investment Issues	20,196	20,401
Bank Negara Malaysia Debt Securities		
	20,196	20,401

(d) OTHER ASSETS

	Bank 31-Mar 2014 RM'000	Bank 31-Dec 2013 RM'000
Other receivables, deposit and prepayments	2,232	1,516

(e) PROPERTY, PLANT AND EQUIPMENT**(f) INTANGIBLE ASSETS**

	Bank 31-Mar 2014 RM'000	Bank 31-Dec 2013 RM'000
<u>Computer Software:</u>		
Cost		
At 1 January	31	
Additions		31
Write Off	-	-
At 31 March	<u>31</u>	<u>31</u>
Accumulated Amortisation		
At 1 January	19	
Amortisation for the year	3	19
Write-off		
At 31 March	<u>22</u>	<u>19</u>
Net Book Value	<u>9</u>	<u>12</u>

(g) DEPOSITS FROM CUSTOMERS

Type	Bank 31-Mar 2014 RM'000	Bank 31-Dec 2013 RM'000
Non-Mudharabah Fund		
Demand deposits	6,359	3,098
Commodity Murabahah	10,138	75,861
	<u>16,497</u>	<u>78,959</u>

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

	Bank 31-Mar 2014 RM'000	Bank 31-Dec 2013 RM'000
Due within six months	<u>10,138</u>	<u>75,861</u>

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

	Bank 31-Mar 2014 RM'000	Bank 31-Dec 2013 RM'000
Business enterprise	1,666	291
Domestic non-bank financial institution	14,831	78,668
	<u>16,497</u>	<u>78,959</u>

(h) OTHER LIABILITIES

	Bank 31-Mar 2014 RM'000	Bank 31-Dec 2013 RM'000
Other liabilities	<u>123</u>	<u>714</u>

(i) ISLAMIC BANKING FUNDS

	Bank 31-Mar 2014 RM'000	Bank 31-Dec 2013 RM'000
Issued and fully paid:		
Balance as at 31 March	24,350	24,350

(j) RESERVES

	Bank 31-Mar 2014 RM'000	Bank 31-Dec 2013 RM'000
Unrealised reserves	9	18
Accumulated losses	(39)	(476)
	<u>(30)</u>	<u>(458)</u>

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

	Bank 31-Mar 2014 RM'000	Bank 31-Mar 2013 RM'000
Money at call and deposit placement with financial institutions	16	1
Financial assets held-for-trading	(46)	4
Financial assets available-for-sale	174	207
Amortisation of premium less accretion of discount	(15)	-
	<u>129</u>	<u>212</u>

(l) OTHER OPERATING INCOME

Fee income:		
Commissions	-	-
Other fee income	500	-
Net gain/(loss) arising from sale of securities:		
Financial assets held-for-trading	130	5
Unrealised gain/(loss) on revaluation of securities:		
Financial assets held-for-trading	-	(2)
Other income:		
Foreign exchange:		
- Unrealised gain/(loss)	22	-
Others	234	-
Total	<u>886</u>	<u>3</u>

(m) OTHER OPERATING EXPENSES

	Bank 31-Mar 2014 RM'000	Bank 31-Mar 2013 RM'000
Personnel costs (Note i)	324	474
Establishment costs (Note ii)	76	66
Marketing expenses (Note iii)	-	-
Administration and general expenses (Note iv)	95	83
	<u>495</u>	<u>623</u>
(i) Personnel Costs		
Salaries, bonuses and allowances	120	364
Social security costs		
EPF - defined contribution plan	17	49
Recruitment fees	148	
Other staff related expenses	39	61
	<u>324</u>	<u>474</u>
(ii) Establishment costs		
Share of Group costs		
Share of information technology costs		
Depreciation of property, plant and equipment	2	1
Loss on sale of property, plant and equipment		
Property, plant and equipment written-off		
Amortization of intangible asset	3	1
Rental of premises	52	50
Others	19	14
	<u>76</u>	<u>66</u>
(iii) Marketing Expenses		
Advertising		
Others		
	<u>-</u>	<u>-</u>
(iv) Administration and general expenses		
Legal and professional fees	-	62
Communication & transportation		
Others general expenses	95	21
	<u>95</u>	<u>83</u>

1. CAPITAL ADEQUACY

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

	Bank 31-Mar 2014 RM'000	Bank 31-Dec 2013 RM'000
Tier-I capital		
Capital fund	24,350	24,350
Accumulated losses	(476)	(476)
	<u>23,874</u>	<u>23,874</u>
Less :		
- Deferred tax assets	-	-
- 55% of cumulative gains of AFS financial instruments	(5)	(10)
- Other disclosed reserves	9	18
Total Tier-I capital	<u>23,878</u>	<u>23,882</u>
Tier-II Capital		
Collective assessment allowance		-
Subordinated debt capital		-
Total Tier-II capital		<u>-</u>
Capital base	<u>23,878</u>	<u>23,882</u>
Capital Ratios		
Core capital ratio	365.044%	129.428%
Risk-weighted capital ratio	<u>365.044%</u>	<u>129.428%</u>

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

	Bank 31-Mar 2014 RM'000	Bank 31-Dec 2013 RM'000
Credit Risk	2,217	14,828
Market Risk	1,004	972
Operational Risk	3,321	2,652
Total risk-weighted assets	<u>6,541</u>	<u>18,452</u>

BNP PARIBAS MALAYSIA BERHAD**(Incorporated in Malaysia)****25. Islamic Banking Operations****STATEMENT OF CHANGES IN ISLAMIC BANKING FUNDS****AS OF 31 MARCH 2014**

Bank	Non-distributable →			Distributable	
	Share capital RM'000	Statutory reserves RM'000	Fair Value Reserves AFS Securities RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2014	24,350	-	18	(476)	23,892
Profit for the quarter				437	437
Unrealised net loss on revaluation of securities available-for-sale			(6)		(6)
Deferred tax			(3)		(3)
Capital reallocation					-
At 31 March 2014	24,350	-	9	(39)	24,320

Bank	Non-distributable →			Distributable	
	Capital fund RM'000	Statutory reserve RM'000	Fair Value Reserves AFS Securities RM'000	Accumulated losses RM'000	Total RM'000
At 1 January 2013	23,600	-	2	(2,937)	20,665
Profit for the year				2,461	2,461
Unrealised net loss on revaluation of securities available-for-sale			22	-	22
Deferred tax			(6)		(6)
Capital reallocation	750				750
At 31 December 2013	24,350	-	18	(476)	23,892

e. 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 2014					
Cost					
At 1 January 2014	-	-	-	22	22
Additions					-
Disposals	-		-	-	-
Write-off	-		-	-	-
At 31 March 2014	-	-	-	22	22
	-	-			-
Accumulated Depreciation					
At 1 January 2014	-	-	-	7	7
Charge for the year				2	2
Disposals	-			-	-
Write-off			-	-	-
At 31 March 2014	-	-	-	9	9
Net Book Value 31 March 2014	-	-	-	13	13

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 December 2013					
Cost					
At 1 January 2013	-	-	-	-	-
Additions				22	22
Disposals	-		-	-	-
Write-off	-		-	-	-
At 31 December 2013	-	-	-	22	22
	-	-			
Accumulated Depreciation					
At 1 January 2013	-	-	-	-	-
Charge for the year				7	7
Disposals	-			-	-
Write-off			-	-	-
At 31 December 2013	-	-	-	7	7
Net Book Value 31 Dec 2013	-	-	-	15	15