



BNP PARIBAS

BNP PARIBAS MALAYSIA BERHAD

(Company No. 918091 - T)

Incorporated in Malaysia

**UNAUDITED STATEMENT OF FINANCIAL POSITION
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018**

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

1. PERFORMANCE REVIEW

For the second quarter ended 30 June 2018, the Bank recorded a net profit after taxation of RM38.09 million. This was contributed by net interest income of RM49.36 million and non-interest income of RM31.68 million. Operating expenses was RM30.56 million whilst allowances for losses on loans and advances of RM0.13 million, resulting in pre-tax profit of RM50.34 million.

2. CURRENT YEAR PROSPECT

Economic growth in Malaysia is expected to remain strong in 2018 with forecast for GDP between +5.0% and +5.5%. Domestic demand is expected to continue to be the primary driver of growth, external sector should also contribute positively. Private sector consumption is targeted to grow by 7.3% in line with the anticipated increase in sustained spending in private consumption and investment activities. Inflation is expected to be controlled, hovering between 2.5% and 3.5%.

Market conditions in 2018 are expected to be volatile on the back of uncertain US economic policies, the anticipated US interest rate hike cycle and the forthcoming general elections in Malaysia. Whilst global economic recovery is underway, downside risk to growth remains. This is due to the threat of increased protectionism, policy uncertainties in major advanced economies and geo political tensions. Nevertheless, expansionary fiscal policy in major economies is expected to provide impetus for global growth. Structural reforms to enhance productivity coupled with greater trade and investment activities are expected to enhance resilience and improve global growth prospects.

The Belt and Road initiative is expected to provide ample opportunities for Malaysia to access new markets. The initiative is expected to derive massive benefits to Malaysia in terms of excellent infrastructure, connectivity, social facilities, better living standards and abundant business opportunities.

In such an environment MYR could continue to appreciate versus USD and major SEA countries.

Najmah will further improve and diversify tailor made products and solutions in Islamic Banking as it gains popularity with a wider range of investors, both Muslim and non-Muslim. Najmah will continue to tap into this increased interest in Islamic Banking.

The Bank will continue to maintain stringent selectivity and risk profile, remaining focused on Malaysian champions both from the Corporate and Financial sectors. Global Market will continue to improve its services to customers with suitable products and services with flow banking remaining a strategic component to finance the real economy. Investment Banking will continue improving the Bank's anchor and franchise.

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BNP PARIBAS MALAYSIA BERHAD

(Incorporated in Malaysia)

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018**

| | Note | Bank 30-Jun 2018 RM'000 | Bank 31-Dec 2017 RM'000 |
|--|------|----------------------------------|----------------------------------|
| ASSETS | | | |
| Cash and short-term funds | 2 | 1,932,701 | 1,299,423 |
| Reverse repurchase agreements | 3 | 151,277 | 9,240 |
| Financial assets held-for-trading | 4 | 1,303,963 | 510,763 |
| Financial assets available-for-sale | 5 | 352,439 | 10,059 |
| Loans, advances and financing | 6 | 1,207,709 | 1,137,107 |
| Derivative financial assets | | 379,034 | 571,049 |
| Statutory deposits with Bank Negara Malaysia | | 1,900 | - |
| Other assets | 7 | 81,263 | 320,143 |
| Property, plant and equipment | 8 | 1,142 | 1,254 |
| Intangible assets | 9 | 2,210 | 2,674 |
| Tax recoverable | | - | 1,644 |
| Deferred tax assets | | 1,330 | 548 |
| TOTAL ASSETS | | 5,414,968 | 3,863,904 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Deposits from customers | 10 | 1,443,725 | 1,221,912 |
| Deposits and placements from banks and other financial institutions | 11 | 2,566,665 | 785,929 |
| Derivative financial liabilities | | 252,813 | 763,233 |
| Other liabilities | 12 | 383,791 | 368,224 |
| Tax liabilities | | 5,530 | - |
| TOTAL LIABILITIES | | 4,652,524 | 3,139,298 |

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BNP PARIBAS MALAYSIA BERHAD
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UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018 (CONTD.)

| | Note | Bank 30-Jun 2018 RM'000 | Bank 31-Dec 2017 RM'000 |
|---|------|----------------------------------|----------------------------------|
| Share capital | 13 | 650,000 | 650,000 |
| Retained profit | | 98,426 | 61,889 |
| Reserves | 14 | 14,018 | 12,717 |
| SHAREHOLDER'S EQUITY | | <u>762,444</u> | <u>724,606</u> |
| TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY | | <u>5,414,968</u> | <u>3,863,904</u> |
| COMMITMENTS AND CONTINGENCIES | 22 | <u>34,324,086</u> | <u>47,200,072</u> |

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

Company No. 918091-T

BNP PARIBAS MALAYSIA BERHAD

(Incorporated in Malaysia)

**UNAUDITED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018**

| | Note | Bank 30-Jun 2018 RM'000 | Bank 30-Jun 2017 RM'000 |
|--|------|----------------------------------|----------------------------------|
| Interest income | 15 | 70,344 | 56,248 |
| Interest expenses | 16 | (21,240) | (19,057) |
| Net interest income | | 49,104 | 37,191 |
| Net income from Islamic banking business | 23 | 252 | 325 |
| Other operating income | 17 | 49,356 | 37,516 |
| Operating expenses | 18 | 31,679 | 33,699 |
| Write back/(Allowance made) for impairment on loans, advances and financing | 19 | (30,562) | (35,268) |
| | | (132) | 842 |
| Profit before tax | | 50,341 | 36,789 |
| Taxation | | (12,256) | (9,890) |
| Profit for the period | | 38,085 | 26,899 |

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BNP PARIBAS MALAYSIA BERHAD
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UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018

| | Note | Bank 30-Jun 2018 RM'000 | Bank 30-Jun 2017 RM'000 |
|--|------|----------------------------------|----------------------------------|
| Profit for the period | | 38,085 | 26,899 |
| Other comprehensive (loss)/income, net of income tax: | | | |
| Items that may be reclassified subsequently to profit or loss : | | | |
| Fair value reserve (from Investment AFS) : | | | |
| Net changes in fair value | | 142 | 527 |
| Other comprehensive income | | 142 | 527 |
| Total comprehensive income for the quarter ended | | 38,227 | 27,426 |

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)

UNAUDITED STATEMENTS OF CASH FLOW

FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018

| | Bank 30-Jun 2018 RM'000 | Bank 30-Jun 2017 RM'000 |
|--|--|--|
| Cash Flows from/(Used In) Operating Activities | | |
| Profit before tax | 50,341 | 36,789 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 275 | 361 |
| Amortisation of intangible assets | 464 | 31 |
| Allowance for impairment on loans, advances and financing | 132 | 160 |
| Allowance (written back) for impairment on other receivables | - | (1,002) |
| Amortisation of premium less accretion of discount | 209 | 162 |
| Loss/(Gain) from sale on financial assets held-for-trading | 7 | (7,795) |
| Unrealised (gain)/loss on derivative financial instrument | (85,039) | 62,222 |
| Unrealised (gain)/loss on foreign exchange | (609,140) | 493,402 |
| Unrealised (gain)/loss on financial assets held for trading | (661) | 1,583 |
| Operating profit before working capital changes | (643,412) | 585,913 |

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BNP PARIBAS MALAYSIA BERHAD
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UNAUDITED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018(CONTD.)

| | Bank 30-Jun 2018 RM'000 | Bank 30-Jun 2017 RM'000 |
|--|--|--|
| (Increase)/Decrease in: | | |
| Financial assets held for trading | (792,546) | (588,106) |
| Financial assets available-for-sale | (342,447) | (281,724) |
| Loans, advances and financing | (71,123) | (28,022) |
| Statutory deposits with Bank Negara Malaysia | (1,900) | - |
| Reverse repurchase agreements | (142,037) | (29,616) |
| Other assets | 238,880 | (109,400) |
| Increase/(Decrease) in: | | |
| Deposits from customers | 221,813 | 364,413 |
| Deposits and placements from banks and other financial institutions | 1,780,736 | 251,790 |
| Derivative financial asstes/liabilities | 375,774 | 92,020 |
| Other liabilities | 15,612 | (297,696) |
| Net cash (used in)/generated from operations | 639,350 | (40,428) |
| Income taxes paid | (5,909) | (2,585) |
| Net cash (used in)/from operating activities | 633,441 | (43,013) |
| Cash Flows from Investing Activities | | |
| Purchase of property, plant and equipment | (163) | (344) |
| Reclassification of property, plant and equipment | - | 269 |
| Net cash (used in)/generated from investing activities | (163) | (75) |

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BNP PARIBAS MALAYSIA BERHAD
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UNAUDITED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018(CONTD.)

| | Bank 30-Jun 2018 RM'000 | Bank 30-Jun 2017 RM'000 |
|--|--|--|
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 633,278 | (43,088) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | <u>1,299,423</u> | <u>2,077,547</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>1,932,701</u> | <u>2,034,459</u> |
| Cash and cash equivalents comprise the following: | | |
| Cash and short-term funds | 1,932,701 | 1,834,182 |
| Deposits and placements with banks and other financial institutions | - | 200,277 |
| | <u>1,932,701</u> | <u>2,034,459</u> |

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

BNP PARIBAS MALAYSIA BERHAD
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UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018

| | ← Non-distributable → | | | Revaluation reserve- | Retained profits/ (Accumulated losses) | Total |
|----------------------------------|----------------------------|---------------------------------|----------------------------------|---|---|---------|
| | Share capital RM'000 | Statutory reserves RM'000 | Regulatory reserves RM'000 | financial assets available--for-sale RM'000 | RM'000 | RM'000 |
| At 1 January 2018 | 650,000 | - | 12,705 | 12 | 61,889 | 724,606 |
| IFRS9 Day 1 Adjustment | - | - | - | - | (389) | (389) |
| At 1 January 2018, as restated | 650,000 | - | 12,705 | 12 | 61,500 | 724,217 |
| Profit for the quarter ended | - | - | - | - | 38,085 | 38,085 |
| Transfer from regulatory reserve | - | - | 1,159 | - | (1,159) | - |
| Other comprehensive income | - | - | - | 142 | - | 142 |
| At 30 June 2018 | 650,000 | - | 13,864 | 154 | 98,426 | 762,444 |

| | ← Non-distributable → | | | Revaluation reserve- | Retained profits/ (Accumulated losses) | Total |
|---------------------------------|----------------------------|---------------------------------|----------------------------------|---|---|---------|
| | Share capital RM'000 | Statutory reserves RM'000 | Regulatory reserves RM'000 | financial assets available--for-sale RM'000 | RM'000 | RM'000 |
| At 1 January 2017 | 650,000 | 32,155 | 9,636 | (323) | (11,989) | 679,479 |
| Profit for the year | - | - | - | - | 44,792 | 44,792 |
| Transfer from statutory reserve | - | (32,155) | - | - | 32,155 | - |
| Transfer to regulatory reserve | - | - | 3,069 | - | (3,069) | - |
| Other comprehensive income | - | - | - | 335 | - | 335 |
| At 31 December 2017 | 650,000 | - | 12,705 | 12 | 61,889 | 724,606 |

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

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018

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"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

2. CASH AND SHORT-TERM FUNDS

| | Bank 30-Jun 2018 RM'000 | Bank 31-Dec 2017 RM'000 |
|--|--|--|
| At Amortised Cost: | | |
| Cash and balances with banks and other financial institutions | 77,902 | 48,917 |
| Money at call and deposit placements maturing within one month | 1,854,799 | 1,250,506 |
| | <u>1,932,701</u> | <u>1,299,423</u> |

3. REVERSE REPURCHASE AGREEMENTS

| | Bank 30-Jun 2018 RM'000 | Bank 31-Dec 2017 RM'000 |
|---------------------------------|--|--|
| At Amortised Cost: | | |
| Government Securities: | | |
| Malaysian Government Securities | 151,277 | 9,240 |
| | <u>151,277</u> | <u>9,240</u> |

4. FINANCIAL ASSETS HELD-FOR-TRADING

| | Bank 30-Jun 2018 RM'000 | Bank 31-Dec 2017 RM'000 |
|--|--|--|
| At Fair Value: | | |
| Government Securities: | | |
| Malaysian Government Securities | 1,013,250 | 334,045 |
| Malaysian Government Investment Issues | 290,713 | 69,872 |
| Treasury Bills | - | 106,846 |
| | <u>1,303,963</u> | <u>510,763</u> |

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018 (CONTD.)

5. FINANCIAL ASSETS AVAILABLE-FOR-SALE

| | Bank 30-Jun 2018 RM'000 | Bank 31-Dec 2017 RM'000 |
|--|--|--|
| At Fair Value: | | |
| Government securities: | | |
| Malaysian Government Investment Issues | 103,074 | 10,059 |
| Bank Negara Malaysia Debt Securities | 249,365 | - |
| | <u>352,439</u> | <u>10,059</u> |

6. LOANS, ADVANCES AND FINANCING

| | Bank 30-Jun 2018 RM'000 | Bank 31-Dec 2017 RM'000 |
|--|--|--|
| At amortised cost: | | |
| (i) By type | | |
| Revolving credit | 669,664 | 654,529 |
| Term loans | 398,874 | 302,257 |
| Trust receipts | 31,041 | 56,927 |
| Bills discounting | - | - |
| Other trade bills discounted | 103,904 | 117,964 |
| Overdrafts | 5,728 | 6,381 |
| | <u>1,209,211</u> | <u>1,138,058</u> |
| Less: Allowance for impaired loans and financing : | | |
| - Collective assessment allowance | (1,502) | (951) |
| Net loans, advances and financing | <u>1,207,709</u> | <u>1,137,107</u> |
| (ii) By type of customer | | |
| Domestic business enterprises | 1,162,308 | 1,094,440 |
| Financial institutions | 46,903 | 43,618 |
| | <u>1,209,211</u> | <u>1,138,058</u> |
| (iii) By interest rate sensitivity | | |
| Variable rate: | | |
| BLR-minus | - | - |
| BLR-plus | - | - |
| Cost plus | 1,209,211 | 1,138,058 |
| | <u>1,209,211</u> | <u>1,138,058</u> |
| (iv) By residual contractual maturity | | |
| Maturing within one year | 749,209 | 804,112 |
| More than one year to five years | 437,065 | 321,646 |
| More than five years | 22,937 | 12,300 |
| | <u>1,209,211</u> | <u>1,138,058</u> |
| (v) By geographical distribution | | |
| In Malaysia | 1,209,211 | 1,138,058 |
| | <u>1,209,211</u> | <u>1,138,058</u> |

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018 (CONTD.)

6. LOANS, ADVANCES AND FINANCING (CONTD.)

| (vi) By Sector | Bank 30-Jun 2018 RM'000 | Bank 31-Dec 2017 RM'000 |
|-------------------------|--|--|
| Manufacturing | 933,392 | 785,994 |
| Mining & Quarrying | 2,579 | - |
| Wholesale and retail | 66,142 | 97,467 |
| Construction | 6,001 | 8,002 |
| Financial services | 46,903 | 43,618 |
| Other business services | 142,267 | 190,599 |
| Real estate activities | 11,927 | 12,378 |
| | <u>1,209,211</u> | <u>1,138,058</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.

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

| | Bank 30-Jun 2018 RM'000 | Bank 31-Dec 2017 RM'000 |
|---|--|--|
| Collective impairment allowances | | |
| Balance as at 1 January | 951 | 570 |
| Adjustment on IFRS9 | 389 | - |
| | <u>1,340</u> | <u>570</u> |
| Add: Allowances made during the year | 162 | 381 |
| Less: Write back made during the year | - | - |
| Balance as of 30 June/31 Dec | <u>1,502</u> | <u>951</u> |

Loss allowance for non-credit-impaired exposures and regulatory reserves
as % of total credit exposures net of loss allowance for
credit-impaired exposures

1.00% 1.20%

7. OTHER ASSETS

| | Bank 30-Jun 2018 RM'000 | Bank 31-Dec 2017 RM'000 |
|---|--|--|
| Other receivables | 65,875 | 48,254 |
| Less: Allowance for impairment on other receivables | - | (1) |
| | <u>65,875</u> | <u>48,253</u> |
| Collateral assets | 13,480 | 269,686 |
| Deposit | 966 | 958 |
| Prepayments | 942 | 1,246 |
| | <u>81,263</u> | <u>320,143</u> |

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018 (CONTD.)

9. INTANGIBLE ASSETS

| | Bank 30-Jun 2018 RM'000 | Bank 31-Dec 2017 RM'000 |
|------------------------------------|--|--|
| <u>Computer Software:</u> | | |
| Cost | | |
| At 1 January | 432 | 432 |
| Additions | - | - |
| Write Off | - | - |
| At 30 June/31 Dec | <u>432</u> | <u>432</u> |
| Accumulated Amortisation | | |
| At 1 January | 358 | 297 |
| Amortisation for the year | 31 | 61 |
| Write-off | - | - |
| At 30 June/31 Dec | <u>389</u> | <u>358</u> |
| Net Book Value | <u>43</u> | <u>74</u> |
| <u>Interbank Giro license fees</u> | | |
| Cost | | |
| At 1 January | 2,600 | 2,600 |
| Additions | - | - |
| Write Off | - | - |
| At 30 June/31 Dec | <u>2,600</u> | <u>2,600</u> |
| Accumulated Depreciation | | |
| At 1 January | - | - |
| Amortisation for the year | 433 | - |
| At 30 June/31 Dec | <u>433</u> | <u>-</u> |
| Net Book Value | <u>2,167</u> | <u>2,600</u> |
| Total Net Book Value | <u>2,210</u> | <u>2,674</u> |

BNP PARIBAS MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018 (CONTD.)

10. DEPOSITS FROM CUSTOMERS

| Type | Bank 30-Jun 2018 RM'000 | Bank 31-Dec 2017 RM'000 |
|--|--|--|
| At amortised cost: | | |
| Demand deposits | 555,801 | 474,412 |
| Fixed deposits | 876,593 | 736,890 |
| Commodity Murabahah | 11,331 | 10,610 |
| | <u>1,443,725</u> | <u>1,221,912</u> |
| (i) Maturity structure of fixed deposits and Commodity Murabahah are as follows: | | |
| Due within six months | 885,688 | 742,301 |
| Six months to one year | 2,236 | 5,199 |
| | <u>887,924</u> | <u>747,500</u> |
| (ii) The deposits are sourced from the following types of customers: | | |
| Business enterprises | 1,429,866 | 1,209,606 |
| Non-bank financial institutions | 13,859 | 12,306 |
| | <u>1,443,725</u> | <u>1,221,912</u> |

11. DEPOSITS AND PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

| | Bank 30-Jun 2018 RM'000 | Bank 31-Dec 2017 RM'000 |
|------------------------------|--|--|
| At amortised cost: | | |
| Other financial institutions | 2,566,665 | 785,929 |
| | <u>2,566,665</u> | <u>785,929</u> |

12. OTHER LIABILITIES

| | Bank 30-Jun 2018 RM'000 | Bank 31-Dec 2017 RM'000 |
|----------------------|--|--|
| Other payables | 239,273 | 110,606 |
| Accruals and charges | 12,153 | 14,434 |
| Collateral deposits | 132,365 | 243,184 |
| | <u>383,791</u> | <u>368,224</u> |

BNP PARIBAS MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018 (CONTD.)

13. SHARE CAPITAL

| | Bank 30-Jun 2018 RM'000 | Bank 31-Dec 2017 RM'000 |
|--------------------------------|--|--|
| Issued and fully paid: | | |
| Balance as at 30 June/December | 650,000 | 650,000 |

14. RESERVES

| | Bank 30-Jun 2018 RM'000 | Bank 31-Dec 2017 RM'000 |
|---|--|--|
| Non-distributable: | | |
| Revaluation reserve-available-for-sale securities | 154 | 12 |
| Regulatory reserve | 13,864 | 12,705 |
| | <u>14,018</u> | <u>12,717</u> |

15. INTEREST INCOME

| | Bank 30-Jun 2018 RM'000 | Bank 30-Jun 2017 RM'000 |
|---|--|--|
| Loans, advances and financing | 24,162 | 18,616 |
| Money at call and deposit placements with financial institutions | 11,772 | 17,798 |
| Financial assets - Available-for-sale | 5,776 | 4,669 |
| Financial assets - Held-for-trading | 17,237 | 8,189 |
| Other interest income | 11,606 | 7,138 |
| | <u>70,553</u> | <u>56,410</u> |
| Amortisation of premium less accretion of discount | (209) | (162) |
| Total Interest Income | <u>70,344</u> | <u>56,248</u> |
| Of which: | | |
| Interest income earned on impaired loans, advances and financing | <u>-</u> | <u>-</u> |

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018 (CONTD.)

16. INTEREST EXPENSE

| | Bank 30-Jun 2018 RM'000 | Bank 30-Jun 2017 RM'000 |
|---|--|--|
| Deposits from customers | 9,227 | 9,682 |
| Deposits and placements from banks and other financial institutions | 11,907 | 9,373 |
| Other interest expense | 106 | 2 |
| | <u>21,240</u> | <u>19,057</u> |

17. OTHER OPERATING INCOME

| | Bank 30-Jun 2018 RM'000 | Bank 30-Jun 2017 RM'000 |
|--|--|--|
| Fee income: | | |
| Commissions | 591 | 207 |
| Guarantee fees | 1,041 | 801 |
| Other fee income : | 3,485 | 2,769 |
| | <u>5,117</u> | <u>3,777</u> |
| Net gain/(loss) arising from sale of securities: | | |
| Financial assets held-for-trading | (7) | 7,795 |
| Financial assets available-for-sale | - | - |
| | <u>(7)</u> | <u>7,795</u> |
| Unrealised gain/(loss) on revaluation of securities: | | |
| Financial assets held-for-trading | 661 | (1,583) |
| | <u>661</u> | <u>(1,583)</u> |
| Other income: | | |
| Foreign exchange: | | |
| - Realised gain/(loss) | (623,862) | 510,418 |
| - Unrealised gain/(loss) | 609,140 | (493,402) |
| Gain/(Loss) on derivatives trading | | |
| - Realised gain/(loss) | (53,698) | 65,549 |
| - Unrealised gain/(loss) | 85,039 | (62,222) |
| Others | 9,289 | 3,367 |
| | <u>25,908</u> | <u>23,710</u> |
| Total | <u>31,679</u> | <u>33,699</u> |

BNP PARIBAS MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018 (CONTD.)

18. OTHER OPERATING EXPENSES

| | Bank 30-Jun 2018 RM'000 | Bank 30-Jun 2017 RM'000 |
|--|--|--|
| Personnel costs (Note a) | 18,998 | 19,727 |
| Establishment costs (Note b) | 7,700 | 6,236 |
| Marketing expenses (Note c) | 424 | 463 |
| Administration and general expenses (Note d) | 3,440 | 8,842 |
| | <u>30,562</u> | <u>35,268</u> |
| (a) Personnel costs | | |
| Salaries, bonuses and allowances | 13,429 | 13,694 |
| EPF - defined contribution plan | 1,828 | 2,098 |
| Other staff related expenses | 3,741 | 3,935 |
| | <u>18,998</u> | <u>19,727</u> |
| (b) Establishment costs | | |
| Share of information technology costs | 3,382 | 3,282 |
| Depreciation of property, plant and equipment | 275 | 361 |
| Amortization of intangible asset | 464 | 31 |
| Rental of premises | 970 | 960 |
| Others | 2,609 | 1,602 |
| | <u>7,700</u> | <u>6,236</u> |
| (c) Marketing Expenses | | |
| Advertising | 27 | 50 |
| Others | 397 | 413 |
| | <u>424</u> | <u>463</u> |
| (d) Administration and general expenses | | |
| Legal and professional fees | 636 | 570 |
| Communication & transportation | 112 | 150 |
| Others general expenses | 2,692 | 8,122 |
| | <u>3,440</u> | <u>8,842</u> |

19. ALLOWANCE FOR IMPAIRMENT ON LOANS, ADVANCES AND FINANCING

| | Bank 30-Jun 2018 RM'000 | Bank 30-Jun 2017 RM'000 |
|---|--|--|
| Allowance for impaired loans, advances and financing: | | |
| Collective Assessment allowance: | | |
| - Made in the financial year | 132 | 160 |
| - Written back in the financial year | - | (1,002) |
| | <u>132</u> | <u>(842)</u> |

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018 (CONTD.)

20. CAPITAL ADEQUACY

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

| | Bank 30-Jun 2018 RM'000 | Bank 31-Dec 2017 RM'000 |
|--|--|--|
| Tier-I capital | | |
| Paid-up share capital | 650,000 | 650,000 |
| Retained profits | 61,889 | 61,889 |
| IFRS9 Day 1 Adjustment | (389) | - |
| Other disclosed reserves | 154 | 12 |
| | <u>711,654</u> | <u>711,901</u> |
| <u>Less : Regulatory adjustments</u> | | |
| Intangible assets | (2,210) | (2,674) |
| Deferred tax assets | (1,330) | (548) |
| 55% of cumulative gains of AFS financial instruments | (85) | (7) |
| Total Tier-I capital | <u>708,029</u> | <u>708,672</u> |
| | | |
| | Bank 30-Jun 2018 RM'000 | Bank 31-Dec 2017 RM'000 |
| Tier-II Capital | | |
| Collective assessment allowance | 1,502 | 951 |
| Regulatory reserve | 13,864 | 12,705 |
| Total Tier-II capital | <u>15,366</u> | <u>13,656</u> |
| | | |
| Total capital funds | 723,395 | 722,328 |
| Less: Investment in subsidiary companies | - | - |
| Capital base | <u>723,395</u> | <u>722,328</u> |
| | | |
| Capital Ratios | | |
| Common Equity Tier 1 Ratio | 22.878% | 21.306% |
| Tier 1 Capital Ratio | 22.878% | 21.306% |
| Total Capital Ratio | <u>23.375%</u> | <u>21.716%</u> |

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

| | Bank 30-Jun 2018 RM'000 | Bank 31-Dec 2017 RM'000 |
|----------------------------|--|--|
| Credit Risk | 1,959,621 | 1,983,647 |
| Market Risk | 736,311 | 1,008,574 |
| Operational Risk | 398,861 | 334,017 |
| Total risk-weighted assets | <u>3,094,793</u> | <u>3,326,238</u> |

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018 (CONTD.)

8. PROPERTY, PLANT AND EQUIPMENT

| Bank | Office Equipment and Machinery RM'000 | Renovation and Installation RM'000 | Furniture, Fixtures and Fittings RM'000 | Computer equipment and hardware RM'000 | Motor Vehicles RM'000 | Renovation work-in progress RM'000 | Total RM'000 |
|------------------------------------|--|---|--|---|--------------------------------------|---|-------------------------|
| At 30 June 2018 | | | | | | | |
| Cost | | | | | | | |
| At 1 January 2018 | 213 | 4,256 | 1,825 | 4,443 | 15 | - | 10,752 |
| Additions | 36 | - | - | 127 | - | - | 163 |
| Disposals | - | - | - | - | - | - | - |
| Write-off | - | - | - | - | - | - | - |
| Reclassification | - | - | - | - | - | - | - |
| At 30 June 2018 | 249 | 4,256 | 1,825 | 4,570 | 15 | - | 10,915 |
| Accumulated Depreciation | | | | | | | |
| At 1 January 2018 | 168 | 3,842 | 1,423 | 4,054 | 11 | - | 9,498 |
| Charge for the year | 13 | 77 | 55 | 128 | 2 | - | 275 |
| Disposals | - | - | - | - | - | - | - |
| Write-off | - | - | - | - | - | - | - |
| At 30 June 2018 | 181 | 3,919 | 1,478 | 4,182 | 13 | - | 9,773 |
| Net Book Value 30 June 2018 | 68 | 337 | 347 | 388 | 2 | - | 1,142 |

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018 (CONTD.)

8. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

| | Office equipment and machinery RM'000 | Renovation and installation RM'000 | Furniture, fixtures and fittings RM'000 | Computer Equipment RM'000 | Motor vehicle RM'000 | Renovation work-in progress RM'000 | Total RM'000 |
|--|--|---|--|--|-------------------------------------|---|-------------------------|
| At 31 December 2017 | | | | | | | |
| Cost | | | | | | | |
| At 1 January 2017 | 212 | 4,126 | 1,456 | 4,306 | 15 | 269 | 10,384 |
| Additions | 1 | - | - | 100 | - | 270 | 371 |
| Write-off | - | - | - | - | - | (3) | (3) |
| Reclassification | - | 130 | 369 | 37 | - | (536) | - |
| At 31 December 2017 | 213 | 4,256 | 1,825 | 4,443 | 15 | - | 10,752 |
| Accumulated Depreciation | | | | | | | |
| At 1 January 2017 | 145 | 3,588 | 1,344 | 3,781 | 8 | - | 8,866 |
| Charge for the year | 23 | 254 | 79 | 273 | 3 | - | 632 |
| At 31 December 2017 | 168 | 3,842 | 1,423 | 4,054 | 11 | - | 9,498 |
| Net Book Value 31 December 2017 | 45 | 414 | 402 | 389 | 4 | - | 1,254 |

Company No. 918091-T

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018 (CONTD.)

21. INTEREST RATE RISK

The following table represents the Bank's assets and liabilities at carrying amounts as at 30 June 2018

| | Non-Trading Book | | | | | Trading book RM'000 | Non-interest sensitive RM'000 | Total RM'000 |
|--|----------------------------|---------------------------|----------------------------|--------------------------|---------------------------|---------------------------|-------------------------------------|------------------|
| | Up to 1 month RM'000 | 1 - 3 months RM'000 | 3 - 12 months RM'000 | 1 - 5 years RM'000 | Over 5 years RM'000 | | | |
| Assets | | | | | | | | |
| Cash and short-term funds | 1,931,902 | - | - | - | - | - | 799 | 1,932,701 |
| Reverse repurchase agreements | 150,005 | - | - | - | - | - | 1,272 | 151,277 |
| Financial assets held-for-trading | - | - | - | - | - | 1,303,963 | - | 1,303,963 |
| Financial assets available-for-sale | 3 | 249,365 | 50,391 | 51,884 | - | - | 796 | 352,439 |
| Loans, advances and financing | 501,011 | 556,848 | 84,254 | 63,535 | - | - | 2,061 | 1,207,709 |
| Derivatives Financial assets | - | - | - | - | - | 379,034 | - | 379,034 |
| Statutory deposits with Bank Negara Malaysia | - | - | - | - | - | - | 1,900 | 1,900 |
| Other assets | - | - | - | - | - | - | 79,355 | 79,355 |
| Total Assets | 2,582,921 | 806,213 | 134,645 | 115,419 | - | 1,682,997 | 86,183 | 5,408,378 |
| Liabilities | | | | | | | | |
| Deposits from customers | 1,133,186 | 300,165 | 8,987 | - | - | - | 1,387 | 1,443,725 |
| Deposits and placements from banks and other financial institutions | 1,709,222 | 856,250 | - | - | - | - | 1,193 | 2,566,665 |
| Derivatives Financial Liabilities | - | - | - | - | - | 252,813 | - | 252,813 |
| Other liabilities | - | - | - | - | - | - | 383,791 | 383,791 |
| Total Liabilities | 2,842,408 | 1,156,415 | 8,987 | - | - | 252,813 | 386,371 | 4,646,994 |
| Net interest rate gap | (259,487) | (350,202) | 125,658 | 115,419 | - | 1,430,184 | (300,188) | 761,384 |

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018 (CONTD.)

21. INTEREST RATE RISK (CONTD)

The following table represents the Bank's assets and liabilities at carrying amounts as of 31 December 2017

| | Non-Trading Book | | | | | Trading book RM'000 | Non-interest sensitive RM'000 | Total RM'000 |
|--|----------------------------|---------------------------|----------------------------|--------------------------|---------------------------|------------------------|-------------------------------------|------------------|
| | Up to 1 month RM'000 | 1 - 3 months RM'000 | 3 - 12 months RM'000 | 1 - 5 years RM'000 | Over 5 years RM'000 | | | |
| Assets | | | | | | | | |
| Cash and short-term funds | 1,298,917 | - | - | - | - | - | 506 | 1,299,423 |
| Reverse repurchase agreements | 9,232 | - | - | - | - | - | 8 | 9,240 |
| Financial assets held-for-trading | - | - | - | - | - | 510,763 | - | 510,763 |
| Financial assets available-for-sale | - | - | 10,014 | - | - | - | 45 | 10,059 |
| Loans, advances and financing | 506,327 | 211,017 | 84,432 | 321,647 | 12,300 | - | 1,384 | 1,137,107 |
| Derivative financial assets | - | - | - | - | - | 571,049 | - | 571,049 |
| Other assets | - | - | - | - | - | - | 317,939 | 317,939 |
| Total Assets | 1,814,476 | 211,017 | 94,446 | 321,647 | 12,300 | 1,081,812 | 319,882 | 3,855,580 |
| Liabilities | | | | | | | | |
| Deposits from customers | 1,036,340 | 153,959 | 30,679 | - | - | - | 934 | 1,221,912 |
| Deposits and placements from banks and other financial institutions | 689,019 | 95,281 | - | - | - | - | 1,629 | 785,929 |
| Derivatives financial liabilities | - | - | - | - | - | 763,233 | - | 763,233 |
| Other liabilities | - | - | - | - | - | - | 368,224 | 368,224 |
| Total Liabilities | 1,725,359 | 249,240 | 30,679 | - | - | 763,233 | 370,787 | 3,139,298 |
| Net interest rate gap | 89,117 | (38,223) | 63,767 | 321,647 | 12,300 | 318,579 | (50,905) | 716,282 |

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018 (CONTD.)

22. 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 are not secured against the Bank's assets.

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

| | Bank 30-Jun 2018 RM'000 | Bank 31-Dec 2017 RM'000 |
|--|--|--|
| <u>Commitments and Contingent Liabilities</u> | | |
| Direct credit substitutes | 300,640 | 324,257 |
| Transaction-related contingent items | | |
| Short-term self-liquidating trade-related contingencies | 25,416 | 8,290 |
| 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 | 43,350 | 39,531 |
| Foreign exchange derivatives: | | |
| - one year or less | 23,411,179 | 27,670,712 |
| - over one year to five years | 1,350,804 | 1,888,059 |
| Interest rate derivatives: | | |
| - one year or less | 2,861,660 | 11,017,129 |
| - over one year to five years | 5,510,105 | 5,687,434 |
| - over five years | 58,000 | 15,000 |
| Credit Derivatives: | | |
| - one year or less | - | 485 |
| - over one year to five years | 762,932 | 549,175 |
| | <u>34,324,086</u> | <u>47,200,072</u> |

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

23. Islamic Banking Window

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

| | Note | Bank 30-Jun 2018 RM'000 | Bank 31-Dec 2017 RM'000 |
|--|------|----------------------------------|----------------------------------|
| ASSETS | | | |
| Cash and short-term funds | (a) | 17,884 | 22,591 |
| Financial assets available-for-sale | (b) | 9,975 | - |
| Loans, advances and financing | (c) | - | 4,017 |
| Other assets | (d) | 8,806 | 8,829 |
| Property, plant and equipment | (e) | 3 | 3 |
| Intangible assets | (f) | 4 | 4 |
| TOTAL ASSETS | | 36,672 | 35,444 |
| LIABILITIES AND ISLAMIC BANKING FUNDS | | | |
| Deposits from customers | (g) | 15,127 | 13,605 |
| Deposits and placements from banks and other financial institutions | | - | - |
| Other liabilities | | 614 | 447 |
| Tax Liabilities | | 131 | 131 |
| Total liabilities | | 15,872 | 14,183 |
| Capital fund | | 24,350 | 24,350 |
| Accumulated losses | | (3,600) | (3,137) |
| Reserves | | 50 | 48 |
| Islamic Banking Funds | | 20,800 | 21,261 |
| TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS | | 36,672 | 35,444 |

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

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

23. Islamic Banking Window

UNAUDITED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018

| | | Bank 30-Jun 2018 RM'000 | Bank 30-Jun 2017 RM'000 |
|---|-----|--|--|
| Income derived from investment of Islamic banking funds and depositors' funds | (h) | 403 | 481 |
| Profit expense to depositors | | (151) | (156) |
| | | <hr/> | |
| Net income derived from investment of Islamic Banking funds and depositors' funds | | 252 | 325 |
| Other operating income | (i) | 155 | 777 |
| Other operating expenses | (j) | (870) | (1,033) |
| Write back for impairment on loans, advances and financing | | - | - |
| | | <hr/> | |
| Profit/(Loss) for the financial quarter before zakat and taxation | | (463) | 69 |
| Zakat | | - | (16) |
| Income tax expense | | - | - |
| | | <hr/> | |
| Profit/(Loss) for the financial quarter after zakat and taxation | | (463) | 53 |
| | | <hr/> <hr/> | |
| Other comprehensive income: | | | |
| Items that may be reclassified subsequently to profit or loss : | | | |
| Fair value reserve (from Investment AFS) : | | | |
| Net changes in fair value | | (2) | 9 |
| | | <hr/> | |
| | | (2) | 9 |
| | | <hr/> <hr/> | |
| Total comprehensive profit/(loss) for the quarter | | (465) | 62 |

BNP PARIBAS MALAYSIA BERHAD**(Incorporated in Malaysia)****Islamic Banking Operations****UNAUDITED STATEMENT OF CHANGES IN EQUITY IN ISLAMIC BANKING FUNDS****FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018**

| | Share capital RM'000 | Regulatory reserve RM'000 | Revaluation reserve- financial assets available--for-sale RM'000 | Accumulated losses RM'000 | Total RM'000 |
|----------------------------------|-------------------------------------|--|---|--|-------------------------|
| At 1 January 2018 | 24,350 | 48 | - | (3,137) | 21,261 |
| Loss for the quarter | - | - | - | (463) | (463) |
| Transfer from regulatory reserve | - | - | - | - | - |
| Other comprehensive income | - | - | 2 | - | 2 |
| At 30 June 2018 | <u>24,350</u> | <u>48</u> | <u>2</u> | <u>(3,600)</u> | <u>20,800</u> |

| | Capital fund RM'000 | Regulatory reserve RM'000 | Revaluation reserve- financial assets available--for-sale RM'000 | Accumulated losses RM'000 | Total RM'000 |
|--------------------------------|------------------------------------|--|---|--|-------------------------|
| At 1 January 2017 | 24,350 | - | - | (2,532) | 21,818 |
| Loss for the year | - | - | - | (557) | (557) |
| Transfer to regulatory reserve | - | 48 | - | (48) | - |
| Other comprehensive income | - | - | - | - | - |
| At 31 December 2017 | <u>24,350</u> | <u>48</u> | <u>-</u> | <u>(3,137)</u> | <u>21,261</u> |

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

23. Islamic Banking Window

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018 (CONTD.)

(a) CASH AND SHORT-TERM FUNDS

| | Bank 30-Jun 2018 RM'000 | Bank 31-Dec 2017 RM'000 |
|---|--|--|
| At Amortised Cost | | |
| Cash and balances with banks and other financial institutions | 2,882 | 1,586 |
| Money at call and deposit placements maturing within one month | 15,002 | 21,005 |
| | <u>17,884</u> | <u>22,591</u> |

(b) FINANCIAL ASSETS AVAILABLE-FOR-SALE

| | Bank 30-Jun 2018 RM'000 | Bank 31-Dec 2017 RM'000 |
|--------------------------------------|--|--|
| At Fair Value | | |
| Government Securities: | | |
| Bank Negara Malaysia Debt Securities | 9,975 | - |
| | <u>9,975</u> | <u>-</u> |

(c) LOANS, ADVANCES AND FINANCING

| | Bank 30-Jun 2018 RM'000 | Bank 31-Dec 2017 RM'000 |
|--|--|--|
| At amortised cost: | | |
| By type | | |
| Revolving credit | - | 4,018 |
| Less: Collective impairment allowances | - | (1) |
| Net loans, advances and financing | <u>-</u> | <u>4,017</u> |

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018 (CONTD.)

23. Islamic Banking Window

(d) OTHER ASSETS

| | Bank 30-Jun 2018 RM'000 | Bank 31-Dec 2017 RM'000 |
|--|--|--|
| Other receivables, deposit and prepayments | 8,806 | 8,829 |
| Less: Allowance for doubtful debt on other receivables | - | - |
| | <u>8,806</u> | <u>8,829</u> |

Movements of allowance for impairment on other receivables are as follows:

| | Bank 30-Jun 2018 RM'000 | Bank 31-Dec 2017 RM'000 |
|--|--|--|
| Individual impairment allowance | | |
| Balance as at 1 January | - | 500 |
| Add: Allowance made during the year | - | - |
| Less: Write back made during the year | - | (500) |
| Balance as at 30 June/December | <u>-</u> | <u>-</u> |

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018 (CONTD.)

23. Islamic Banking Window

(f) INTANGIBLE ASSETS

| | Bank 30-Jun 2018 RM'000 | Bank 31-Dec 2017 RM'000 |
|---------------------------------|--|--|
| <u>Computer Software:</u> | | |
| Cost | | |
| At 1 January | 41 | 41 |
| Additions | - | - |
| Write Off | - | - |
| At 30 June/December | <u>41</u> | <u>41</u> |
| Accumulated Amortisation | | |
| At 1 January | 37 | 36 |
| Amortisation for the year | - | 1 |
| At 30 June/December | <u>37</u> | <u>37</u> |
| Net Book Value | <u>4</u> | <u>4</u> |

(g) DEPOSITS FROM CUSTOMERS

| | Bank 30-Jun 2018 RM'000 | Bank 31-Dec 2017 RM'000 |
|---------------------|--|--|
| Type | | |
| At Amortised Cost: | | |
| Non-Mudharabah Fund | | |
| Demand deposits | 3,796 | 2,996 |
| Commodity Murabahah | 11,331 | 10,609 |
| | <u>15,127</u> | <u>13,605</u> |

(i) Maturity structure of Commodity Murabahah is as follows:

| | Bank 30-Jun 2018 RM'000 | Bank 31-Dec 2017 RM'000 |
|-----------------------|--|--|
| Due within six months | <u>11,331</u> | <u>10,609</u> |

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

| | Bank 30-Jun 2018 RM'000 | Bank 31-Dec 2017 RM'000 |
|---|--|--|
| Business enterprise | 7,869 | 7,151 |
| Domestic non-bank financial institution | 7,258 | 6,454 |
| | <u>15,127</u> | <u>13,605</u> |

BNP PARIBAS MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018 (CONTD.)

23. Islamic Banking Window

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

| | Bank 30-Jun 2018 RM'000 | Bank 30-Jun 2017 RM'000 |
|---|--|--|
| Loans, advances and financing | 62 | - |
| Money at call and deposit placement with financial institutions | 338 | 386 |
| Financial assets available-for-sale | 3 | 104 |
| | <u>403</u> | <u>490</u> |
| Amortisation of premium less accretion of discount | - | (9) |
| | <u>403</u> | <u>481</u> |

(i) OTHER OPERATING INCOME

| | | |
|--------------------------|------------|------------|
| Fee income: | | |
| Commissions | - | - |
| Other fee income | 71 | 782 |
| Foreign exchange: | | |
| - Unrealised gain/(loss) | 17 | (11) |
| Others | 67 | 6 |
| Total | <u>155</u> | <u>777</u> |

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018 (CONTD.)

23. Islamic Banking Window

(j) OTHER OPERATING EXPENSES

| | Bank 30-Jun 2018 RM'000 | Bank 30-Jun 2017 RM'000 |
|---|--|--|
| Personnel costs (Note i) | 636 | 765 |
| Establishment costs (Note ii) | 46 | 49 |
| Marketing expenses (Note iii) | 3 | - |
| Administration and general expenses (Note iv) | 185 | 219 |
| | <u>870</u> | <u>1,033</u> |
| (i) Personnel Costs | | |
| Salaries, bonuses and allowances | 489 | 582 |
| EPF - defined contribution plan | 88 | 105 |
| Other staff related expenses | 59 | 78 |
| | <u>636</u> | <u>765</u> |
| (ii) Establishment costs | | |
| Rental of premises | 38 | 37 |
| Amortisation of intangible assets | - | - |
| Depreciation of property, plant and equipment | - | 1 |
| Others | 8 | 11 |
| | <u>46</u> | <u>49</u> |
| (iii) Marketing Expenses | | |
| Others | 3 | - |
| | <u>3</u> | <u>-</u> |
| (iv) Administration and general expenses | | |
| Legal and professional fees | 131 | 181 |
| Others | 54 | 38 |
| | <u>185</u> | <u>219</u> |

BNP PARIBAS MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018 (CONTD.)

23. Islamic Banking Window

(k) CAPITAL ADEQUACY

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

| | Bank 30-Jun 2018 RM'000 | Bank 31-Dec 2017 RM'000 |
|--|--|--|
| Tier-I capital | | |
| Capital fund | 24,350 | 24,350 |
| Accumulated losses | (3,600) | (3,137) |
| | <u>20,750</u> | <u>21,213</u> |
| Less : | | |
| - Intangible assets | (4) | (4) |
| - 55% of cumulative gains of AFS financial instruments | - | - |
| - Other disclosed reserves | 2 | - |
| Total Tier-I capital | <u>20,748</u> | <u>21,209</u> |
| | Bank 30-Jun 2018 RM'000 | Bank 31-Dec 2017 RM'000 |
| Tier-II Capital | | |
| Collective assessment allowance | - | 1 |
| Regulatory reserve | 48 | 48 |
| Total Tier-II capital | <u>48</u> | <u>49</u> |
| Capital base | <u>20,796</u> | <u>21,258</u> |
| Capital Ratios | | |
| Tier 1 Capital Ratio | 150.272% | 131.374% |
| Tier 1 Capital Ratio | 150.272% | 131.374% |
| Total Capital Ratio | <u>150.619%</u> | <u>131.677%</u> |

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

| | Bank 30-Jun 2018 RM'000 | Bank 31-Dec 2017 RM'000 |
|----------------------------|--|--|
| Credit Risk | 9,349 | 12,851 |
| Market Risk | 1,197 | 246 |
| Operational Risk | 3,261 | 3,047 |
| Total risk-weighted assets | <u>13,807</u> | <u>16,144</u> |

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018 (CONTD.)

23. Islamic Banking Window

(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 2018 | | | | | |
| Cost | | | | | |
| At 1 January 2018 | 6 | - | - | 23 | 29 |
| Additions | - | - | - | - | - |
| Disposals | - | - | - | - | - |
| At 30 June 2018 | 6 | - | - | 23 | 29 |
| Accumulated Depreciation | | | | | |
| At 1 January 2018 | 3 | - | - | 23 | 26 |
| Charge for the year | - | - | - | - | - |
| At 30 June 2018 | 3 | - | - | 23 | 26 |
| Net Book Value 30 June 2018 | 3 | - | - | - | 3 |

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018 (CONTD.)

23. Islamic Banking Window

(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 2017 | | | | | |
| Cost | | | | | |
| At 1 January 2017 | 6 | - | - | 23 | 29 |
| Additions | | | | | |
| Disposals | | | | | |
| Write-off | | | | | |
| At 31 December 2017 | 6 | - | - | 23 | 29 |
| Accumulated Depreciation | | | | | |
| At 1 January 2017 | 2 | - | - | 23 | 25 |
| Charge for the year | 1 | - | - | - | 1 |
| At 31 December 2017 | 3 | - | - | 23 | 26 |
| Net Book Value 31 Dec 2017 | 3 | - | - | - | 3 |