

Company No. 918091-T

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS OF 31 MARCH 2017

	Note	Bank 31-Mar 2017 RM'000	Bank 31-Dec 2016 RM'000
ASSETS			
Cash and short-term funds	2	1,891,903	2,077,547
Reverse repurchase agreements	3	29,873	-
Deposits and placements with banks and other financial institutions	4	100,026	-
Financial assets held-for-trading	5	481,308	118,413
Financial assets available-for-sale	6	364,355	81,608
Loans and advances	7	1,023,390	849,848
Derivative financial assets		446,281	799,074
Statutory deposits with Bank Negara Malaysia	8	-	-
Other assets	9	162,037	235,795
Property, plant and equipment	10	1,336	1,518
Intangible assets	11	2,720	2,735
Deferred tax assets		544	378
Tax recoverable		299	1,484
TOTAL ASSETS		4,504,072	4,168,400
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits from customers	12	1,232,182	1,008,106
Deposits and placements of banks and other financial institutions	13	1,867,254	1,488,959
Derivative financial liabilities		327,552	448,808
Other liabilities	14	388,344	543,048
Deferred tax liabilities		-	-
TOTAL LIABILITIES		3,815,332	3,488,921

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UNAUDITED STATEMENT OF FINANCIAL POSITION
AS OF 31 MARCH 2017 (CONTD.)

	Note	Bank 31-Mar 2017 RM'000	Bank 31-Dec 2016 RM'000
Share capital	15	650,000	650,000
Accumulated losses		(4,963)	(11,989)
Reserves	16	43,703	41,468
SHAREHOLDER'S EQUITY		688,740	679,479
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		4,504,072	4,168,400
COMMITMENTS AND CONTINGENCIES	24	37,898,895	34,376,513

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 31 MARCH 2017

	Note	Bank 31-Mar 2017 RM'000	Bank 31-Mar 2016 RM'000
Operating Revenue		41,932	38,725
Interest income	17	26,507	18,714
Interest expenses	18	(9,341)	(7,364)
Net interest income		17,166	11,350
Net income from Islamic banking business	25	168	439
Other operating income	19	15,425	20,011
Operating expenses	20	(20,635)	(17,343)
Write back/(Allowance made) for impairment on loans and advances	21	(152)	(148)
Allowance for doubtful debt on other receivables		-	-
Profit/(Loss) before tax		11,972	14,309
Taxation		(3,035)	(3,839)
Net profit/(loss) for the financial quarter		8,937	10,470

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UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
AS OF 31 MARCH 2017

	Note	Bank 31-Mar 2017 RM'000	Bank 31-Mar 2016 RM'000
Profit for the period		8,937	10,470
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		324	(659)
Total comprehensive income/(loss) for the quarter		<u>9,261</u>	<u>9,811</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 31 MARCH 2017

	Bank 31-Mar 2017 RM'000	Bank 31-Dec 2016 RM'000
Cash Flows from/(Used In) Operating Activities		
Profit/(Loss) before tax	11,972	18,301
Adjustments for:		
Depreciation of property, plant and equipment	213	1,271
Amortisation of intangible assets	15	50
(Write back of allowance)/Allowance for impairment on loans and advances	172	287
(Write back)/Allowance for doubtful debt on other receivables	(20)	28
Amortisation of premium less accretion of discount	43	-
(Gain)/loss from sale of securities available-for-sale	-	3,424
(Gain)/loss from sale of securities held-for-trading	(2,819)	382
Unrealised (gain)/loss on revaluation of securities held-for-trading	-	(151)
Unrealised foreign exchange (gain)/loss	152,226	355,971
Unrealised (gain)/loss on derivatives trading	54,913	(42,211)
Write back of provision for diminution for value in shares	-	-
Share of profit of associate	-	-
Operating profit before working capital changes	<hr/> 216,715	<hr/> 337,352

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CASH FLOW STATEMENT
AS OF 31 MARCH 2017 (CONTD.)

	Bank 31-Mar 2017 RM'000	Bank 31-Dec 2016 RM'000
(Increase)/Decrease in:		
Securities held for trading	(360,119)	(73,462)
Securities available-for-sale	(283,405)	391,472
Loans, advances and financing	(173,714)	(265,370)
Reverse repurchase agreements	-	203,907
Statutory deposits with Bank Negara Malaysia	-	-
Other assets	73,778	(138,552)
Increase/(Decrease) in:		
Deposits from customers	224,076	(44,649)
Deposits and placements of banks and other financial institutions	378,295	466,574
Derivative financial asstes/liabilities	24,398	(43,392)
Other liabilities	(154,704)	(83,678)
Cash (used in)/generated from operations	(54,679)	750,202
Income taxes paid	(1,034)	(3,212)
Net cash (used in)/from operating activities	(55,713)	746,990
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(32)	(597)
Reclassification of property, plant and equipment	-	-
Purchase of intangible asset	-	-
Investment in associated company	-	-
Net cash (used in)/generated from investing activities	(32)	(597)

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BNP PARIBAS MALAYSIA BERHAD
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CASH FLOW STATEMENT
AS OF 31 MARCH 2017 (CONTD.)

	Bank 31-Mar 2017 RM'000	Bank 31-Dec 2016 RM'000
Cash Flows from / (Used In) Financing Activities		
Proceeds from issuance of subordinated debt capital, representing net cash generated from financing activities	-	48,080
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(55,745)	794,473
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,077,547	1,283,074
CASH AND CASH EQUIVALENTS AT END OF YEAR	2,021,802	2,077,547
Cash and cash equivalents comprise the following:		
Cash and short-term funds	1,891,903	2,077,547
Deposits and placements with banks and other financial institutions	100,026	-
	1,991,929	2,077,547

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

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017

Bank	← Non-distributable →				Revaluation reserve-available -for-sale securities RM'000	Accumulated losses RM'000	Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Regulatory reserves RM'000			
At 1 January 2017	650,000	-	32,155	9,636	(323)	(11,989)	679,479
Issuance of shares							-
Profit/(Loss) for the year						8,937	8,937
Statutory Reserve							-
Transfer to regulatory reserve				1,911		(1,911)	-
Other comprehensive loss					324		324
At 31 March 2017	650,000	-	32,155	11,547	1	(4,963)	688,740

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

Bank	← Non-distributable →				Revaluation reserve-available -for-sale securities RM'000	Accumulated losses RM'000	Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Regulatory reserves RM'000			
At 1 January 2016	601,920	-	25,766	6,738	2,085	(15,480)	621,029
Issuance of shares	48,080	-	-	-	-	-	48,080
Profit/(Loss) for the year						12,778	12,778
Statutory Reserve			6,389			(6,389)	-
Transfer to regulatory reserve				2,898		(2,898)	-
Other comprehensive loss					(2,408)		(2,408)
At 31 December 2016	650,000	-	32,155	9,636	(323)	(11,989)	679,479

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 31-Mar 2017 RM'000	Bank 31-Dec 2016 RM'000
At Amortised Cost:		
Cash and balances with banks and other financial institutions	125,028	54,853
Money at call and deposit placements maturing within one month	1,766,875	2,022,694
	<u>1,891,903</u>	<u>2,077,547</u>

3. REVERSE REPURCHASE AGREEMENTS

	Bank 31-Mar 2017 RM'000	Bank 31-Dec 2016 RM'000
At Amortised Cost:		
Government Securities:		
Malaysian Government Securities	29,873	-
	<u>29,873</u>	<u>-</u>

4. DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	Bank 31-Mar 2017 RM'000	Bank 31-Dec 2016 RM'000
Licensed banks	100,026	-
Other financial institutions	-	-
	<u>100,026</u>	<u>-</u>

5. FINANCIAL ASSETS HELD-FOR-TRADING

	Bank 31-Mar 2017 RM'000	Bank 31-Dec 2016 RM'000
At Fair Value:		
Government Securities:		
Government Investment Issues	23,508	5,731
Malaysian Government Securities	397,164	112,682
Bank Negara Malaysia Debt Securities	56,948	-
Treasury Bills	3,688	-
	<u>481,308</u>	<u>118,413</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

6. FINANCIAL ASSETS AVAILABLE-FOR-SALE

	Bank 31-Mar 2017 RM'000	Bank 31-Dec 2016 RM'000
At Fair Value:		
Government securities:		
Malaysian Government Securities	344,200	51,346
Bank Negara Malaysia Debt Securities	-	-
Malaysian Government Investment Issues	20,155	30,262
Treasury Bills	-	-
Money market instrument:		
Negotiable Instruments of Deposit		-
	<u>364,355</u>	<u>81,608</u>

7. LOANS AND ADVANCES

	Bank 31-Mar 2017 RM'000	Bank 31-Dec 2016 RM'000
At amortised cost:		
(i) By type		
Revolving credits	817,568	618,526
Overdraft	11,107	8,429
Term loan	142,750	130,984
Bridging loan		
Trust Receipt	44,643	50,315
Bills Discounting		19,316
Other Trade Bills Discounted	8,064	22,848
	<u>1,024,132</u>	<u>850,418</u>
Less: Allowance for impaired loans and financing :		
- Collective assessment allowance	(742)	(570)
Net loans, advances and financing	<u>1,023,390</u>	<u>849,848</u>
(ii) By type of customer		
Domestic business enterprises	1,024,132	822,102
Financial institutions	-	28,316
	<u>1,024,132</u>	<u>850,418</u>
(iii) By interest rate sensitivity		
Variable rate:		
BLR-minus	1,432	1,491
BLR-plus	168	19
Cost plus	1,022,532	848,908
	<u>1,024,132</u>	<u>850,418</u>
(iv) By residual contractual maturity		
Up to 1 year	131,406	719,434
> 1 - 5 years	129,779	117,828
> 5 years	762,947	13,156
	<u>1,024,132</u>	<u>850,418</u>
(v) By geographical distribution		
In Malaysia	1,024,132	850,418
	<u>1,024,132</u>	<u>850,418</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

7. LOANS AND ADVANCES

(vi) By Sector

Manufacturing	692,746	602,252
Mining & Quarrying	3,016	-
Wholesale and retail	70,000	-
Construction	16,000	36,625
Financial services	-	28,316
Transport, Storage & Communication	1,059	3,616
Other business services	228,340	166,453
Real estate activities	12,971	13,156
	<u>1,024,132</u>	<u>850,418</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 31-Mar 2017 RM'000	Bank 31-Dec 2016 RM'000
Collective Assessment Allowance		
Balance as at 1 January	570	283
Allowance made during the year	172	287
Less: Write back made during the year	-	-
Balance as at 31 March	<u>742</u>	<u>570</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

<u>-</u>	<u>-</u>
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9. OTHER ASSETS

	Bank 31-Mar 2017 RM'000	Bank 31-Dec 2016 RM'000
Other receivables	108,687	62,309
Less: Allowance for doubtful debt on other receivables	(1,490)	(1,510)
	<u>107,197</u>	<u>60,799</u>
Collateral assets	53,634	173,553
Deposits	-	985
Prepayments	1,206	458
	<u>162,037</u>	<u>235,795</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

10. PROPERTY, PLANT AND EQUIPMENT

11. INTANGIBLE ASSETS

	Bank 31-Mar 2017 RM'000	Bank 31-Dec 2016 RM'000
<u>Computer Software:</u>		
Cost		
At 1 January	432	247
Additions	-	185
Write Off	-	-
At 31 March	<u>432</u>	<u>432</u>
Accumulated Amortisation		
At 1 January	297	247
Amortisation for the year	15	50
Write-off	-	-
At 31 March	<u>312</u>	<u>297</u>
Net Book Value	<u>120</u>	<u>135</u>
<u>Interbank Giro license fees</u>		
Cost		
At 1 January	2,600	2,600
Additions	-	-
Write Off	-	-
At 31 March	<u>2,600</u>	<u>2,600</u>
Accumulated Depreciation		
At 1 January	-	-
Amortisation for the year	-	-
Write-off	-	-
At 31 March	<u>-</u>	<u>-</u>
Net Book Value	<u>2,600</u>	<u>2,600</u>
Total Net Book Value	2,720	2,735

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NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

12. DEPOSITS FROM CUSTOMERS

Type	Bank 31-Mar 2017 RM'000	Bank 31-Dec 2016 RM'000
At amortised cost:		
Demand deposits	623,496	519,040
Fixed deposits	597,063	488,913
Structured deposits	-	-
Commodity Murabaha	11,623	153
	<u>1,232,182</u>	<u>1,008,106</u>
 (i) Maturity structure of fixed deposits is as follows:		
Due within six months	608,686	484,820
Six months to one year	-	4,246
More than one year	-	-
	<u>608,686</u>	<u>489,066</u>
 (ii) The deposits are sourced from the following types of customers:		
Business enterprises	1,162,886	967,718
Non-bank financial institutions	25,308	40,388
Licensed banks	-	-
Other financial institutions	43,988	-
	<u>1,232,182</u>	<u>1,008,106</u>

13. DEPOSITS AND PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	Bank 31-Mar 2017 RM'000	Bank 31-Dec 2016 RM'000
At amortised cost:		
Licensed banks	-	-
Other financial institutions	1,867,254	1,488,959
	<u>1,867,254</u>	<u>1,488,959</u>

14. OTHER LIABILITIES

	Bank 31-Mar 2017 RM'000	Bank 31-Dec 2016 RM'000
Other payables	241,478	58,426
Accruals and charges	2,700	10,051
Collateral deposits	144,166	474,571
	<u>388,344</u>	<u>543,048</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

15 SHARE CAPITAL

	Bank 31-Mar 2017 RM'000	Bank 31-Dec 2016 RM'000
Authorised:		
Ordinary shares of RM1 each	650,000	650,000
Issued and fully paid:		
Balance as at 31 March	650,000	650,000

16 RESERVES

	Bank 31-Mar 2017 RM'000	Bank 31-Dec 2016 RM'000
Non-distributable:		
Revaluation reserve-available-for-sale securities	1	(323)
Statutory reserve	32,155	32,155
Regulatory reserve	11,547	9,636
	43,703	41,468

17 INTEREST INCOME

	Bank 31-Mar 2017 RM'000	Bank 31-Mar 2016 RM'000
Loans, advances and financing	8,743	5,511
Money at call and deposit placements with financial institutions	8,744	7,907
Financial assets - Available-for-sale	1,103	3,614
Financial assets - Held-for-trading	3,211	1,233
Other interest income	4,749	731
	26,550	18,996
Amortisation of premium less accretion of discount	(43)	(282)
Total Interest Income	26,507	18,714
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 31-Mar 2017 RM'000	Bank 31-Mar 2016 RM'000
Deposits and placements from banks and other financial institutions	4,204	1,211
Deposits from customers	5,136	6,152
Other interest expense	1	1
	<u>9,341</u>	<u>7,364</u>

19 OTHER OPERATING INCOME

	Bank 31-Mar 2017 RM'000	Bank 31-Mar 2016 RM'000
Fee income:		
Commissions	99	58
Guarantee fees	349	180
Other fee income :	1,798	(2,781)
	<u>2,246</u>	<u>(2,543)</u>
Net gain/(loss) arising from sale of securities:		
Financial assets held-for-trading	2,819	3,531
Financial assets available-for-sale	-	-
	<u>2,819</u>	<u>3,531</u>
Unrealised gain/(loss) on revaluation of securities:		
Financial assets held-for-trading	(1,150)	196
	<u>(1,150)</u>	<u>196</u>
Gross dividend income from:		
Securities available-for-sale	-	-
	<u>-</u>	<u>-</u>
Other income:		
Foreign exchange:		
- Realised gain/(loss)	159,040	415,724
- Unrealised gain/(loss)	(152,226)	(404,862)
Gain/(Loss) on derivatives trading		
- Realised gain/(loss)	57,264	13,843
- Unrealised gain/(loss)	(54,913)	(10,141)
Others	2,345	4,263
	<u>11,510</u>	<u>18,827</u>
Total	<u>15,425</u>	<u>20,011</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

20 OTHER OPERATING EXPENSES

	Bank 31-Mar 2017 RM'000	Bank 31-Mar 2016 RM'000
Personnel costs (Note a)	8,382	7,888
Establishment costs (Note b)	3,565	3,559
Marketing expenses (Note c)	222	244
Administration and general expenses (Note d)	8,466	5,652
	<u>20,635</u>	<u>17,343</u>

(a) Personnel costs

Salaries, bonuses and allowances	6,371	5,565
EPF - defined contribution plan	815	939
Other staff related expenses	1,196	1,384
	<u>8,382</u>	<u>7,888</u>

(b) Establishment costs

Share of information technology costs	1,883	1,660
Depreciation of property, plant and equipment	213	388
Amortization of intangible asset	15	12
Rental of premises	511	554
Others	943	945
	<u>3,565</u>	<u>3,559</u>

(c) Marketing Expenses

Advertising	25	25
Others	197	219
	<u>222</u>	<u>244</u>

(d) Administration and general expenses

Legal and professional fees	359	549
Communication & transportation	60	86
Others general expenses	8,047	5,017
	<u>8,466</u>	<u>5,652</u>

21 ALLOWANCE FOR IMPAIRMENT ON LOANS, ADVANCES AND FINANCING

	Bank 31-Mar 2017 RM'000	Bank 31-Mar 2016 RM'000
Allowance for impaired loans, advances and financing:		
Collective Assessment allowance:		
- Made in the financial year	172	148
- Written back in the financial year	(20)	-
	<u>152</u>	<u>148</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 31-Mar 2017 RM'000	Bank 31-Dec 2016 RM'000
Tier-I capital		
Paid-up share capital	650,000	650,000
Share premium		-
Statutory reserves	32,155	32,155
Accumulated losses	(13,900)	(11,989)
	<u>668,255</u>	<u>670,166</u>
Less :		
- Deferred tax assets	(544)	(378)
- 55% of cumulative gains of AFS financial instruments		-
- Other disclosed reserves	1	(323)
Total Tier-I capital	<u>667,712</u>	<u>669,465</u>
	Bank 31-Mar 2017 RM'000	Bank 31-Dec 2016 RM'000
Tier-II Capital		
Collective assessment allowance	742	570
Regulatory reserve	11,547	9,636
Total Tier-II capital	<u>12,289</u>	<u>10,206</u>
Total capital funds	680,001	679,671
Less: Investment in subsidiary companies		-
Capital base	<u>680,001</u>	<u>679,671</u>
Capital Ratios		
Tier 1 Capital Ratio	25.835%	28.097%
Total Capital Ratio	<u>26.311%</u>	<u>28.525%</u>

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

	Bank 31-Mar 2017 RM'000	Bank 31-Dec 2016 RM'000
Credit Risk	1,697,791	1,620,598
Market Risk	650,204	577,134
Operational Risk	236,494	184,994
Total risk-weighted assets	<u>2,584,489</u>	<u>2,382,726</u>

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 and hardware RM'000	Renovation work-in progress RM'000	Total RM'000
At 31 March 2017							
Cost							
At 1 January 2017	15	212	4,126	1,456	4,306	269	10,384
Additions		1	40	188	37		266
Disposals						(235)	(235)
Write-off							-
Reclassification							-
At 31 March 2017	15	213	4,166	1,644	4,343	34	10,415
Accumulated Depreciation							
At 1 January 2017	8	145	3,588	1,344	3,781	-	8,866
Charge for the year	1	4	1	132	75		213
Disposals							
Write-off							
At 31 March 2017	9	149	3,589	1,476	3,856	-	9,079
Net Book Value 31 March 2017	6	64	577	168	487	34	1,336

PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Bank	Motor vehicle 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 31 December 2016							
Cost							
At 1 January 2016	15	195	4,126	1,450	3,921	387	10,094
Additions		17		6	305	269	597
Disposals							-
Write-off						(122)	(122)
Reclassification					80	(80)	-
Transfer to intangible asset						(185)	(185)
At 31 December 2016	15	212	4,126	1,456	4,306	269	10,384
Accumulated Depreciation							
At 1 January 2016	5	114	2,900	1,237	3,339	-	7,595
Charge for the year	3	31	688	107	442		1,271
Disposals							-
Write-off							-
At 31 December 2016	8	145	3,588	1,344	3,781	-	8,866
Net Book Value 31 December 2016	7	67	538	112	525	269	1,518

23 INTEREST RATE RISK

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

	Up to 1 month RM'000	Non-Trading Book			Over 5 years RM'000	Trading book RM'000	Non-interest sensitive RM'000	SPI-related business RM'000	Total RM'000
		1 - 3 months RM'000	3 - 12 months RM'000	1 - 5 years RM'000					
Assets									
Cash and short-term funds	1,897,293							24,483	1,921,776
Reverse repurchase agreements	-								-
Deposits and placements with banks and other financial institutions		100,026							100,026
Financial assets held-for-trading						481,308			481,308
Financial assets available-for-sale			344,200	10,010			10,145		364,355
Loans, advances and financing	664,391	209,312	8,271	129,258	12,900		(743)		1,023,389
Derivatives Financial assets						446,281			446,281
Statutory deposits with Bank Negara Malaysia							-		-
Other assets							223,859	1,225	225,084
Total Assets	2,561,684	309,338	352,471	139,268	12,900	927,589	223,116	35,853	4,562,219
Liabilities									
Deposits from customers	1,098,707	105,701	10,347					17,427	1,232,182
Deposits and placements from banks and other financial institutions	981,512	664,287	221,455						1,867,254
Derivatives Financial Liabilities						327,552			327,552
Other liabilities							399,392	660	400,052
Total Liabilities	2,080,219	769,988	231,802	-	-	327,552	399,392	18,087	3,827,040
Net interest rate gap	481,465	(460,650)	120,669	139,268	12,900	600,037	(176,276)	17,766	735,179

23 INTEREST RATE RISK (CONTD)

The following table represents the Bank's assets and liabilities at carrying amounts as of 31 December 2016

	Non-Trading Book					Trading book RM'000	Non-interest sensitive RM'000	SPL-related business 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	2,043,556							33,991	2,077,547
Reverse repurchase agreements	-								-
Financial assets held-for-trading						118,413			118,413
Financial assets available-for-sale			51,346	30,262				-	81,608
Loans, advances and financing	587,621	114,367	17,446	117,828	13,156		(570)		849,848
Derivative financial assets						799,074			799,074
Other assets							230,438	5,357	235,795
Total Assets	2,631,177	114,367	68,792	148,090	13,156	917,487	229,868	39,348	4,162,285
Liabilities									
Deposits from customers	860,477	126,606	4,280					16,743	1,008,106
Deposits and placements from banks and other financial institutions	591,007	897,952							1,488,959
Derivatives financial liabilities						448,808			448,808
Other liabilities							542,383	665	543,048
Total Liabilities	1,451,484	1,024,558	4,280	-	-	448,808	542,383	17,408	3,488,921
Net interest rate gap	1,179,693	(910,191)	64,512	148,090	13,156	468,679	(312,515)	21,940	673,364

24 COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Bank makes various commitments and incurs certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions.

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

	31 March 2017		
	Principal amount RM'000	Credit equivalent amount * RM'000	Risk- weighted amount RM'000
<u>Commitments and Contingent Liabilities</u>			
Direct credit substitutes	257,452	257,452	229,320
Transaction-related contingent items			
Short-term self-liquidating trade-related contingencies	3,332	666	666
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	19,773	9,887	9,887
Foreign exchange related contracts:			
- one year or less	22,711,657	717,179	283,015
- over one year to five years	1,715,000	146,695	89,586
- over five years			
Interest rate related contracts:			
- one year or less	4,832,000	11,033	4,074
- over one year to five years	7,654,250	174,153	46,547
- over five years	100,000	5,000	1,000
Credit Derivatives Contract			
- one year or less	33,814	809	162
- over one year to five years	571,617	34,414	6,883
- over five years			
	<u>37,898,895</u>	<u>1,357,288</u>	<u>671,140</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 2016		
	Principal amount RM'000	Credit equivalent amount * RM'000	Risk- weighted amount RM'000
<u>Commitments and Contingent Liabilities</u>			
Direct credit substitutes	250,145	250,145	222,513
Transaction-related contingent items			
Short-term self-liquidating trade-related contingencies	1,474	295	295
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	98,107	49,053	49,053
Foreign exchange related contracts:			
- one year or less	18,052,648	1,048,227	389,704
- over one year to five years	1,795,422	164,933	101,493
- over five years	-	-	-
Interest rate related contracts:			
- one year or less	6,301,900	12,982	5,036
- over one year to five years	7,413,460	158,888	38,136
- over five years	50,000	2,500	500
Credit Derivatives Contract			
- one year or less	178,686	4,630	926
- over one year to five years	234,671	13,558	2,712
- over five years			
	34,376,513	1,705,211	810,368

BNP PARIBAS MALAYSIA BERHAD
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25. Islamic Banking Operations

UNAUDITED STATEMENT OF FINANCIAL POSITION
As of 31 March 2017

	Note	Bank 31-Mar 2017 RM'000	Bank 31-Dec 2016 RM'000
ASSETS			
Cash and short-term funds	(a)	24,482	33,991
Financial assets held-for-trading	(b)	-	-
Financial assets available-for-sale	(c)	10,158	-
Loans, advances and financing	(d)	-	-
Other assets	(e)	5,324	5,357
Property, plant and equipment	(f)	6	4
Intangible assets	(g)	3	5
TOTAL ASSETS		39,973	39,357
LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits from customers	(h)	17,427	16,743
Other liabilities	(i)	169	665
Deferred tax liabilities		-	-
Tax Liabilities		131	131
Total liabilities		17,727	17,539
Capital fund	(j)	24,350	24,350
Reserves	(k)	(2,104)	(2,532)
Islamic Banking Funds		22,246	21,818
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS		39,973	39,357

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

BNP PARIBAS MALAYSIA BERHAD
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25. Islamic Banking Operations

UNAUDITED INCOME STATEMENT
As of 31 March 2017

		Bank 31-Mar 2017 RM'000	Bank 31-Mar 2016 RM'000
Total income derived from investment of Islamic banking funds and depositors' funds		240	574
Income derived from investment of Islamic banking funds and depositors' funds	(l)	240	574
Profit expense to depositors		(72)	(135)
Net income derived from investment of Islamic Banking funds and depositors' funds		168	439
Other operating income	(m)	773	34
Other operating expenses	(n)	(520)	(472)
Write back/(Allowance made) for impairment on loans, advances and financing	(o)	-	-
Profit/(Loss) for the financial quarter before zakat and taxation		421	1
Zakat		-	-
Income tax expense		-	(124)
Profit/(Loss) for the financial quarter after zakat and income tax		421	(123)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss :			
Fair value reserve (from Investment AFS) :			
Net changes in fair value		-	(33)
Total comprehensive profit/(loss) for the quarter		421	(156)

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 31-Mar 2017 RM'000	Bank 31-Dec 2016 RM'000
At Amortised Cost		
Cash and balances with banks and other financial institutions	1,458	1,986
Money at call and deposit placements maturing within one month	23,024	32,005
	<u>24,482</u>	<u>33,991</u>

(b) FINANCIAL ASSETS HELD-FOR-TRADING

	Bank 31-Mar 2017 RM'000	Bank 31-Dec 2016 RM'000
At Fair Value		
Government Securities:		
Bank Negara Malaysia Debt Securities	-	-
	<u>-</u>	<u>-</u>

(c) SECURITIES AVAILABLE-FOR-SALE

	Bank 31-Mar 2017 RM'000	Bank 31-Dec 2016 RM'000
At Fair Value		
Government Securities:		
Malaysian Government Investment Issues	10,158	-
	<u>10,158</u>	<u>-</u>

(d) LOANS, ADVANCES AND FINANCING

	Bank 31-Mar 2017 RM'000	Bank 31-Dec 2016 RM'000
At amortised cost:		
By type		
Term loan	-	-
Less: Allowance for impaired loans and financing :		
- Collective assessment allowance	-	-
Net loans, advances and financing	<u>-</u>	<u>-</u>
By type of customer		
Domestic business enterprises	-	-
	<u>-</u>	<u>-</u>
By profit rate sensitivity		
Variable rate:	-	-
Cost plus	-	-
	<u>-</u>	<u>-</u>
By residual contractual maturity		
More than one year to five years	-	-
More than five years	-	-
	<u>-</u>	<u>-</u>
By geographical distribution		
In Malaysia	-	-
	<u>-</u>	<u>-</u>

(e) **OTHER ASSETS**

	Bank 31-Mar 2017 RM'000	Bank 31-Dec 2016 RM'000
Other receivables, deposit and prepayments	5,824	5,857
Less: Allowance for doubtful debt on other receivables	(500)	(500)
	<u>5,324</u>	<u>5,357</u>

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

	Bank 31-Mar 2017 RM'000	Bank 31-Dec 2016 RM'000
Individual impairment allowance		
Balance as at 1 January	500	500
Add: Allowance made during the year	-	-
Less: Write back made during the year	-	-
Balance as at 31 March	<u>500</u>	<u>500</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

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

(g) **INTANGIBLE ASSETS**

	Bank 31-Mar 2017 RM'000	Bank 31-Dec 2016 RM'000
<u>Computer Software:</u>		
Cost		
At 1 January	34	34
Additions	7	7
Write Off	-	-
At 31 March	<u>41</u>	<u>41</u>
Accumulated Amortisation		
At 1 January	34	34
Amortisation for the year	4	2
Write-off	-	-
At 31 March	<u>38</u>	<u>36</u>
Net Book Value	<u>3</u>	<u>5</u>

(h) **DEPOSITS FROM CUSTOMERS**

	Bank 31-Mar 2017 RM'000	Bank 31-Dec 2016 RM'000
Type		
At Amortised Cost:		
Non-Mudharabah Fund		
Demand deposits	5,804	16,590
Commodity Murabahah	11,623	153
	<u>17,427</u>	<u>16,743</u>

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

	Bank 31-Mar 2017 RM'000	Bank 31-Dec 2016 RM'000
Due within six months	<u>11,623</u>	<u>153</u>

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

	Bank 31-Mar 2017 RM'000	Bank 31-Dec 2016 RM'000
Business enterprise	6,311	6,288
Domestic non-bank financial institution	11,116	10,455
	<u>17,427</u>	<u>16,743</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

(i) OTHER LIABILITIES

	Bank 31-Mar 2017 RM'000	Bank 31-Dec 2016 RM'000
Other liabilities	169	665

(j) ISLAMIC BANKING FUNDS

	Bank 31-Mar 2017 RM'000	Bank 31-Dec 2016 RM'000
Capital fund	24,350	24,350
Revaluation reserve	-	-
Accumulated losses	(2,111)	(2,532)
	<u>22,239</u>	<u>21,818</u>

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

	Bank 31-Mar 2017 RM'000	Bank 31-Mar 2016 RM'000
Loans, advances and financing	-	-
Money at call and deposit placement with financial institutions	229	286
Financial assets held-for-trading	-	-
Financial assets available-for-sale	12	325
Amortisation of premium less accretion of discount	(1)	(37)
	<u>240</u>	<u>574</u>

(m) OTHER OPERATING INCOME

Fee income:		
Commissions	-	-
Other fee income	782	-
Net gain/(loss) arising from sale of securities:		
Financial assets held-for-trading	-	-
Financial assets available-for-sale	-	-
Unrealised gain/(loss) on revaluation of securities:		
Financial assets held-for-trading	-	-
Other income:		
Foreign exchange:		
- Realised gain/(loss)	-	-
- Unrealised gain/(loss)	-	-
Others	(9)	34
Total	<u>773</u>	<u>34</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

(n) OTHER OPERATING EXPENSES

	Bank 31-Mar 2017 RM'000	Bank 31-Mar 2016 RM'000
Personnel costs (Note i)	373	98
Establishment costs (Note ii)	22	120
Marketing expenses (Note iii)	-	-
Administration and general expenses (Note iv)	125	254
	<u>520</u>	<u>472</u>
(i) Personnel Costs		
Salaries, bonuses and allowances	279	53
EPF - defined contribution plan	52	19
Other staff related expenses	42	26
	<u>373</u>	<u>98</u>
(ii) Establishment costs		
Rental of premises	20	78
Amortisation of intangible assets	-	-
Depreciation of property, plant and equipment	2	1
Others	-	41
	<u>22</u>	<u>120</u>
(iii) Marketing Expenses		
Others	-	-
	<u>-</u>	<u>-</u>
(iv) Administration and general expenses		
Legal and professional fees	113	208
Others	12	46
	<u>125</u>	<u>254</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

(p) **CAPITAL ADEQUACY**

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

	Bank 31-Mar 2017 RM'000	Bank 31-Dec 2016 RM'000
Tier-I capital		
Capital fund	24,350	24,350
Accumulated losses	(2,111)	(2,532)
	<u>22,239</u>	<u>21,818</u>
Less :		
- 55% of cumulative gains of AFS financial instruments	-	-
- Other disclosed reserves	7	-
Total Tier-I capital	<u>22,246</u>	<u>21,818</u>
	Bank 31-Mar 2017 RM'000	Bank 31-Dec 2016 RM'000
Tier-II Capital		
Collective assessment allowance	-	-
Regulatory reserve	-	-
Total Tier-II capital	<u>-</u>	<u>-</u>
Capital base	<u>22,246</u>	<u>21,818</u>
Capital Ratios		
Tier 1 Capital Ratio	247.453%	272.589%
Total Capital Ratio	<u>247.453%</u>	<u>272.589%</u>

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

	Bank 31-Mar 2017 RM'000	Bank 31-Dec 2016 RM'000
Credit Risk	5,839	4,853
Market Risk	-	-
Operational Risk	3,151	3,151
Total risk-weighted assets	<u>8,990</u>	<u>8,004</u>

BNP PARIBAS MALAYSIA BERHAD
(Incorporated in Malaysia)
Islamic Banking Operations
STATEMENT OF CHANGES IN ISLAMIC BANKING FUNDS
AS OF 31 MARCH 2017

Bank	Non-distributable →			Revaluation reserve-available -for-sale securities RM'000	Accumulated losses RM'000	Total RM'000
	Share capital RM'000	Statutory reserves RM'000	Regulatory reserves RM'000			
At 1 January 2017	24,350				(2,532)	21,818
Profit/(Loss) for the quarter					421	421
Transfer to regulatory reserve						-
Other comprehensive loss				7		7
At 31 March 2017	24,350	-	-	7	(2,111)	22,246

Bank	Non-distributable →			Revaluation reserve-available -for-sale securities RM'000	Accumulated losses RM'000	Total RM'000
	Capital fund RM'000	Statutory reserve RM'000				
At 1 January 2016	24,350	-		154	(2,942)	21,562
Profit/(Loss) for the year	-	-		-	410	410
Other comprehensive loss				(154)		(154)
At 31 December 2016	24,350	-		-	(2,532)	21,818

f. PROPERTY, PLANT AND EQUIPMENT

Bank	Office Equipment and Machinery RM'000	Renovation and Installation RM'000	Furniture, Fixtures and Fittings RM'000	Computer Equipment RM'000	Total RM'000
At 31 March 2017					
Cost					
At 1 January 2017				29	29
Additions				-	-
Disposals				-	-
Write-off				-	-
Reclassification	6		1	(7)	-
At 31 March 2017	<u>6</u>		<u>1</u>	<u>22</u>	<u>29</u>
Accumulated Depreciation					
At 1 January 2017				21	21
Charge for the year				2	2
Disposals					
Write-off					
Reclassification	1			(1)	-
At 31 March 2017	<u>1</u>			<u>22</u>	<u>23</u>
Net Book Value 31 March 2017	<u>5</u>		<u>1</u>	<u>-</u>	<u>6</u>

f. 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 2016					
Cost					
At 1 January 2016	6			23	29
Additions					-
Disposals					
Write-off					
At 31 December 2016	<u>6</u>	<u>-</u>	<u>-</u>	<u>23</u>	<u>29</u>
Accumulated Depreciation					
At 1 January 2016	1			20	21
Charge for the year	1			3	4
Disposals					
Write-off					
At 31 December 2016	<u>2</u>	<u>-</u>	<u>-</u>	<u>23</u>	<u>25</u>
Net Book Value 31 Dec 2016	<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4</u>