

Company No. 918091-T

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2015

	Note	Bank 30-Jun 2015 RM'000	Bank 31-Dec 2014 RM'000
ASSETS			
Cash and short-term funds	2	1,593,447	926,344
Reverse repurchase agreements	3	-	18,985
Deposits and placements with banks and other financial institutions	4	16,863	-
Financial assets held-for-trading	5	212,514	869,468
Financial assets available-for-sale	6	457,713	651,873
Loans and advances	7	643,148	574,391
Derivative financial assets		574,035	455,939
Statutory deposits with Bank Negara Malaysia	8	-	-
Other assets	9	133,020	158,447
Property, plant and equipment	10	2,957	3,623
Intangible assets	11	2,600	2,600
Deferred tax assets		3,297	384
TOTAL ASSETS		3,639,594	3,662,054
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits from customers	12	1,294,820	1,442,276
Deposits and placements of banks and other financial institutions	13	1,358,057	1,286,291
Derivative financial liabilities		344,150	290,807
Other liabilities	14	37,102	22,794
Deferred tax liabilities		-	-
Tax liabilities		(5,497)	3,587
TOTAL LIABILITIES		3,028,632	3,045,755

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BNP PARIBAS MALAYSIA BERHAD
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UNAUDITED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2015 (CONTD.)

	Note	Bank 30-Jun 2015 RM'000	Bank 31-Dec 2014 RM'000
Share capital	15	601,920	601,920
Accumulated losses		(22,983)	(16,739)
Reserves	16	32,025	31,118
SHAREHOLDER'S EQUITY		610,962	616,299
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		3,639,594	3,662,054
COMMITMENTS AND CONTINGENCIES	24	38,762,205	25,147,715

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

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BNP PARIBAS MALAYSIA BERHAD
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UNAUDITED INCOME STATEMENT
AS OF 30 JUNE 2015

	Note	Bank 30-Jun 2015 RM'000	Bank 30-Jun 2014 RM'000
Operating Revenue		<u>39,629</u>	<u>72,317</u>
Interest income	17	39,515	37,921
Interest expenses	18	(18,150)	(15,161)
Net interest income		21,365	22,760
Net income from Islamic banking business	25	116	144
Other operating income	19	114	34,396
Operating expenses	20	(33,080)	(26,086)
Write back/(Allowance made) for impairment on loans and advances	21	285	(4,930)
Allowance for doubtful debt on other receivables		-	-
Profit/(Loss) before tax		(11,200)	26,284
Taxation		<u>5,546</u>	<u>2,424</u>
Net profit/(loss) for the financial quarter		<u>(5,654)</u>	<u>28,708</u>

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BNP PARIBAS MALAYSIA BERHAD
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UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
AS OF 30 JUNE 2015

	Note	Bank 30-Jun 2015 RM'000	Bank 30-Jun 2014 RM'000
Profit for the period		(5,654)	28,708
Other comprehensive income/(loss):			
Net income/(loss) on revaluation of financial assets available-for-sale		423	428
Income tax relating to component of other comprehensive income/(loss)		(106)	(107)
Other comprehensive income/(loss), net of tax		<u>317</u>	<u>321</u>
Total comprehensive income/(loss) for the quarter		<u>(5,337)</u>	<u>29,029</u>

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

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STATEMENT OF CHANGES IN EQUITY

BNP PARIBAS MALAYSIA BERHAD

(Incorporated in Malaysia)

CASH FLOW STATEMENT

AS OF 30 JUNE 2015

	Bank 30-Jun 2015 RM'000	Bank 31-Dec 2014 RM'000
Cash Flows from/(Used In) Operating Activities		
Profit/(Loss) before tax	(11,200)	48,099
Adjustments for:		
Depreciation of property, plant and equipment	843	1,641
Amortisation of intangible assets	-	34
Property, plant and equipment written-off	-	13
(Write back of allowance)/Allowance for impairment on loans and advances	(538)	(5,671)
Amortisation of premium less accretion of discount	-	-
(Gain)/loss from sale of securities available-for-sale	23	127
(Gain)/loss from sale of securities held-for-trading	(9,352)	(3,249)
Unrealised (gain)/loss on revaluation of securities held-for-trading	(758)	726
Unrealised foreign exchange (gain)/loss	(26,943)	14,989
Unrealised (gain)/loss on derivatives trading	32,381	14,558
Allowance for doubtful debt on other receivables		2,220
Operating profit before working capital changes	<hr style="width: 100%; border: 0.5px solid black; margin-bottom: 5px;"/> (15,544)	73,487

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CASH FLOW STATEMENT
AS OF 30 JUNE 2015 (CONTD.)

	Bank 30-Jun 2015 RM'000	Bank 31-Dec 2014 RM'000
(Increase)/Decrease in:		
Financial assets held-for-trading	667,064	(807,680)
Financial assets available-for-sale	194,583	(101,067)
Reverse repurchase agreements	18,985	(18,985)
Loans, advances and financing	(68,757)	(176,699)
Statutory deposits with Bank Negara Malaysia	-	-
Other assets	25,427	(127,702)
Increase/(Decrease) in:		
Deposits from customers	(147,456)	423,067
Deposits and placements of banks and other financial institutions	71,766	231,906
Derivative financial assets/liabilities	(70,191)	(140,353)
Other liabilities	14,308	1,926
Cash (used in)/generated from operations	690,185	(642,100)
Income taxes paid	(6,042)	(7,502)
Net cash (used in)/from operating activities	<u>684,143</u>	<u>(649,602)</u>
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(679)	(1,290)
Reclassification of property, plant and equipment	502	
Purchase of intangible asset	-	-
Investment in associated company	-	-
Net cash (used in)/generated from investing activities	<u>(177)</u>	<u>(1,290)</u>

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CASH FLOW STATEMENT
AS OF 30 JUNE 2015 (CONTD.)

	Bank 30-Jun 2015 RM'000	Bank 31-Dec 2014 RM'000
Cash Flows from Financing Activities	-	-
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	683,966	(650,892)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>926,344</u>	<u>1,577,236</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>1,610,310</u>	<u>926,344</u>
Cash and cash equivalents comprise the following:		
Cash and short-term funds	1,593,447	926,344
Deposits and placements with banks and other financial institutions	<u>16,863</u>	<u>-</u>
	<u>1,610,310</u>	<u>926,344</u>

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

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of the Financial Statements

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 30-Jun 2015 RM'000	Bank 31-Dec 2014 RM'000
At Amortised Cost:		
Cash and balances with banks and other financial institutions	28,379	51,805
Money at call and deposit placements maturing within one month	1,565,068	874,539
	<u>1,593,447</u>	<u>926,344</u>

3. REVERSE REPURCHASE AGREEMENTS

	Bank 30-Jun 2015 RM'000	Bank 31-Dec 2014 RM'000
At Fair Value:		
Government Securities:		
Malaysian Government Securities	-	18,985
	<u>-</u>	<u>18,985</u>

4. DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	Bank 30-Jun 2015 RM'000	Bank 31-Dec 2014 RM'000
Licensed banks	16,863	-
Other financial institutions	-	-
	<u>16,863</u>	<u>-</u>

5. FINANCIAL ASSETS HELD-FOR-TRADING

	Bank 30-Jun 2015 RM'000	Bank 31-Dec 2014 RM'000
At Fair Value:		
Government Securities:		
Government Investment Issues	202,325	10,025
Malaysian Government Securities	191	208,566
Bank Negara Malaysia Debt Securities	-	650,877
Treasury Bills	9,998	-
	<u>212,514</u>	<u>869,468</u>

BNP PARIBAS MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

6. FINANCIAL ASSETS AVAILABLE-FOR-SALE

	Bank 30-Jun 2015 RM'000	Bank 31-Dec 2014 RM'000
At Fair Value:		
Government securities:		
Malaysian Government Securities	112,269	304,065
Treasury Bills	43,323	28,961
Malaysian Government Investment Issues	101,288	-
Bank Negara Malaysia Debt Securities	-	178,440
Money market instrument:		
Negotiable Instruments of Deposit	200,833	140,407
	<u>457,713</u>	<u>651,873</u>

7. LOANS AND ADVANCES

	Bank 30-Jun 2015 RM'000	Bank 31-Dec 2014 RM'000
At amortised cost:		
(i) By type		
Revolving credits	411,261	384,623
Overdraft	4,148	5,732
Term loan	63,700	38,078
Bridging loan	91,187	91,205
Trust Receipt	31,329	25,538
Other Trade Bills Discounted	15,915	11,625
Bills Discounting	26,146	17,889
	<u>643,686</u>	<u>574,690</u>
Less: Allowance for impaired loans and financing :		
- Collective assessment allowance	(538)	(299)
Net loans, advances and financing	<u>643,148</u>	<u>574,391</u>
(ii) By type of customer		
Domestic business enterprise	622,607	574,690
Banking institutions	21,079	-
	<u>643,686</u>	<u>574,690</u>
(iii) By interest rate sensitivity		
Variable rate		
Cost plus	<u>643,686</u>	<u>574,690</u>
(iv) By residual contractual maturity		
Maturity within one year	579,986	536,789
More than one year to five years	22,609	22,845
More than five years	41,091	15,056
	<u>643,686</u>	<u>574,690</u>
(v) By geographical distribution		
In Malaysia	643,686	574,690
	<u>643,686</u>	<u>574,690</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

7. LOANS AND ADVANCES

(vi) **By Sector**

Manufacturing	352,659	296,275
Mining & Quarrying	-	140,014
Wholesale and retail	3,979	3,278
Construction	23,532	6,308
Financial services	21,079	-
Transport, Storage & Communication	93,749	93,803
Real estate	13,688	-
Other business services	135,000	35,012
	<u>643,686</u>	<u>574,690</u>

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

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

	Bank 30-Jun 2015 RM'000	Bank 31-Dec 2014 RM'000
Collective Assessment Allowance		
Balance as at 1 January	299	5,970
Allowance made during the year	269	-
Write back made during the year	(30)	(5,671)
Balance as at 30 June	<u>538</u>	<u>299</u>
Collective impairment (inclusive of regulatory reserve) as % of gross loans, advances and financing after deduction of individual assessment allowance	<u>1.20%</u>	<u>1.20%</u>

8. STATUTORY DEPOSITS WITH BANK NEGARA MALAYSIA

Statutory Deposits with Bank Negara Malaysia

	Bank 30-Jun 2015 RM'000	Bank 31-Dec 2014 RM'000
	<u>-</u>	<u>-</u>

9. OTHER ASSETS

Collateral assets	88,795	49,515
Other receivables, deposit and prepayments	46,445	111,152
Less: Allowance for doubtful debt on other receivables	(2,220)	(2,220)
	<u>133,020</u>	<u>158,447</u>

Movements of allowance for doubtful debt on other receivables are as follows:

	Bank 30-Jun 2015 RM'000	Bank 31-Dec 2014 RM'000
Individual impairment allowance		
Balance as at 1 January	2,220	-
Allowance made during the year	-	2,220
Balance as at 30 June	<u>2,220</u>	<u>2,220</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

10. PROPERTY, PLANT AND EQUIPMENT

11. INTANGIBLE ASSETS

	Bank 30-Jun 2015 RM'000	Bank 31-Dec 2014 RM'000
<u>Computer Software:</u>		
Cost		
At 1 January	247	247
Additions	-	-
Write Off	-	-
At 30 June	<u>247</u>	<u>247</u>
Accumulated Amortisation		
At 1 January	247	213
Amortisation for the year	-	34
Write-off	-	-
At 30 June	<u>247</u>	<u>247</u>
Net Book Value	<u>-</u>	<u>-</u>
<u>Interbank Giro license fees</u>		
Cost		
At 1 January	2,600	2,600
Additions	-	-
Write Off	-	-
At 30 June	<u>2,600</u>	<u>2,600</u>
Accumulated Depreciation		
At 1 January	-	-
Amortisation for the year	-	-
Write-off	-	-
At 30 June	<u>-</u>	<u>-</u>
Net Book Value	<u>2,600</u>	<u>2,600</u>
Total Net Book Value	2,600	2,600

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NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

12. DEPOSITS FROM CUSTOMERS

Type	Bank 30-Jun 2015 RM'000	Bank 31-Dec 2014 RM'000
At amortised cost:		
Demand deposits	277,381	324,158
Fixed deposits	520,422	712,486
Collateral deposits	188,387	138,936
Structured deposits	258,197	260,510
Commodity Murabaha	50,433	6,186
	<u>1,294,820</u>	<u>1,442,276</u>

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

Due within six months	672,647	850,832
Six months to one year	344,792	6,776
More than one year		260,510
	<u>1,017,439</u>	<u>1,118,118</u>

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

Business enterprises	764,624	985,705
Non-bank financial institutions	341,809	315,041
Licensed bank	188,387	138,936
Other financial institutions	-	2,594
	<u>1,294,820</u>	<u>1,442,276</u>

13. DEPOSITS AND PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	Bank 30-Jun 2015 RM'000	Bank 31-Dec 2014 RM'000
Licensed banks	94,363	286,591
Other financial institutions	1,263,694	999,700
	<u>1,358,057</u>	<u>1,286,291</u>

14. OTHER LIABILITIES

	Bank 30-Jun 2015 RM'000	Bank 31-Dec 2014 RM'000
Other payables	30,206	14,365
Accruals and charges	6,896	7,911
Other provision	-	518
	<u>37,102</u>	<u>22,794</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

15. SHARE CAPITAL

	Bank 30-Jun 2015 RM'000	Bank 31-Dec 2014 RM'000
Authorised: Ordinary shares of RM1 each	650,000	650,000
Issued and fully paid: Balance as at 30 June	601,920	601,920

16. RESERVES

	Bank 30-Jun 2015 RM'000	Bank 31-Dec 2014 RM'000
Non-distributable:		
Share premium	-	-
Statutory reserve	24,366	24,366
Regulatory reserve	7,187	6,597
Unrealised reserves	472	155
	32,025	31,118

17. INTEREST INCOME

	Bank 30-Jun 2015 RM'000	Bank 30-Jun 2014 RM'000
Loans, advances and financing	11,052	5,604
Money at call and deposit placements with financial institutions	16,318	24,183
Financial assets - Available-for-sale	12,308	8,665
Financial assets - Held-for-trading	(966)	(143)
Other interest income	1,007	531
	39,719	38,840
Amortisation of premium less accretion of discount	(204)	(919)
Total Interest Income	39,515	37,921
Of which:		
Interest income earned on impaired loans, advances and financing	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

18. INTEREST EXPENSE

	Bank 30-Jun 2015 RM'000	Bank 30-Jun 2014 RM'000
Deposits and placements from banks and other financial institutions	1,084	1,082
Deposits from customers	17,052	14,062
Other interest expense	14	17
	<u>18,150</u>	<u>15,161</u>

19. OTHER OPERATING INCOME

	Bank 30-Jun 2015 RM'000	Bank 30-Jun 2014 RM'000
Fee income:		
Commissions	194	88
Guarantee fees	387	321
Other fee income	8,119	10,496
	<u>8,700</u>	<u>10,905</u>
Net gain/(loss) arising from sale of securities:		
Financial assets held-for-trading	9,352	1,601
Financial assets available-for-sale	(23)	(176)
	<u>9,329</u>	<u>1,425</u>
Unrealised gain/(loss) on revaluation of securities:		
Financial assets held-for-trading	758	29
	<u>758</u>	<u>29</u>
Gross dividend income from:		
Securities available-for-sale	-	-
	<u>-</u>	<u>-</u>
Other income:		
Foreign exchange:		
- Realised gain/(loss)	(14,759)	45,615
- Unrealised gain/(loss)	26,943	(21,739)
Gain/(Loss) on derivatives trading		
- Realised gain/(loss)	(4,607)	11,018
- Unrealised gain/(loss)	(32,381)	(24,960)
Others	6,131	12,103
	<u>(18,673)</u>	<u>22,037</u>
	-	-
Total	<u>114</u>	<u>34,396</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

20. OTHER OPERATING EXPENSES

	Bank 30-Jun 2015 RM'000	Bank 30-Jun 2014 RM'000
Personnel costs (Note a)	17,089	14,507
Establishment costs (Note b)	6,302	4,152
Marketing expenses (Note c)	522	708
Administration and general expenses (Note d)	9,167	6,719
	<u>33,080</u>	<u>26,086</u>

(a) Personnel costs

Salaries, bonuses and allowances	11,722	11,475
Social security costs	-	-
EPF - defined contribution plan	1,858	1,267
Recruitment fees	-	-
Other staff related expenses	3,509	1,765
	<u>17,089</u>	<u>14,507</u>

(b) Establishment costs

Share of information technology costs	3,020	663
Depreciation of property, plant and equipment	843	804
Loss on sale of property, plant and equipment	-	-
Property, plant and equipment written-off	-	-
Amortization of intangible asset	-	33
Rental of premises	1,102	969
Others	1,337	1,683
	<u>6,302</u>	<u>4,152</u>

(c) Marketing Expenses

Advertising	50	54
Others	472	654
	<u>522</u>	<u>708</u>

(d) Administration and general expenses

Legal and professional fees	1,534	1,142
Communication & transportation	138	157
Others general expenses	7,495	5,420
	<u>9,167</u>	<u>6,719</u>

21. ALLOWANCE FOR IMPAIRMENT ON LOANS, ADVANCES AND FINANCING

	Bank 30-Jun 2015 RM'000	Bank 30-Jun 2014 RM'000
Allowance for impaired loans, advances and financing:		
Collective Assessment allowance:		
- Made in the financial year	8,719	7,172
- Written back in the financial year	(9,004)	(3,541)
Other losses	-	1,299
	<u>(285)</u>	<u>4,930</u>

BNP PARIBAS MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

22. CAPITAL ADEQUACY

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

	Bank 30-Jun 2015 RM'000	Bank 31-Dec 2014 RM'000
Tier-I capital		
Paid-up share capital	601,920	601,920
Share premium	-	-
Statutory reserves	24,366	24,366
Regulatory reserves	(7,187)	(6,597)
Accumulated losses	(22,393)	(10,142)
	<u>596,706</u>	<u>609,547</u>
Less :		
- Deferred tax assets	(3,297)	(384)
- 55% of cumulative gains of AFS financial instruments	(260)	(85)
- Other disclosed reserves	472	155
Total Tier-I capital	<u>593,621</u>	<u>609,233</u>
	Bank 30-Jun 2015 RM'000	Bank 31-Dec 2014 RM'000
Tier-II Capital		
Collective assessment allowance	538	299
Regulatory reserve	7,187	6,597
Total Tier-II capital	<u>7,725</u>	<u>6,896</u>
Total capital	<u>601,346</u>	<u>616,129</u>
Capital Ratios		
Core capital ratio	22.484%	25.279%
Risk-weighted capital ratio	<u>22.776%</u>	<u>25.566%</u>

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

	Bank 30-Jun 2015 RM'000	Bank 31-Dec 2014 RM'000
Credit Risk	1,370,384	1,252,833
Market Risk	1,160,787	1,020,669
Operational Risk	109,042	136,492
Total risk-weighted assets	<u>2,640,213</u>	<u>2,409,994</u>

BNP PARIBAS MALAYSIA BERHAD
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1. PERFORMANCE REVIEW

For the half yearly ended 30 June 2015, the Bank recorded a net loss after taxation of RM5.654 million. This was achieved on the back of net interest income of RM21.481 million, non-interest income of RM0.114 million plus the write back of allowances for losses on loans and advances of RM0.285 million. This was partially offset by the bank's operating expenses of RM33.080 million, resulting in the recording of pre-tax loss of RM11.20 million.

2. CURRENT YEAR PROSPECT

With the Malaysian economy projected to register a gross domestic product (“GDP”) growth of 5.0% to 5.5% in 2015, 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.

Moving forward, Malaysia’s GDP is expected to remain on a steady growth path. Domestic demand is expected to remain favourable while investment is projected to remain resilient with broad-based capital spending by both the private and public sectors cushioning the lower oil and gas-related investment activity.

Private investment would remain vibrant and was expected to register double-digit growth supported by the ongoing implementation of the 10 Malaysia Plan, Economic Transformation Programme (“ETP”) and Government Transformation Programme. The ETP has generated significant investment since its launch in 2010.

On the supply side, most sectors are expected to expand with manufacturing and services remaining the drivers of growth, supported by sustained domestic economy activity, higher export oriented manufacturing activities and trade-related services. We are monitoring the evolution of the Oil & Gas sector.

On our business strategy for the remaining part of this year, the Bank will continue 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 continue to grow our client base as well as increasing intensity and deepening client relationships with our existing clients.

BNP PARIBAS MALAYSIA BERHAD
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STATEMENT OF CHANGES IN EQUITY
AS OF 30 JUNE 2015

Bank	←		Non-distributable		→		Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Regulatory reserves RM'000	Fair Value Reserves AFS Securities RM'000	Accumulated losses RM'000	
At 1 January 2015	601,920		24,366	6,597	155	(16,739)	616,299
Profit/(Loss) for the year						(5,654)	(5,654)
Regulatory reserve				590		(590)	-
Unrealised net gain/(loss) on revaluation of securities available-for-sale					474	-	474
Deferred tax					(157)	-	(157)
At 30 June 2015	601,920	-	24,366	7,187	472	(22,983)	610,962

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

Bank	←		Non-distributable		→		Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Regulatory 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						30,973	30,973
Transfer to statutory reserve			24,366			(24,366)	-
Transfer to regulatory reserve				6,597		(6,597)	-
Other comprehensive income					126		126
At 31 December 2014	601,920	-	24,366	6,597	155	(16,739)	616,299

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

10. PROPERTY, PLANT AND EQUIPMENT

Bank	Motor Vehicles RM'000	Office Equipment and Machinery RM'000	Renovation and Installation RM'000	Furniture, Fixtures and Fittings RM'000	Computer Equipment RM'000	Renovation work-in progress RM'000	Total RM'000
At 30 June 2015							
Cost							
At 1 January 2015	15	154	3,715	1,435	3,746	606	9,671
Additions		40	411	82	146		679
Disposals							-
Write-off	-						-
Reclassification						(502)	(502)
At 30 June 2015	15	194	4,126	1,517	3,892	104	9,848
Accumulated Depreciation							
At 1 January 2015	2	76	2,219	1,000	2,751		6,048
Charge for the year	1	18	335	149	340		843
Disposals							
Write-off							
At 30 June 2015	3	94	2,554	1,149	3,091	-	6,891
Net Book Value 30 June 2015	12	100	1,572	368	801	104	2,957

PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Bank	Motor Vehicles RM'000	Office equipment RM'000	Renovation and installation RM'000	Furniture, fixtures and fittings RM'000	Computer Equipment and hardware RM'000	Renovation work-in progress RM'000	Total RM'000
2014							
Cost							
At 1 January 2014	-	102	3,531	1,372	3,415		8,420
Additions	15	52	184	102	331	606	1,290
Write-off	-	-	-	(39)	-		(39)
At 31 December 2014	15	154	3,715	1,435	3,746	606	9,671
2014							
Accumulated Depreciation							
At 1 January 2014	-	51	1,601	744	2,037	-	4,433
Charge for the year	2	25	618	282	714	-	1,641
Write-off	-	-		(26)	-		(26)
At 31 December 2014	2	76	2,219	1,000	2,751	-	6,048
Net Book Value 31 December 2014	13	78	1,496	435	995	606	3,623

23 INTEREST RATE RISK

The following table represents the Bank's carrying assets and liabilities at carrying amounts as at 30 June 2015

	Up to 1 month RM'000	1 - 3 months RM'000	3 - 12 months RM'000	Non-Trading Book 1 - 5 years RM'000	Over 5 years RM'000	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
Assets											
Cash and short-term funds	1,545,514							47,933			1,593,447
Reverse repurchase agreements	-										-
Deposits and placements with banks and other financial institutions	-	16,863									16,863
Financial assets held-for-trading								9,998	202,516		212,514
Financial assets available-for-sale	100,777	160,788	63,603	98,107				34,438			457,713
Loans, advances and financing	439,342	135,296	5,348	22,609	41,091						643,686
Derivatives Financial assets									574,035		574,035
Statutory deposits with Bank Negara Malaysia										-	-
Other assets								1,022		131,998	133,020
Total Assets	2,085,633	312,947	68,951	120,716	41,091	-	-	93,391	776,551	131,998	3,631,278
Liabilities											
Deposits from customers	830,591	37,148	355,083					71,998			1,294,820
Deposits and placements from banks and other financial institutions	678,577	188,726	302,025	188,729							1,358,057
Derivatives Financial Liabilities									344,150		344,150
Other liabilities								59		37,043	37,102
Total Liabilities	1,509,168	225,874	657,108	188,729	-	-	-	72,057	344,150	37,043	3,034,129
Net interest rate gap	576,465	87,073	(588,157)	(68,013)	41,091	-	-	21,334	432,401	94,955	597,149

23 INTEREST RATE RISK (CONTD)

The following table represents the Bank's carrying assets and liabilities at carrying amounts as at 31 December 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	906,812	-	-	-	-	-	-	19,532	-	-	926,344
Reverse repurchase agreements	18,985	-	-	-	-	-	-	-	-	-	18,985
Deposits and placements with banks and other financial institutions	-	-	-	-	-	-	-	-	-	-	-
Financial assets held-for-trading	-	-	-	-	-	-	-	27,847	841,621	-	869,468
Financial assets available-for-sale	69,234	292,400	259,384	30,855	-	-	-	-	-	-	651,873
Loans, advances and financing	401,048	129,469	6,272	22,845	15,056	-	-	-	-	(299)	574,391
Derivative Financial assets	-	-	-	-	-	-	-	-	455,939	-	455,939
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	633	-	157,814	158,447
Total Assets	1,396,079	421,869	265,656	53,700	15,056	-	-	48,012	1,297,560	157,515	3,655,447
Liabilities											
Deposits from customers	1,047,950	48,090	59,309	260,510	-	-	-	26,417	-	-	1,442,276
Deposits and placements from banks and other financial institutions	-	-	-	-	-	-	-	-	-	-	-
	1,177,846	-	108,445	-	-	-	-	-	-	-	1,286,291
Derivatives Financial Liabilities	-	-	-	-	-	-	-	-	290,807	-	290,807
Other liabilities	-	-	-	-	-	-	-	78	-	22,716	22,794
Total Liabilities	2,225,796	48,090	167,754	260,510	-	-	-	26,495	290,807	22,716	3,042,168
Net interest rate gap	(829,717)	373,779	97,902	(206,810)	15,056	-	-	21,517	1,006,753	134,799	613,279

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 2015		
	Principal amount RM'000	Credit equivalent amount * RM'000	Risk- weighted amount RM'000
<u>Commitments and Contingent Liabilities</u>			
Direct credit substitutes	171,066	171,066	150,944
Transaction-related contingent items			
Short-term self-liquidating trade-related contingencies	3,545	709	709
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	2,700	1,350	1,350
Foreign exchange related contracts:			
- one year or less	18,658,593	720,757	270,998
- over one year to five years	1,983,027	261,793	165,318
- over five years			
Interest rate related contracts:			
- one year or less	8,099,454	20,133	5,907
- over one year to five years	8,025,256	203,836	52,036
- over five years	370,000	20,473	4,296
Credit Derivatives Contract			
- one year or less	257,126	12,856	2,571
- over one year to five years	1,191,438	57,825	12,448
- over five years			
	<u>38,762,205</u>	<u>1,470,798</u>	<u>666,577</u>

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

24 COMMITMENTS AND CONTINGENCIES (CONTD.)

	31 December 2014		
	Principal amount RM'000	Credit equivalent amount * RM'000	Risk- weighted amount RM'000
<u>Commitments and Contingent Liabilities</u>			
Direct credit substitutes	163,612	163,612	143,853
Transaction-related contingent items			
Short-term self-liquidating trade-related contingencies	47,805	9,561	9,561
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	55,000	27,500	27,500
Foreign exchange related contracts:			
- one year or less	8,658,297	414,500	151,586
- over one year to five years	2,127,490	261,665	175,760
Interest rate related contracts:			
- one year or less	3,729,220	7,677	2,561
- over one year to five years	7,512,800	210,564	54,905
- over five years	390,000	23,438	5,688
Credit Derivatives Contract			
- one year or less	840,370	43,646	8,729
- over one year to five years	1,623,121	102,308	21,554
	<u>25,147,715</u>	<u>1,264,471</u>	<u>601,697</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

25. Islamic Banking Operations

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS OF 30 June 2015

	Note	Bank 30-Jun 2015 RM'000	Bank 31-Dec 2014 RM'000
ASSETS			
Cash and short-term funds	(a)	47,933	19,532
Financial assets held-for-trading	(b)	9,998	27,847
Financial assets available-for-sale	(c)	34,438	-
Other assets	(d)	1,022	633
Property, plant and equipment	(e)	12	8
Intangible assets	(f)	11	11
TOTAL ASSETS		93,414	48,031
LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits from customers	(g)	71,998	26,417
Other liabilities	(h)	81	78
Deferred tax liabilities		18	-
Total liabilities		72,097	26,495
Capital fund	(i)	24,350	24,350
Reserves	(j)	(3,033)	(2,814)
Islamic Banking Funds		21,317	21,536
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS		93,414	48,031

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

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

25. Islamic Banking Operations

UNAUDITED INCOME STATEMENT
AS OF 30 June 2015

	Bank	Bank
	30-Jun	30-Jun
	2015	2014
	RM'000	RM'000
	RM'000	
Total income derived from investment of Islamic banking funds and depositors' funds	611	287
Income derived from investment of Islamic banking funds and depositors' funds	-	-
Profit expense to depositors	(495)	(143)
Net income derived from investment of Islamic Banking funds and depositors' funds	116	144
Other operating income	688	912
Other operating expenses	(1,074)	(1,196)
Other losses		(644)
Profit/(Loss) for the financial quarter before zakat and taxation	(270)	(784)
Zakat	-	-
Income tax expense	-	-
Profit/(Loss) for the financial quarter after zakat and income tax	(270)	(784)
Other comprehensive income:		
Net income/(loss) on revaluation of financial assets available-for-sale	68	(16)
Income tax relating to component of other comprehensive income/(loss)	(17)	4
Other comprehensive income/(loss), net of tax	51	(12)
Total comprehensive profit/(loss) for the quarter	(219)	(796)

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

25. Islamic Banking Operations

NOTES TO THE FINANCIAL STATEMENTS

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of the Financial Statements

(a) CASH AND SHORT-TERM FUNDS

	Bank 30-Jun 2015 RM'000	Bank 31-Dec 2014 RM'000
At Amortised Cost		
Cash and balances with banks and other financial institutions	47,933	19,532

(b) FINANCIAL ASSETS HELD-FOR-TRADING

	Bank 30-Jun 2015 RM'000	Bank 31-Dec 2014 RM'000
At Fair Value		
Government Securities:		
Treasury Bills	9,998	-
Bank Negara Malaysia Debt Securities	-	27,847
	<u>9,998</u>	<u>27,847</u>

(c) SECURITIES AVAILABLE-FOR-SALE

	Bank 30-Jun 2015 RM'000	Bank 31-Dec 2014 RM'000
At Fair Value		
Government Securities:		
Malaysian Government Investment Issues	34,438	-
Bank Negara Malaysia Debt Securities	-	-
	<u>34,438</u>	<u>-</u>

(d) OTHER ASSETS

	Bank 30-Jun 2015 RM'000	Bank 31-Dec 2014 RM'000
Other receivables, deposit and prepayments	2,260	1,871
Less: Allowance for doubtful debt on other receivables	(1,238)	(1,238)
	<u>1,022</u>	<u>633</u>

Movements of allowance for doubtful debt on other receivables are as follows:

	Bank 30-Jun 2015 RM'000	Bank 31-Dec 2014 RM'000
Individual impairment allowance		
Balance as at 1 January	1,238	
Allowance made during the year	-	1,238
Balance as at 30 June	<u>1,238</u>	<u>1,238</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

(e) **PROPERTY, PLANT AND EQUIPMENT**

(f) **INTANGIBLE ASSETS**

	Bank 30-Jun 2015 RM'000	Bank 31-Dec 2014 RM'000
<u>Computer Software:</u>		
Cost		
At 1 January	34	31
Additions	-	3
Write Off	-	-
At 30 June	<u>34</u>	<u>34</u>
Accumulated Amortisation		
At 1 January	23	19
Amortisation for the year	-	4
Write-off	-	-
At 30 June	<u>23</u>	<u>23</u>
Net Book Value	<u>11</u>	<u>11</u>

(g) **DEPOSITS FROM CUSTOMERS**

	Bank 30-Jun 2015 RM'000	Bank 31-Dec 2014 RM'000
Type		
At Amortised Cost		
Non-Mudharabah Fund		
Demand deposits	21,565	20,231
Commodity Murabahah	50,433	6,186
	<u>71,998</u>	<u>26,417</u>

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

	Bank 30-Jun 2015 RM'000	Bank 31-Dec 2014 RM'000
Due within six months	<u>50,433</u>	<u>6,186</u>

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

	Bank 30-Jun 2015 RM'000	Bank 31-Dec 2014 RM'000
Business enterprise	10,256	944
Domestic non-bank financial institution	61,742	25,473
	<u>71,998</u>	<u>26,417</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

(h) OTHER LIABILITIES

	Bank 30-Jun 2015 RM'000	Bank 31-Dec 2014 RM'000
Other liabilities	81	78

(i) ISLAMIC BANKING FUNDS

	Bank 30-Jun 2015 RM'000	Bank 31-Dec 2014 RM'000
Issued and fully paid: Balance as at 30 June	24,350	24,350

(j) RESERVES

	Bank 30-Jun 2015 RM'000	Bank 31-Dec 2014 RM'000
Unrealised reserves	51	-
Accumulated losses	(3,084)	(2,814)
	<u>(3,033)</u>	<u>(2,814)</u>

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

	Bank 30-Jun 2015 RM'000	Bank 30-Jun 2014 RM'000
Money at call and deposit placement with financial institutions	208	16
Financial assets held-for-trading	64	(47)
Financial assets available-for-sale	360	350
Amortisation of premium less accretion of discount	(21)	(32)
	<u>611</u>	<u>287</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	663	215
Unrealised gain/(loss) on revaluation of securities:		
Financial assets held-for-trading	(2)	-
Other income:		
Foreign exchange:		
- Realised gain/(loss)	-	(5)
- Unrealised gain/(loss)	-	(2)
Others	27	204
Total	<u>688</u>	<u>912</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

(m) OTHER OPERATING EXPENSES

	Bank 30-Jun 2015 RM'000	Bank 30-Jun 2014 RM'000
Personnel costs (Note i)	668	810
Establishment costs (Note ii)	162	143
Marketing expenses (Note iii)	-	2
Administration and general expenses (Note iv)	244	241
	<u>1,074</u>	<u>1,196</u>
(i) Personnel Costs		
Salaries, bonuses and allowances	425	456
Social security costs		
EPF - defined contribution plan	72	87
Recruitment fees	-	-
Other staff related expenses	171	267
	<u>668</u>	<u>810</u>
(ii) Establishment costs		
Share of Group costs		
Share of information technology costs		
Depreciation of property, plant and equipment	3	3
Loss on sale of property, plant and equipment		
Property, plant and equipment written-off		
Amortization of intangible asset	-	4
Rental of premises	128	92
Others	31	44
	<u>162</u>	<u>143</u>
(iii) Marketing Expenses		
Advertising		
Others	-	2
	<u>-</u>	<u>2</u>
(iv) Administration and general expenses		
Legal and professional fees	164	180
Communication & transportation	-	-
Others general expenses	80	61
	<u>244</u>	<u>241</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

n. CAPITAL ADEQUACY

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

	Bank 30-Jun 2015 RM'000	Bank 31-Dec 2014 RM'000
Tier-I capital		
Capital fund	24,350	24,350
Accumulated losses	(3,084)	(2,814)
	<u>21,266</u>	<u>21,536</u>
Less :		
- Deferred tax assets	-	-
- 55% of cumulative gains of AFS financial instruments	(28)	-
- Other disclosed reserves	51	-
- Current unaudited loss	-	-
Total Tier-I capital	<u>21,289</u>	<u>21,536</u>
Tier-II Capital		
Collective assessment allowance	-	-
Total Tier-II capital	<u>-</u>	<u>-</u>
Capital base	<u>21,289</u>	<u>21,536</u>
Capital Ratios		
Core capital ratio	386.475%	405.574%
Risk-weighted capital ratio	<u>386.475%</u>	<u>405.574%</u>

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

	Bank 30-Jun 2015 RM'000	Bank 31-Dec 2014 RM'000
Credit Risk	2,445	1,871
Market Risk	13	888
Operational Risk	3,051	2,551
Total risk-weighted assets	<u>5,509</u>	<u>5,310</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)
Islamic Banking Operations
STATEMENT OF CHANGES IN ISLAMIC BANKING FUNDS
AS OF 30 JUNE 2015

Bank	Non-distributable →			Distributable	Total RM'000
	Share capital RM'000	Statutory reserves RM'000	Fair Value Reserves AFS Securities RM'000	Retained earnings RM'000	
At 1 January 2015	24,350	-		(2,814)	21,536
Profit/(Loss) for the quarter				(270)	(270)
Unrealised net loss on revaluation of securities available-for-sale			69		69
Deferred tax			(18)		(18)
At 30 June 2015	24,350	-	51	(3,084)	21,317

Bank	Non-distributable →			Accumulated losses RM'000	Total RM'000
	Capital fund RM'000	Statutory reserve RM'000	Fair Value Reserves AFS Securities RM'000		
At 1 January 2014	24,350	-	18	(476)	23,892
Profit/(Loss) for the year	-	-	-	(2,338)	(2,338)
Realised gain transferred to statement of comprehensive income on disposal of available-for-sale			(18)		(18)
At 31 December 2014	24,350	-	-	(2,814)	21,536

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 30 June 2015					
Cost					
At 1 January 2015				22	22
Additions	6		1		7
Disposals					
Write-off					
At 30 June 2015	6		1	22	29
Accumulated Depreciation					
At 1 January 2015				14	14
Charge for the year				3	3
Disposals					
Write-off					
At 30 June 2015				17	17
Net Book Value 30 June 2015	6		1	5	12

e. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

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 2014					
Cost					
At 1 January 2014				22	22
Additions					
Disposals					
Write-off					
At 31 December 2014	-	-	-	22	22
Accumulated Depreciation					
At 1 January 2014				7	7
Charge for the year				7	7
Disposals					
Write-off					
At 31 December 2014	-	-	-	14	14
Net Book Value 31 Dec 2014	-	-	-	8	8