

Company No. 918091-T

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS OF 30 SEPTEMBER 2015

	Note	Bank 30-Sep 2015 RM'000	Bank 31-Dec 2014 RM'000
ASSETS			
Cash and short-term funds	2	921,689	926,344
Reverse repurchase agreements	3	53,746	18,985
Deposits and placements with banks and other financial institutions	4	-	-
Financial assets held-for-trading	5	306,751	869,468
Financial assets available-for-sale	6	540,546	651,873
Loans and advances	7	792,470	574,391
Derivative financial assets		1,768,390	455,939
Statutory deposits with Bank Negara Malaysia	8	-	-
Other assets	9	289,385	158,447
Property, plant and equipment	10	2,542	3,623
Intangible assets	11	2,600	2,600
Deferred tax assets		3,808	384
TOTAL ASSETS		4,681,927	3,662,054
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits from customers	12	1,782,896	1,442,276
Deposits and placements of banks and other financial institutions	13	842,966	1,286,291
Derivative financial liabilities		1,319,091	290,807
Other liabilities	14	136,527	22,794
Deferred tax liabilities		-	-
Tax liabilities		(4,581)	3,587
TOTAL LIABILITIES		4,076,899	3,045,755

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UNAUDITED STATEMENT OF FINANCIAL POSITION
AS OF 30 SEPTEMBER 2015 (CONTD.)

	Note	Bank 30-Sep 2015 RM'000	Bank 31-Dec 2014 RM'000
Share capital	15	601,920	601,920
Accumulated losses		(30,914)	(16,739)
Reserves	16	34,022	31,118
SHAREHOLDER'S EQUITY		605,028	616,299
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		4,681,927	3,662,054
COMMITMENTS AND CONTINGENCIES	24	41,089,338	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 SEPTEMBER 2015

	Note	Bank 30-Sep 2015 RM'000	Bank 30-Sep 2014 RM'000
Operating Revenue		64,695	95,516
Interest income	17	61,162	57,240
Interest expenses	18	(27,502)	(23,623)
Net interest income		33,660	33,617
Net income from Islamic banking business	25	261	292
Other operating income	19	3,533	38,276
Operating expenses	20	(52,624)	(35,533)
Write back/(Allowance made) for impairment on loans and advances	21	265	(4,127)
Allowance for doubtful debt on other receivables		-	-
Profit/(Loss) before tax		(14,905)	32,525
Taxation		3,091	(12,496)
Net profit/(loss) for the financial quarter		(11,814)	20,029

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

	Note	Bank 30-Sep 2015 RM'000	Bank 30-Sep 2014 RM'000
Profit for the period		(11,814)	20,029
Other comprehensive income/(loss):			
Net income/(loss) on revaluation of financial assets available-for-sale		724	(2,155)
Income tax relating to component of other comprehensive income/(loss)		(181)	539
Other comprehensive income/(loss), net of tax		<u>543</u>	<u>(1,616)</u>
Total comprehensive income/(loss) for the quarter		<u>(11,271)</u>	<u>18,413</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 SEPTEMBER 2015

	Bank 30-Sep 2015 RM'000	Bank 31-Dec 2014 RM'000
Cash Flows from/(Used In) Operating Activities		
Profit/(Loss) before tax	(14,905)	48,099
Adjustments for:		
Depreciation of property, plant and equipment	1,272	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	(6,029)	(3,249)
Unrealised (gain)/loss on revaluation of securities held-for-trading	(2,244)	726
Unrealised foreign exchange (gain)/loss	(99,521)	14,989
Unrealised (gain)/loss on derivatives trading	35,616	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;"/> (86,326)	<hr style="width: 100%; border: 0.5px solid black; margin-bottom: 5px;"/> 73,487

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BNP PARIBAS MALAYSIA BERHAD
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CASH FLOW STATEMENT
AS OF 30 SEPTEMBER 2015 (CONTD.)

	Bank 30-Sep 2015 RM'000	Bank 31-Dec 2014 RM'000
(Increase)/Decrease in:		
Financial assets held-for-trading	570,990	(807,680)
Financial assets available-for-sale	112,051	(101,067)
Reverse repurchase agreements	(34,761)	(18,985)
Loans, advances and financing	(218,079)	(176,699)
Statutory deposits with Bank Negara Malaysia	-	-
Other assets	(130,938)	(127,702)
Increase/(Decrease) in:		
Deposits from customers	340,620	423,067
Deposits and placements of banks and other financial institutions	(443,325)	231,906
Derivative financial assets/liabilities	(220,262)	(140,353)
Other liabilities	113,733	1,926
Cash (used in)/generated from operations	3,703	(642,100)
Income taxes paid	(8,167)	(7,502)
Net cash (used in)/from operating activities	<u>(4,464)</u>	<u>(649,602)</u>
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(693)	(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>(191)</u>	<u>(1,290)</u>

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BNP PARIBAS MALAYSIA BERHAD
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CASH FLOW STATEMENT
AS OF 30 SEPTEMBER 2015 (CONTD.)

	Bank 30-Sep 2015 RM'000	Bank 31-Dec 2014 RM'000
Cash Flows from Financing Activities	-	-
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(4,655)	(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>921,689</u>	<u>926,344</u>
Cash and cash equivalents comprise the following:		
Cash and short-term funds	921,689	926,344
Deposits and placements with banks and other financial institutions	-	-
	<u>921,689</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-Sep 2015 RM'000	Bank 31-Dec 2014 RM'000
At Amortised Cost:		
Cash and balances with banks and other financial institutions	29,684	51,805
Money at call and deposit placements maturing within one month	892,005	874,539
	<u>921,689</u>	<u>926,344</u>

3. REVERSE REPURCHASE AGREEMENTS

	Bank 30-Sep 2015 RM'000	Bank 31-Dec 2014 RM'000
At Fair Value:		
Government Securities:		
Malaysian Government Securities	53,746	18,985
	<u>53,746</u>	<u>18,985</u>

4. DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	Bank 30-Sep 2015 RM'000	Bank 31-Dec 2014 RM'000
Licensed banks		-
Other financial institutions	-	-
	<u>-</u>	<u>-</u>

5. FINANCIAL ASSETS HELD-FOR-TRADING

	Bank 30-Sep 2015 RM'000	Bank 31-Dec 2014 RM'000
At Fair Value:		
Government Securities:		
Government Investment Issues		10,025
Malaysian Government Securities	306,453	208,566
Bank Negara Malaysia Debt Securities	-	650,877
Treasury Bills	298	-
	<u>306,751</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-Sep 2015 RM'000	Bank 31-Dec 2014 RM'000
At Fair Value:		
Government securities:		
Malaysian Government Securities	253,943	304,065
Treasury Bills	33,639	28,961
Malaysian Government Investment Issues	252,964	-
Bank Negara Malaysia Debt Securities		178,440
Money market instrument:		
Negotiable Instruments of Deposit	-	140,407
	<u>540,546</u>	<u>651,873</u>

7. LOANS AND ADVANCES

	Bank 30-Sep 2015 RM'000	Bank 31-Dec 2014 RM'000
At amortised cost:		
(i) By type		
Revolving credits	555,259	384,623
Overdraft	4,974	5,732
Term loan	66,136	38,078
Bridging loan	91,197	91,205
Trust Receipt	42,414	25,538
Other Trade Bills Discounted	6,175	11,625
Bills Discounting	26,873	17,889
	<u>793,028</u>	<u>574,690</u>
Less: Allowance for impaired loans and financing :		
- Collective assessment allowance	(558)	(299)
Net loans, advances and financing	<u>792,470</u>	<u>574,391</u>
(ii) By type of customer		
Domestic business enterprise	768,258	574,690
Banking institutions	24,770	-
	<u>793,028</u>	<u>574,690</u>
(iii) By interest rate sensitivity		
Variable rate		
Cost plus	<u>793,028</u>	<u>574,690</u>
(iv) By residual contractual maturity		
Maturity within one year	726,892	536,789
More than one year to five years	52,448	22,845
More than five years	13,688	15,056
	<u>793,028</u>	<u>574,690</u>
(v) By geographical distribution		
In Malaysia	793,028	574,690
	<u>793,028</u>	<u>574,690</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

7. LOANS AND ADVANCES

(vi) **By Sector**

Manufacturing	360,648	296,275
Mining & Quarrying	-	140,014
Wholesale and retail	2,973	3,278
Construction	24,525	6,308
Financial services	24,770	-
Transport, Storage & Communication	94,147	93,803
Real estate	13,688	-
Other business services	272,277	35,012
	<u>793,028</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-Sep 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	259	-
Write back made during the year	-	(5,671)
Balance as at 30 September	<u>558</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-Sep 2015 RM'000	Bank 31-Dec 2014 RM'000
	<u>-</u>	<u>-</u>

9. OTHER ASSETS

Collateral assets	204,444	49,515
Other receivables, deposit and prepayments	87,161	111,152
Less: Allowance for doubtful debt on other receivables	(2,220)	(2,220)
	<u>289,385</u>	<u>158,447</u>

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

	Bank 30-Sep 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 September	<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-Sep 2015 RM'000	Bank 31-Dec 2014 RM'000
<u>Computer Software:</u>		
Cost		
At 1 January	247	247
Additions	-	-
Write Off	-	-
At 30 September	<u>247</u>	<u>247</u>
Accumulated Amortisation		
At 1 January	247	213
Amortisation for the year	-	34
Write-off	-	-
At 30 September	<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 September	<u>2,600</u>	<u>2,600</u>
Accumulated Depreciation		
At 1 January	-	-
Amortisation for the year	-	-
Write-off	-	-
At 30 September	<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-Sep 2015 RM'000	Bank 31-Dec 2014 RM'000
At amortised cost:		
Demand deposits	240,125	324,158
Fixed deposits	768,075	712,486
Collateral deposits	464,401	138,936
Structured deposits	258,197	260,510
Commodity Murabaha	52,098	6,186
	<u>1,782,896</u>	<u>1,442,276</u>
 (i) Maturity structure of fixed deposits is as follows:		
Due within six months	1,466,251	850,832
Six months to one year	76,520	6,776
More than one year		260,510
	<u>1,542,771</u>	<u>1,118,118</u>
 (ii) The deposits are sourced from the following types of customers:		
Business enterprises	972,135	985,705
Non-bank financial institutions	346,360	315,041
Licensed bank	464,401	138,936
Other financial institutions	-	2,594
	<u>1,782,896</u>	<u>1,442,276</u>

13. DEPOSITS AND PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	Bank 30-Sep 2015 RM'000	Bank 31-Dec 2014 RM'000
Licensed banks	136,633	286,591
Other financial institutions	706,333	999,700
	<u>842,966</u>	<u>1,286,291</u>

14. OTHER LIABILITIES

	Bank 30-Sep 2015 RM'000	Bank 31-Dec 2014 RM'000
Other payables	127,525	14,365
Accruals and charges	9,002	7,911
Other provision	-	518
	<u>136,527</u>	<u>22,794</u>

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

15. SHARE CAPITAL

	Bank 30-Sep 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 September	601,920	601,920

16. RESERVES

	Bank 30-Sep 2015 RM'000	Bank 31-Dec 2014 RM'000
Non-distributable:		
Share premium	-	-
Statutory reserve	24,366	24,366
Regulatory reserve	8,958	6,597
Unrealised reserves	698	155
	34,022	31,118

17. INTEREST INCOME

	Bank 30-Sep 2015 RM'000	Bank 30-Sep 2014 RM'000
Loans, advances and financing	17,446	9,489
Money at call and deposit placements with financial institutions	24,017	35,822
Financial assets - Available-for-sale	16,976	11,994
Financial assets - Held-for-trading	2,087	322
Reverse repo	942	214
Other interest income	98	551
	61,566	58,392
Amortisation of premium less accretion of discount	(404)	(1,152)
Total Interest Income	61,162	57,240
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-Sep 2015 RM'000	Bank 30-Sep 2014 RM'000
Deposits and placements from banks and other financial institutions	2,361	1,434
Deposits from customers	25,026	22,113
Other interest expense	115	76
	<u>27,502</u>	<u>23,623</u>

19. OTHER OPERATING INCOME

	Bank 30-Sep 2015 RM'000	Bank 30-Sep 2014 RM'000
Fee income:		
Commissions	237	125
Guarantee fees	699	581
Other fee income	9,383	14,889
	<u>10,319</u>	<u>15,595</u>
Net gain/(loss) arising from sale of securities:		
Financial assets held-for-trading	6,029	1,930
Financial assets available-for-sale	(23)	(127)
	<u>6,006</u>	<u>1,803</u>
Unrealised gain/(loss) on revaluation of securities:		
Financial assets held-for-trading	2,244	23
	<u>2,244</u>	<u>23</u>
Gross dividend income from:		
Securities available-for-sale	-	-
	<u>-</u>	<u>-</u>
Other income:		
Foreign exchange:		
- Realised gain/(loss)	(75,331)	64,904
- Unrealised gain/(loss)	99,521	(47,336)
Gain/(Loss) on derivatives trading		
- Realised gain/(loss)	(10,043)	2,757
- Unrealised gain/(loss)	(35,616)	(12,589)
Others	6,433	13,119
	<u>(15,036)</u>	<u>20,855</u>
	-	-
Total	<u>3,533</u>	<u>38,276</u>

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

20. OTHER OPERATING EXPENSES

	Bank 30-Sep 2015 RM'000	Bank 30-Sep 2014 RM'000
Personnel costs (Note a)	25,718	21,588
Establishment costs (Note b)	10,150	6,147
Marketing expenses (Note c)	682	943
Administration and general expenses (Note d)	16,074	6,855
	<u>52,624</u>	<u>35,533</u>

(a) Personnel costs

Salaries, bonuses and allowances	17,903	17,651
Social security costs	-	-
EPF - defined contribution plan	3,061	2,444
Recruitment fees	-	-
Other staff related expenses	4,754	1,493
	<u>25,718</u>	<u>21,588</u>

(b) Establishment costs

Share of information technology costs	4,947	949
Depreciation of property, plant and equipment	1,272	1,214
Loss on sale of property, plant and equipment	-	13
Property, plant and equipment written-off	-	-
Amortization of intangible asset	-	34
Rental of premises	1,687	1,471
Others	2,244	2,466
	<u>10,150</u>	<u>6,147</u>

(c) Marketing Expenses

Advertising	40	107
Others	642	836
	<u>682</u>	<u>943</u>

(d) Administration and general expenses

Legal and professional fees	1,931	1,317
Communication & transportation	214	194
Others general expenses	13,929	5,344
	<u>16,074</u>	<u>6,855</u>

21. ALLOWANCE FOR IMPAIRMENT ON LOANS, ADVANCES AND FINANCING

	Bank 30-Sep 2015 RM'000	Bank 30-Sep 2014 RM'000
Allowance for impaired loans, advances and financing:		
Collective Assessment allowance:		
- Made in the financial year	8,786	9,991
- Written back in the financial year	(9,051)	(7,166)
Other losses	-	1,302
	<u>(265)</u>	<u>4,127</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-Sep 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	(8,958)	(6,597)
Accumulated losses	(28,553)	(10,142)
	<u>588,775</u>	<u>609,547</u>
Less :		
- Deferred tax assets	(3,808)	(384)
- 55% of cumulative gains of AFS financial instruments	(384)	(85)
- Other disclosed reserves	698	155
Total Tier-I capital	<u>585,281</u>	<u>609,233</u>
	Bank 30-Sep 2015 RM'000	Bank 31-Dec 2014 RM'000
Tier-II Capital		
Collective assessment allowance	558	299
Regulatory reserve	8,958	6,597
Total Tier-II capital	<u>9,516</u>	<u>6,896</u>
Total capital	<u>594,797</u>	<u>616,129</u>
Capital Ratios		
Core capital ratio	17.982%	25.279%
Risk-weighted capital ratio	<u>18.274%</u>	<u>25.566%</u>

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

	Bank 30-Sep 2015 RM'000	Bank 31-Dec 2014 RM'000
Credit Risk	1,771,790	1,252,833
Market Risk	1,359,393	1,020,669
Operational Risk	123,613	136,492
Total risk-weighted assets	<u>3,254,796</u>	<u>2,409,994</u>

BNP PARIBAS MALAYSIA BERHAD
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1. PERFORMANCE REVIEW

For the third quarter ended 30 September 2015, the Bank recorded a net loss after taxation of RM11.814 million. This was achieved on the back of net interest income of RM33.921 million, non-interest income of RM3.533 million plus the write back of allowances for losses on loans and advances of RM0.265 million. This was partially offset by the bank's operating expenses of RM52.624 million, resulting in the recording of pre-tax loss of RM14.905 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 SEPTEMBER 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						(11,814)	(11,814)
Regulatory reserve				2,361		(2,361)	-
Unrealised net gain/(loss) on revaluation of securities available-for-sale					776	-	776
Deferred tax					(233)	-	(233)
At 30 September 2015	601,920	-	24,366	8,958	698	(30,914)	605,028

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 September 2015							
Cost							
At 1 January 2015	15	154	3,715	1,435	3,746	606	9,671
Additions		41	411	82	159		693
Disposals							-
Write-off	-						-
Reclassification						(502)	(502)
At 30 September 2015	15	195	4,126	1,517	3,905	104	9,862
Accumulated Depreciation							
At 1 January 2015	2	76	2,219	1,000	2,751		6,048
Charge for the year	2	28	508	225	509		1,272
Disposals							
Write-off							
At 30 September 2015	4	104	2,727	1,225	3,260	-	7,320
Net Book Value 30 September 2015	11	91	1,399	292	645	104	2,542

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 September 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	867,554							54,135			921,689
Reverse repurchase agreements	53,746										53,746
Deposits and placements with banks and other financial institutions											-
Financial assets held-for-trading									306,751		306,751
Financial assets available-for-sale	34,248	29,834	342,982	98,787				34,695			540,546
Loans, advances and financing	588,698	133,230	4,964	52,448	13,688						793,028
Derivatives Financial assets									1,768,390		1,768,390
Statutory deposits with Bank Negara Malaysia											-
Other assets								4,414		284,971	289,385
Total Assets	1,544,246	163,064	347,946	151,235	13,688	-	-	93,244	2,075,141	284,971	4,673,535
Liabilities											
Deposits from customers	1,333,439	3,133	374,220					72,104			1,782,896
Deposits and placements from banks and other financial institutions	136,634		706,332								842,966
Derivatives Financial Liabilities									1,319,091		1,319,091
Other liabilities								64		136,463	136,527
Total Liabilities	1,470,073	3,133	1,080,552	-	-	-	-	72,168	1,319,091	136,463	4,081,480
Net interest rate gap	74,173	159,931	(732,606)	151,235	13,688	-	-	21,076	756,050	148,508	592,055

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 September 2015		
	Principal amount RM'000	Credit equivalent amount * RM'000	Risk- weighted amount RM'000
<u>Commitments and Contingent Liabilities</u>			
Direct credit substitutes	147,827	147,827	127,060
Transaction-related contingent items			
Short-term self-liquidating trade-related contingencies			
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	22,076,999	1,772,534	595,482
- over one year to five years	2,028,627	337,085	199,155
- over five years			
Interest rate related contracts:			
- one year or less	6,257,725	17,591	5,720
- over one year to five years	8,404,092	253,288	64,105
- over five years	315,000	19,681	3,936
Credit Derivatives Contract			
- one year or less	1,278,914	96,098	19,220
- over one year to five years	580,154	30,852	6,505
- over five years			
	41,089,338	2,674,956	1,021,183

* 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
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25. Islamic Banking Operations

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS OF 30 September 2015

	Note	Bank 30-Sep 2015 RM'000	Bank 31-Dec 2014 RM'000
ASSETS			
Cash and short-term funds	(a)	54,135	19,532
Financial assets held-for-trading	(b)	-	27,847
Financial assets available-for-sale	(c)	34,695	-
Other assets	(d)	4,414	633
Property, plant and equipment	(e)	11	8
Intangible assets	(f)	11	11
TOTAL ASSETS		<u>93,266</u>	<u>48,031</u>
LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits from customers	(g)	72,104	26,417
Other liabilities	(h)	86	78
Deferred tax liabilities		9	-
Total liabilities		<u>72,199</u>	<u>26,495</u>
Capital fund	(i)	24,350	24,350
Reserves	(j)	(3,283)	(2,814)
Islamic Banking Funds		<u>21,067</u>	<u>21,536</u>
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS		<u>93,266</u>	<u>48,031</u>

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 September 2015

	Bank	Bank
	30-Sep	30-Sep
	2015	2014
	RM'000	RM'000
	RM'000	
Total income derived from investment of Islamic banking funds and depositors' funds	1,145	484
Income derived from investment of Islamic banking funds and depositors' funds	-	-
Profit expense to depositors	(884)	(192)
Net income derived from investment of Islamic Banking funds and depositors' funds	261	292
Other operating income	837	956
Other operating expenses	(1,595)	(1,824)
Other losses		(644)
Profit/(Loss) for the financial quarter before zakat and taxation	(497)	(1,220)
Zakat	-	-
Income tax expense	-	-
Profit/(Loss) for the financial quarter after zakat and income tax	(497)	(1,220)
Other comprehensive income:		
Net income/(loss) on revaluation of financial assets available-for-sale	37	(24)
Income tax relating to component of other comprehensive income/(loss)	(9)	6
Other comprehensive income/(loss), net of tax	28	(18)
Total comprehensive profit/(loss) for the quarter	(469)	(1,238)

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-Sep 2015 RM'000	Bank 31-Dec 2014 RM'000
At Amortised Cost		
Cash and balances with banks and other financial institutions	5,780	19,532
Money at call and deposit placements maturing within one month	48,355	-
	<u>54,135</u>	<u>19,532</u>

(b) FINANCIAL ASSETS HELD-FOR-TRADING

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

(c) SECURITIES AVAILABLE-FOR-SALE

	Bank 30-Sep 2015 RM'000	Bank 31-Dec 2014 RM'000
At Fair Value		
Government Securities:		
Malaysian Government Investment Issues	34,695	-
Bank Negara Malaysia Debt Securities	-	-
	<u>34,695</u>	<u>-</u>

(d) OTHER ASSETS

	Bank 30-Sep 2015 RM'000	Bank 31-Dec 2014 RM'000
Other receivables, deposit and prepayments	5,652	1,871
Less: Allowance for doubtful debt on other receivables	(1,238)	(1,238)
	<u>4,414</u>	<u>633</u>

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

	Bank 30-Sep 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 September	<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-Sep 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 September	<u>34</u>	<u>34</u>
Accumulated Amortisation		
At 1 January	23	19
Amortisation for the year	-	4
Write-off	-	-
At 30 September	<u>23</u>	<u>23</u>
Net Book Value	<u>11</u>	<u>11</u>

(g) **DEPOSITS FROM CUSTOMERS**

	Bank 30-Sep 2015 RM'000	Bank 31-Dec 2014 RM'000
Type		
At Amortised Cost		
Non-Mudharabah Fund		
Demand deposits	20,006	20,231
Commodity Murabahah	52,098	6,186
	<u>72,104</u>	<u>26,417</u>

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

	Bank 30-Sep 2015 RM'000	Bank 31-Dec 2014 RM'000
Due within six months	<u>52,098</u>	<u>6,186</u>

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

	Bank 30-Sep 2015 RM'000	Bank 31-Dec 2014 RM'000
Business enterprise	3,821	944
Domestic non-bank financial institution	68,283	25,473
	<u>72,104</u>	<u>26,417</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

(h) OTHER LIABILITIES

	Bank 30-Sep 2015 RM'000	Bank 31-Dec 2014 RM'000
Other liabilities	86	78

(i) ISLAMIC BANKING FUNDS

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

(j) RESERVES

	Bank 30-Sep 2015 RM'000	Bank 31-Dec 2014 RM'000
Unrealised reserves	28	-
Accumulated losses	(3,311)	(2,814)
	<u>(3,283)</u>	<u>(2,814)</u>

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

	Bank 30-Sep 2015 RM'000	Bank 30-Sep 2014 RM'000
Money at call and deposit placement with financial institutions	590	16
Financial assets held-for-trading	(72)	(11)
Financial assets available-for-sale	685	526
Amortisation of premium less accretion of discount	(58)	(47)
	<u>1,145</u>	<u>484</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	801	242
Unrealised gain/(loss) on revaluation of securities:		
Financial assets held-for-trading	(3)	(3)
Other income:		
Foreign exchange:		
- Realised gain/(loss)	-	(5)
- Unrealised gain/(loss)	-	(2)
Others	39	224
Total	<u>837</u>	<u>956</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

(m) OTHER OPERATING EXPENSES

	Bank 30-Sep 2015 RM'000	Bank 30-Sep 2014 RM'000
Personnel costs (Note i)	1,018	1,255
Establishment costs (Note ii)	238	243
Marketing expenses (Note iii)	-	2
Administration and general expenses (Note iv)	339	324
	<u>1,595</u>	<u>1,824</u>
(i) Personnel Costs		
Salaries, bonuses and allowances	707	788
Social security costs	-	-
EPF - defined contribution plan	123	147
Recruitment fees	-	-
Other staff related expenses	188	320
	<u>1,018</u>	<u>1,255</u>
(ii) Establishment costs		
Share of Group costs		
Share of information technology costs		
Depreciation of property, plant and equipment	4	5
Loss on sale of property, plant and equipment		
Property, plant and equipment written-off		
Amortization of intangible asset	-	4
Rental of premises	198	158
Others	36	76
	<u>238</u>	<u>243</u>
(iii) Marketing Expenses		
Advertising		
Others	-	2
	<u>-</u>	<u>2</u>
(iv) Administration and general expenses		
Legal and professional fees	238	244
Communication & transportation	-	-
Others general expenses	101	80
	<u>339</u>	<u>324</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-Sep 2015 RM'000	Bank 31-Dec 2014 RM'000
Tier-I capital		
Capital fund	24,350	24,350
Accumulated losses	(3,311)	(2,814)
	<u>21,039</u>	<u>21,536</u>
Less :		
- Deferred tax assets	-	-
- 55% of cumulative gains of AFS financial instruments	(15)	-
- Other disclosed reserves	28	-
- Current unaudited loss	-	-
Total Tier-I capital	<u>21,052</u>	<u>21,536</u>
Tier-II Capital		
Collective assessment allowance	-	-
Total Tier-II capital	<u>-</u>	<u>-</u>
Capital base	<u>21,052</u>	<u>21,536</u>
Capital Ratios		
Core capital ratio	226.805%	405.574%
Risk-weighted capital ratio	<u>226.805%</u>	<u>405.574%</u>

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

	Bank 30-Sep 2015 RM'000	Bank 31-Dec 2014 RM'000
Credit Risk	6,156	1,871
Market Risk	-	888
Operational Risk	3,126	2,551
Total risk-weighted assets	<u>9,282</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 SEPTEMBER 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				(497)	(497)
Unrealised net loss on revaluation of securities available-for-sale			37		37
Deferred tax			(9)		(9)
At 30 September 2015	24,350	-	28	(3,311)	21,067

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 September 2015					
Cost					
At 1 January 2015				22	22
Additions	6		1		7
Disposals					
Write-off					
At 30 September 2015	<u>6</u>		<u>1</u>	<u>22</u>	<u>29</u>
Accumulated Depreciation					
At 1 January 2015				14	14
Charge for the year				4	4
Disposals					
Write-off					
At 30 September 2015				<u>18</u>	<u>18</u>
Net Book Value 30 Sept 2015	<u>6</u>		<u>1</u>	<u>4</u>	<u>11</u>

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