

BANK PEMBANGUNAN MALAYSIA BERHAD
AND ITS SUBSIDIARIES (16562-K)
(Incorporated in Malaysia)
Interim Unaudited Financial Statements
30 September 2013

16562-K

**Bank Pembangunan Malaysia Berhad
(Incorporated in Malaysia)**

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Bank Pembangunan Malaysia Berhad
(Incorporated in Malaysia)

Interim financial statements
Unaudited statements of financial position
As at 30 September 2013

	Note	Group		Bank	
		30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Assets					
Cash and short term deposits	9	1,375,583	1,506,858	1,168,126	1,074,564
Deposits and placements with financial institutions	10	109,183	67,783	108,101	66,722
Financial investments - available-for-sale ("AFS")	11	1,322,240	1,242,217	1,306,587	1,188,947
Financial investments - held-to-maturity ("HTM")	12	278,595	226,280	278,573	226,258
Loans, advances and financing	13	23,592,914	23,234,542	23,403,444	23,037,114
Other assets	14	381,769	272,229	201,515	201,932
Investments in subsidiaries		-	-	928,549	928,549
Interest in associates		23,849	273,743	-	-
Interest in jointly controlled entities		195,458	209,727	-	-
Property, plant and equipment	15	1,299,675	159,173	104,897	117,628
Prepaid land leases		1,810	2,029	1,810	2,029
Investment properties		5,141	9,720	990	3,461
Intangible assets	16	254,047	8,762	12,286	6,664
Deferred tax assets		114,921	87,957	87,957	87,957
		<u>28,955,185</u>	<u>27,301,020</u>	<u>27,602,835</u>	<u>26,941,825</u>
Assets classified as held for sale		18,772	120,530	-	-
Assets of subsidiaries classified as held for sale		39,688	54,960	56,765	56,765
Total assets		<u>29,013,645</u>	<u>27,476,510</u>	<u>27,659,600</u>	<u>26,998,590</u>
Liabilities					
Deposits from customers	17	6,610,242	5,414,142	6,610,242	5,414,142
Deposits and placements from financial institutions	18	346,191	153,556	346,191	153,556
Other liabilities	19	214,750	185,234	32,054	35,901
Redeemable notes	20	3,168,743	4,133,991	3,168,743	4,133,991
Term loans		10,261,862	9,643,299	9,425,962	9,531,988
Infrastructure support fund		386,470	399,535	386,470	399,535
Deferred income		249,668	251,430	249,668	251,430
Deferred tax liabilities		12,847	12,814	-	-
Liabilities of subsidiaries classified as held for sale		464	101	-	-
Total liabilities		<u>21,251,237</u>	<u>20,194,102</u>	<u>20,219,330</u>	<u>19,920,543</u>

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**Bank Pembangunan Malaysia Berhad
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Interim financial statements

Unaudited statements of financial position (cont'd.)

As at 30 September 2013

		Group		Bank	
		30 September	31 December	30 September	31 December
		2013	2012	2013	2012
	Note	RM'000	RM'000	RM'000	RM'000
Equity attributable to equity holders of the Bank					
Share capital	21	3,078,724	3,078,724	3,078,724	3,078,724
Reserves		4,513,618	4,050,534	4,361,546	3,999,323
		<u>7,592,342</u>	<u>7,129,258</u>	<u>7,440,270</u>	<u>7,078,047</u>
Non-controlling interest		<u>170,066</u>	<u>153,150</u>	<u>-</u>	<u>-</u>
Total equity		<u>7,762,408</u>	<u>7,282,408</u>	<u>7,440,270</u>	<u>7,078,047</u>
Total equity and liabilities		<u>29,013,645</u>	<u>27,476,510</u>	<u>27,659,600</u>	<u>26,998,590</u>
Commitments and contingencies	28	<u>4,113,827</u>	<u>4,618,611</u>	<u>3,742,149</u>	<u>3,938,391</u>

The Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2012.

**Bank Pembangunan Malaysia Berhad
(Incorporated in Malaysia)**

**Interim financial statements
Unaudited income statements
For the third quarter ended 30 September 2013**

Group	Note	Individual Quarter		Cumulative Quarter	
		30 September 2013	30 September 2012	30 September 2013	30 September 2012
		RM'000	RM'000	RM'000	RM'000
Interest income	22	322,686	326,403	975,003	1,017,850
Interest expense	23	(195,018)	(190,110)	(580,978)	(564,670)
Net interest income		127,668	136,293	394,025	453,180
Net income from Islamic banking business	31	73,989	53,477	194,174	143,214
Non-interest income	24	91,706	53,628	290,978	91,358
Net income		293,363	243,398	879,177	687,752
Overhead expenses	25	(100,589)	(45,432)	(249,826)	(138,279)
Allowance for impairment of loans and financing	26	(24,186)	(120,954)	(64,995)	(231,549)
Impairment on other assets	27	(5,207)	(4,860)	(15,191)	(12,922)
Operating profit		163,381	72,152	549,165	305,002
Share of results in jointly controlled entities		(143)	16,887	3,887	32,652
Profit before taxation and zakat from continuing operations		163,238	89,039	553,052	337,654
Taxation		(39,615)	(29,963)	(90,103)	(72,057)
Zakat		(1,000)	(750)	(3,000)	(2,250)
Profit for the period from continuing operations		122,623	58,326	459,949	263,347
Discontinued operation					
Loss for the period from discontinued operations		(92)	-	(42)	-
Profit for the period		122,531	58,326	459,907	263,347
Attributable to:					
Shareholders of the Bank		121,144	58,326	450,937	280,155
Non-controlling interest		1,387	-	8,970	(16,808)
		122,531	58,326	459,907	263,347
Earnings per share attributable to the equity holders of the Bank (sen)					
Basic earnings per share		3.93	1.89	14.65	9.10

**Bank Pembangunan Malaysia Berhad
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**Interim financial statements
Unaudited statements of comprehensive income
For the third quarter ended 30 September 2013**

Group	Individual Quarter		Cumulative Quarter	
	30 September 2013	30 September 2012	30 September 2013	30 September 2012
	RM'000	RM'000	RM'000	RM'000
Profit for the period	122,531	58,326	459,907	263,347
Other comprehensive income				
Exchange difference on translation gain/(loss) of foreign operations	31,146	(5,427)	59,669	(4,153)
Net unrealised gain/(loss) on revaluation of financial investments-available-for-sale ("AFS")	14,010	(34,739)	60,424	(32,369)
Other comprehensive income/(loss) for the period, net of tax	<u>45,156</u>	<u>(40,166)</u>	<u>120,093</u>	<u>(36,522)</u>
Total comprehensive income for the period, net of tax	<u>167,687</u>	<u>18,160</u>	<u>580,000</u>	<u>226,825</u>
Total comprehensive income/(loss) attributable to:				
Shareholders of the Bank	161,946	14,863	563,084	237,939
Non-controlling interest	5,741	3,297	16,916	(11,114)
	<u>167,687</u>	<u>18,160</u>	<u>580,000</u>	<u>226,825</u>

The Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2012.

Bank Pembangunan Malaysia Berhad
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Interim financial statements
Unaudited income statements
For the third quarter ended 30 September 2013

Bank	Note	Individual Quarter		Cumulative Quarter	
		30 September 2013	30 September 2012	30 September 2013	30 September 2012
		RM'000	RM'000	RM'000	RM'000
Interest income	22	315,094	329,115	953,093	1,001,068
Interest expense	23	(182,232)	(189,827)	(546,658)	(563,936)
Net interest income		132,862	139,288	406,435	437,132
Net income from Islamic banking business	31	73,854	53,383	193,415	142,736
Non-interest income	24	8,949	11,565	36,261	40,315
Net income		215,665	204,236	636,111	620,183
Overhead expenses	25	(19,367)	(21,075)	(55,802)	(54,783)
Allowance for impairment of loans and financing	26	(25,786)	(122,231)	(77,392)	(251,287)
Impairment on other assets	27	(5,207)	(4,860)	(15,191)	(13,257)
Profit before taxation and zakat		165,305	56,070	487,726	300,856
Taxation		(34,626)	(28,394)	(82,895)	(68,028)
Zakat		(1,000)	(750)	(3,000)	(2,250)
Profit for the period		129,679	26,926	401,831	230,578

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Interim financial statements
Unaudited statements of comprehensive income
For the third quarter ended 30 September 2013

	Individual Quarter		Cummulative Quarter	
	30 September 2013	30 September 2012	30 September 2013	30 September 2012
Bank	RM'000	RM'000	RM'000	RM'000
Profit for the period	129,679	26,926	401,831	230,578
Other comprehensive income				
Net unrealised gain/(loss) on revaluation of financial investments-available-for-sale ("AFS")	13,978	(34,703)	60,392	(32,333)
Other comprehensive income/(loss) for the period, net of tax	13,978	(34,703)	60,392	(32,333)
Total comprehensive income/(loss) for the period, net of tax	143,657	(7,777)	462,223	198,245

The Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2012.

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**Bank Pembangunan Malaysia Berhad
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Interim financial statements
Unaudited consolidated statement of changes in equity
For the third quarter ended 30 September 2013

	←-----Attributable to equity holders of the Bank-----→									
	Share capital RM'000	Capital reserve RM'000	Statutory reserve RM'000	Profit equalisation reserve RM'000	Unrealised holding reserve RM'000	Exchange translation reserve RM'000	Distributable retained profits RM'000	Total RM'000	Non- controlling interest RM'000	Total equity RM'000
Group										
At 1 January 2013	3,078,724	1,000	1,745,855	4,970	(32,463)	(61,499)	2,392,671	7,129,258	153,150	7,282,408
Total comprehensive income for the period	-	-	-	-	60,424	51,723	450,937	563,084	16,916	580,000
Transfer to profit										
equalisation reserve of the Islamic banking										
Dividends paid										
At 30 September 2013	3,078,724	1,000	1,745,855	4,970	27,961	(9,776)	2,743,608	7,592,342	170,066	7,762,408
At 1 January 2012	3,078,724	1,000	1,654,896	-	(5,113)	(55,503)	2,559,894	7,233,898	197,697	7,431,595
Total comprehensive (loss) / income for the period	-	-	-	-	(32,369)	(8,398)	278,706	237,939	(11,114)	226,825
Transfer to profit										
equalisation reserve of the Islamic banking				3,537	-	-	-	3,537	-	3,537
Provision for the period				1,433	-	-	(1,433)	-	-	-
Dividends paid				-	-	-	(100,000)	(100,000)	-	(100,000)
At 30 September 2012	3,078,724	1,000	1,654,896	4,970	(37,482)	(63,901)	2,737,167	7,375,374	186,583	7,561,957

The Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2012.

**Bank Pembangunan Malaysia Berhad
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Interim financial statements

Unaudited statement of changes in equity

For the third quarter ended 30 September 2013

<-----Non distributable----->

Bank	Share capital RM'000	Statutory reserve RM'000	Profit equalisation reserve RM'000	Unrealised holding reserve RM'000	Distributable retained profits RM'000	Total RM'000
At 1 January 2013	3,078,724	1,745,855	4,970	87,347	2,161,151	7,078,047
Total comprehensive income for the period	-	-	-	60,392	401,831	462,223
Dividends paid	-	-	-	-	(100,000)	(100,000)
At 30 September 2013	3,078,724	1,745,855	4,970	147,739	2,462,982	7,440,270
At 1 January 2012	3,078,724	1,654,896	-	111,618	2,206,047	7,051,285
Total comprehensive (loss)/income for the period	-	-	-	(32,333)	230,578	198,245
Transfer to profit equalisation reserve of the Islamic banking	-	-	3,537	-	-	3,537
Provision for the period	-	-	1,433	-	(1,433)	-
Dividends paid	-	-	-	-	(100,000)	(100,000)
At 30 September 2012	3,078,724	1,654,896	4,970	79,285	2,335,192	7,153,067

The Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2012.

**Bank Pembangunan Malaysia Berhad
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**Interim financial statements
Unaudited statements of cash flows
For the third quarter ended 30 September 2013**

	Group		Bank	
	30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Cash flows from operating activities				
Profit before taxation and zakat				
Continuing operations	553,052	337,654	487,726	300,856
Discontinued operations	(42)	-	-	-
Adjustments for:				
Share of profit in jointly controlled entities	(3,887)	(32,652)	-	-
Depreciation of property, plant and equipment	41,603	37,385	6,870	6,995
Amortisation of prepaid lease rental	46	56	46	56
Depreciation of investment properties	152	302	40	133
Amortisation of intangible assets	2,479	1,098	2,274	847
Gain on disposal of property, plant and equipment	(5,009)	(734)	(466)	(633)
Gain on disposal of prepaid land lease	(58)	(1,283)	(58)	(1,283)
Gain on disposal of investment properties	(2,406)	-	(2,074)	-
Gain on sale of financial investments - available-for-sale ("AFS")	(14,508)	(2,004)	(155)	(1,541)
Dividend income:				
- financial investments available-for-sale ("AFS")	(18,198)	(5,896)	(10,187)	(5,627)
Impairment allowance/(writeback) for: investment properties	(555)	-	-	-
Amortisation of premium less accretion of discount of financial investments	(16,550)	(14,707)	(16,550)	(14,707)
Impairment allowance/(writeback) for:				
- financial investments - available-for-sale ("AFS")	-	(1,309)	-	-
- financial investments - held-to-maturity ("HTM")	15,191	14,231	15,191	14,231
- investment in subsidiaries	-	-	-	(974)
Unrealised (gain)/loss on foreign exchange	(278)	81	(278)	81
Balance carried forward	551,032	332,222	482,379	298,434

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Interim financial statements

Unaudited statements of cash flows (cont'd.)

For the third quarter ended 30 September 2013

	Group		Bank	
	30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Cash flows from operating activities (cont'd.)				
Balance brought forward	551,032	332,222	482,379	298,434
Individual assessment allowance	124,069	305,491	119,137	297,252
Individual assessment allowance written back	(46,943)	(62,454)	(14,951)	(40,016)
Transferred to individual assessment allowance	28,646	-	28,646	-
Collective impairment allowance	40,810	-	40,810	-
Collective impairment allowance written back	(51,967)	(2,008)	(51,967)	(2,008)
Transferred from collective assessment allowance	(28,646)	-	(28,646)	-
Bad debts and financing written off	18,523	195	745	195
Bad debts and financing recovered	(19,497)	(9,675)	(16,382)	(4,136)
Profit equalisation reserve	-	3,379	-	3,379
Fixed asset written off	26	18	-	18
Financial investment impairment made during the year against ISF	(15,191)	(14,231)	(15,191)	(14,231)
Recoverable from loan written off against ISF	2,126	4,058	2,126	4,058
Compensation from the Government	(89,640)	(89,936)	(89,640)	(89,936)
Operating profit before working capital changes	513,348	467,059	457,066	453,009
(Increase)/decrease in operating assets:				
Deposits and placements with financial institutions	(41,400)	997,777	(41,379)	894,841
Loans, advances and financing	(425,129)	(635,659)	(445,484)	(659,847)
Other assets	(336,279)	(73,361)	(13,444)	(6,701)
	(802,808)	288,757	(500,307)	228,293
Increase/(decrease) in operating liabilities:				
Deposits from customers	1,196,100	(579,542)	1,196,100	(579,542)
Deposit and placements from financial institutions	192,635	-	192,635	-
Other liabilities	(222,639)	71,402	(971,527)	65,391
	1,166,096	(508,140)	417,208	(514,151)
Cash generated from operations	876,636	247,676	373,967	167,151

**Bank Pembangunan Malaysia Berhad
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Interim financial statements

Unaudited statements of cash flows (cont'd.)

For the third quarter ended 30 September 2013

	Group		Bank	
	30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Cash flows from operating activities (cont'd.)				
Income taxes paid	(90,103)	(87,401)	(79,540)	(71,732)
Zakat paid	(568)	(1,983)	(568)	(1,983)
Net cash generated from operations	785,965	158,292	293,859	93,436
Cash flows from investing activities				
Acquisition of a subsidiaries	(1,201,158)	-	-	-
Dividends from financial investments - available-for-sale ("AFS")	18,198	5,896	10,187	5,627
Purchase of financial investments - available-for-sale ("AFS")	(210,612)	(210,756)	(210,612)	(210,756)
Purchase of financial investments - held-to-maturity ("HTM")	(50,850)	-	(50,850)	-
Purchase of property, plant and equipment	(20,182)	(111,877)	(2,000)	(3,913)
Purchase of intangible assets	(247,246)	(584)	(1,415)	(584)
Proceeds from disposal of subsidiaries	-	-	-	1,053
Proceeds from disposal/maturity of financial investments - available-for-sale ("AFS")	159,299	196,059	159,299	196,059
Proceeds from disposal of property, plant and equipment	6,416	74,214	1,846	1,039
Proceeds from disposal of prepaid land leases	231	2,232	231	2,232
Proceeds from disposal of investment properties	7,388	-	4,505	-
Net cash used in investing activities	(1,538,516)	(44,816)	(88,809)	(9,243)

**Bank Pembangunan Malaysia Berhad
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**Interim financial statements
Unaudited statements of cash flows (cont'd.)
For the third quarter ended 30 September 2013**

	Group		Bank	
	30 September 2013	30 September 2012	30 September 2013	30 September 2012
	RM'000	RM'000	RM'000	RM'000
Cash flows from financing activities				
Net receipt from/(net repayment of) long-term loans	627,016	(300,040)	(105,748)	(242,482)
Net receipt from commercial papers	-	(99,835)	-	(99,835)
Proceeds from Government Compensation	94,260	135,910	94,260	135,910
Dividends paid	(100,000)	(100,000)	(100,000)	(100,000)
Net cash generated from/(used in) financing activities	621,276	(363,965)	(111,488)	(306,407)
Net (decrease)/increase in cash and cash equivalents	(131,275)	(250,489)	93,562	(222,214)
Cash and cash equivalents at beginning of period	1,506,858	2,586,442	1,074,564	2,435,932
Cash and cash equivalents at end of period	1,375,583	2,335,953	1,168,126	2,213,718

The Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2012.

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Notes to the interim unaudited financial statements - 30 September 2013

Explanatory Notes pursuant to Malaysian Financial Reporting Standard ('MFRS 134') and Revised Guidelines on Financial Reporting For Licensed Institution ('BNM/GP8') issued by Bank Negara Malaysia

1. BASIS OF PREPARATION

The interim unaudited financial statements for the third quarter ended 30 September 2013 of the Group and of the Bank have been prepared under the historical cost convention except for the following assets and liabilities that are stated at fair values: financial investment - available-for-sale ("AFS"), derivative financial instruments and investment properties.

The interim unaudited financial statements have been prepared in accordance with the requirements of MFRS 134 : Interim Financial Reporting issued by Malaysian Accounting Standard Board ("MASB"). The interim unaudited financial statements should be read in conjunction with the audited financial statements for the Group and the Bank for the financial year ended 31 December 2012. The explanatory notes attached to the interim unaudited financial statements provide an explanation of event and transactions that are significant to form an understanding of the changes in the financial position and performance of the Group and the Bank since the year ended 31 December 2012.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Group and of the Bank have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") as modified by Bank Negara Malaysia/Development Financial Institutions ("BNM/DFIs") Guidelines and the Companies Act, 1965 in Malaysia.

The significant accounting policies and methods of computation applied by the Group and Bank are consistent with those adopted in the most recent audited annual financial statements ended 31 December 2012.

3. AUDITOR'S REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditor reports unqualified audit opinion on the audited financial statements for the financial year ended 31 December 2012.

4. SEASONAL OR CYCLICAL FACTORS

The operation of the Group and the Bank were not materially affected by any seasonal or cyclical factors in the third quarter ended 30 September 2013.

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Notes to the financial statements - 30 September 2013 (cont'd.)

5. UNUSUAL ITEMS AND SUBSEQUENT EVENTS

There were no material and unusual items due to their nature, size or incidence during and no material events subsequent to the third quarter ended 30 September 2013.

6. CHANGES IN ESTIMATES

There were no material changes in estimates during the third quarter ended 30 September 2013.

7. CHANGES IN DEBT AND EQUITY SECURITIES

There were no changes including repayment of debt and equity securities by the Bank during the third quarter ended 30 September 2013.

8. DIVIDEND PAID

Final tax exempt dividend on 3,078,724,049 ordinary shares, amounting to RM100,000,000 (3.25 sen net per ordinary share), in respect of the financial year ended 31 December 2012 was declared on 27 May 2013 and paid on 28 May 2013.

9. Cash and short term deposits

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Cash and balances with other financial institutions	97,604	42,327	15,545	3,379
Money at call and deposit placements maturing within one month	1,277,979	1,464,531	1,152,581	1,071,185
	<u>1,375,583</u>	<u>1,506,858</u>	<u>1,168,126</u>	<u>1,074,564</u>

10. Deposits and placements with financial institutions

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Other financial institutions	109,183	67,783	108,101	66,722
	<u>109,183</u>	<u>67,783</u>	<u>108,101</u>	<u>66,722</u>

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Notes to the financial statements - 30 September 2013 (cont'd.)

11. Financial investments - available-for-sale ("AFS")

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	-	40,568	-	40,568
Government Investment Issues	392,418	234,513	392,418	234,513
	<u>392,418</u>	<u>275,081</u>	<u>392,418</u>	<u>275,081</u>
Quoted securities:				
(In Malaysia)				
Shares	343,377	250,938	339,516	246,760
Unit trust funds	200,751	200,763	200,751	200,763
	<u>544,128</u>	<u>451,701</u>	<u>540,267</u>	<u>447,523</u>
Unquoted securities:				
(In Malaysia)				
Shares	11,792	49,092	-	-
Loan stock	7,727	7,727	7,727	7,727
Private debt securities	366,175	458,616	366,175	458,616
	<u>385,694</u>	<u>515,435</u>	<u>373,902</u>	<u>466,343</u>
Total financial investments - available-for-sale ("AFS")	<u>1,322,240</u>	<u>1,242,217</u>	<u>1,306,587</u>	<u>1,188,947</u>

12. Financial investments - held-to-maturity ("HTM")

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
At amortised cost				
Money market instruments:				
Cagamas	84,213	84,513	84,213	84,513
	<u>84,213</u>	<u>84,513</u>	<u>84,213</u>	<u>84,513</u>
Unquoted securities:				
(In Malaysia)				
Private debt securities	448,706	380,900	448,706	380,900
Loan stock	22	22	-	-
	<u>448,728</u>	<u>380,922</u>	<u>448,706</u>	<u>380,900</u>
Less: Accumulated impairment	<u>(254,346)</u>	<u>(239,155)</u>	<u>(254,346)</u>	<u>(239,155)</u>
Total financial investments - held-to-maturity ("HTM")	<u>278,595</u>	<u>226,280</u>	<u>278,573</u>	<u>226,258</u>

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Notes to the financial statements - 30 September 2013 (cont'd.)

12. Financial investments - held-to-maturity ("HTM") (cont'd.)

Indicative market values of the financial investments - held-to-maturity ("HTM") are as follows:

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Cagamas	84,900	86,222	84,900	86,222
Unquoted private debt securities	269,445	199,313	269,445	199,313

Other disclosures

The maturity structure of money market instruments financial investments - available-for-sale ("AFS") and held-to-maturity ("HTM") are as follows:

	Group and Bank	
	30 September 2013 RM'000	31 December 2012 RM'000
One year to three years	79,179	120,180
Three years to five years	237,078	239,414
Over five years	160,374	-
	<u>476,631</u>	<u>359,594</u>

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Notes to the financial statements - 30 September 2013 (cont'd.)

13. Loans, advances and financing

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Loans, advances and financing to industries:				
- Government guaranteed	7,581,425	8,594,110	7,581,425	8,594,110
- Others	18,175,324	16,715,302	18,111,365	16,635,722
	<u>25,756,749</u>	<u>25,309,412</u>	<u>25,692,790</u>	<u>25,229,832</u>
Allowance for impaired loans, advances and financing:				
- individual assessment allowance	(1,752,242)	(1,652,245)	(1,687,719)	(1,572,665)
- collective assessment allowance	(711,308)	(756,623)	(711,308)	(751,111)
	<u>(2,463,550)</u>	<u>(2,408,868)</u>	<u>(2,399,027)</u>	<u>(2,323,776)</u>
Net loans, advances and financing to industries	<u>23,293,199</u>	<u>22,900,544</u>	<u>23,293,763</u>	<u>22,906,056</u>
Staff financing	13,233	14,344	13,233	14,342
Loan to subsidiaries	-	-	100,761	121,029
Lease receivable	58,327	70,545	-	-
Block discounting and factoring receivables	76,451	72,383	-	-
Hire purchase receivables	204,077	231,898	-	-
Ijarah receivables	28,357	26,239	-	-
Other loans, advances and financing	<u>380,445</u>	<u>415,409</u>	<u>113,994</u>	<u>135,371</u>
Allowance for impaired loans, advances and financing:				
- individual assessment allowance	(62,532)	(68,725)	-	-
- collective assessment allowance	(18,198)	(12,686)	(4,313)	(4,313)
	<u>(80,730)</u>	<u>(81,411)</u>	<u>(4,313)</u>	<u>(4,313)</u>

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Notes to the financial statements - 30 September 2013 (cont'd.)

13. Loans, advances and financing (cont'd.)

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Net other loans, advances and financing	299,715	333,998	109,681	131,058
Net loans, advances and financing	<u>23,592,914</u>	<u>23,234,542</u>	<u>23,403,444</u>	<u>23,037,114</u>
Gross loans, advances and financing	26,137,194	25,724,821	25,806,784	25,365,203
Allowance for impaired loans, advances and financing:				
- individual assessment allowance	(1,814,774)	(1,720,970)	(1,687,719)	(1,572,665)
- collective assessment allowance	(729,506)	(769,309)	(715,621)	(755,424)
	<u>(2,544,280)</u>	<u>(2,490,279)</u>	<u>(2,403,340)</u>	<u>(2,328,089)</u>
Net loans, advances and financing	<u>23,592,914</u>	<u>23,234,542</u>	<u>23,403,444</u>	<u>23,037,114</u>

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Notes to the financial statements - 30 September 2013 (cont'd.)

13. Loans, advances and financing (cont'd.)

(i) Loans, advances and financing analysed by type are as follows:

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Bai' Bithaman Ajil	449,853	475,553	422,982	450,636
Bai' 'Inah	78,474	51,366	78,474	51,366
Bai' Murabahah	42,521	36,906	42,521	36,906
Bai' Istisna'	4,636,550	3,694,878	4,636,550	3,694,878
Bridging financing	10,914	11,172	-	-
Hire purchase	204,077	244,165	-	-
Factoring	76,451	72,383	-	-
Ijarah	150,854	44,081	121,988	18,507
Ijarah Muntahia Bitamlik	276,396	283,469	276,396	283,469
Tawarruq	12,146	-	12,146	-
Infra support loan	106,140	120,282	106,140	120,282
Leasing	57,819	64,812	-	-
Revolving financing	20,936	23,904	-	-
Revolving working capital	687,085	446,471	687,085	446,471
Term loan	19,282,334	20,133,281	19,377,858	20,240,590
Working capital	44,644	22,098	44,644	22,098
Gross loans, advances and financing	26,137,194	25,724,821	25,806,784	25,365,203
Allowance for impaired loans, advances and financing:				
- individual assessment allowance	(1,814,774)	(1,720,970)	(1,687,719)	(1,572,665)
- collective assessment allowance	(729,506)	(769,309)	(715,621)	(755,424)
	(2,544,280)	(2,490,279)	(2,403,340)	(2,328,089)
Net loans, advances and financing	23,592,914	23,234,542	23,403,444	23,037,114

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Notes to the financial statements - 30 September 2013 (cont'd.)

13. Loans, advances and financing (cont'd.)

(ii) Loans, advances and financing analysed by type of customers are as follows:

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Domestic business enterprises	26,123,961	25,710,477	25,793,551	25,350,861
Individuals	13,233	14,344	13,233	14,342
Gross loans, advances and financing	<u>26,137,194</u>	<u>25,724,821</u>	<u>25,806,784</u>	<u>25,365,203</u>

(iii) Loans, advances and financing analysed by interest/profit rate sensitivity are as follows:

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Fixed rate:				
- Housing loans/financing	33,863	39,114	13,233	14,342
- Hire purchase receivables	204,077	244,165	-	-
- Other fixed rate loans/financing	14,230,324	14,538,865	14,124,621	14,448,184
Variable rate:				
- Cost plus	2,459,816	2,305,545	2,459,816	2,305,545
- Other variable rates	9,209,114	8,597,132	9,209,114	8,597,132
Gross loans, advances and financing	<u>26,137,194</u>	<u>25,724,821</u>	<u>25,806,784</u>	<u>25,365,203</u>

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Notes to the financial statements - 30 September 2013 (cont'd.)

13. Loans, advances and financing (cont'd.)

(iv) Loans, advances and financing analysed by industry are as follows:

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Agriculture, hunting and forestry	6,511	3,765	-	-
Construction	12,910,488	13,063,234	12,860,811	13,025,393
Education	629,134	435,099	629,134	435,099
Electricity, gas and water supply	2,486,673	2,427,239	2,486,668	2,427,229
Finance, insurance and business	19,022	25,268	100,761	121,029
Hotel and restaurants	765,185	757,455	765,185	757,455
Housing	19,474	23,476	13,233	14,342
Manufacturing	1,006,461	970,370	920,093	888,061
Marine related	195,820	90,844	195,820	90,844
Materials technology	127,562	126,330	127,562	126,330
Medical and pharmaceuticals	37,946	39,107	37,946	39,107
Mining and quarrying	1,822	1,151	-	-
Other community, social and personal service activities	153,316	70,487	40,008	47,801
Production engineering	12	472	12	472
Public administration and defence	58,026	58,379	58,026	58,379
Real estate, renting and business activities	994,644	1,091,576	984,632	985,000
Shipping	1,719,055	1,581,765	1,719,055	1,581,765
Shipyard	496,544	279,557	496,544	279,557
Transport, storage and communication	4,509,499	4,679,247	4,371,294	4,487,340
Gross loans, advances and financing	<u>26,137,194</u>	<u>25,724,821</u>	<u>25,806,784</u>	<u>25,365,203</u>

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Notes to the financial statements - 30 September 2013 (cont'd.)

13. Loans, advances and financing (cont'd.)

(v) The maturity structure of the gross loans, advances and financing is as follows:

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Maturity within one year	5,374,775	4,667,398	5,176,425	4,487,593
One year to three years	3,908,778	4,040,100	3,769,633	3,913,082
Three years to five years	5,445,829	4,807,914	5,467,818	4,719,211
Over five years	11,407,812	12,209,409	11,392,908	12,245,317
	<u>26,137,194</u>	<u>25,724,821</u>	<u>25,806,784</u>	<u>25,365,203</u>

(vi) The loans and advances to subsidiaries are repayable over a period of three to seven years commencing from the date of drawdown and are at interest rates ranging from 3.23% to 3.67% (2012: 3.23% to 3.67%) per annum. Included in these advances is a revolving facility amounting to RM30,000,000 (2012: RM60,000,000) at an interest rate equivalent to the Bank's average return on deposits.

(vii) Movements in impaired loans, advances and financing are as follows:

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
At 1 January	2,831,597	3,086,860	2,622,744	2,846,298
Impaired during the period/year	484,465	738,037	457,920	688,609
Reclassified as non-impaired	(2,508)	(84,670)	-	(31,734)
Recoveries	(248,670)	(351,767)	(216,705)	(323,445)
Amount written off	(29,540)	(556,863)	(17,763)	(556,984)
Closing balance	<u>3,035,344</u>	<u>2,831,597</u>	<u>2,846,196</u>	<u>2,622,744</u>
Gross impaired loans as % of gross loans, advances and financing	<u>11.61%</u>	<u>11.01%</u>	<u>11.06%</u>	<u>10.34%</u>

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13. Loans, advances and financing (cont'd.)

(viii) Impaired loans, advances and financing analysed by industry are as follows:

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Construction	480,374	433,915	453,841	407,289
Education	80,010	78,918	80,010	78,918
Electricity, gas and water supply	137,755	145,277	137,755	145,277
Finance, insurance and business	4,442	4,792	-	-
Hotel and restaurants	220,110	307,618	204,912	277,514
Housing	6,241	-	-	-
Manufacturing	887,818	867,808	810,250	786,872
Marine related	87,867	90,844	87,867	90,844
Materials technology	108,915	107,417	108,915	107,417
Medical and pharmaceuticals	37,946	39,107	37,946	39,107
Other community, social and personal service activities	15,700	12,456	-	-
Production engineering	12	12	12	12
Real estate, renting and business activities	346,879	342,182	336,868	327,244
Shipping	562,663	352,013	562,663	352,014
Shipyard	10,995	10,236	10,995	10,236
Transport, storage and communication	47,617	39,002	14,162	-
	<u>3,035,344</u>	<u>2,831,597</u>	<u>2,846,196</u>	<u>2,622,744</u>

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Notes to the financial statements - 30 September 2013 (cont'd.)

13. Loans, advances and financing (cont'd.)

(ix) Movements in the allowance for impaired loans, advances and financing are as follows:

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Individual assessment allowance				
At 1 January	1,720,970	1,848,143	1,572,665	1,686,560
Allowance made during the period/year	124,069	542,633	119,137	528,986
Amount written back in respect of recoveries	(46,943)	(164,797)	(14,951)	(137,750)
Amount transferred from collective assessment allowance	28,646	51,852	28,646	51,852
Amount written off	(11,968)	(556,861)	(17,778)	(556,983)
Closing balance	<u>1,814,774</u>	<u>1,720,970</u>	<u>1,687,719</u>	<u>1,572,665</u>
Collective assessment allowance				
At 1 January	769,309	918,020	755,424	904,135
Allowance made during the period/year	40,810	11,314	40,810	11,314
Amount written back	(51,967)	(108,173)	(51,967)	(108,173)
Amount transferred to individual assessment allowance	(28,646)	(51,852)	(28,646)	(51,852)
Closing balance	<u>729,506</u>	<u>769,309</u>	<u>715,621</u>	<u>755,424</u>

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Notes to the financial statements - 30 September 2013 (cont'd.)

14. Other assets

	Note	Group		Bank	
		30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Sundry receivables, deposits and prepayment	(i)	157,320	109,338	14,033	9,597
Less: Allowance for doubtful debts	(iv)	(1,723)	(1,178)	(789)	(1,178)
		<u>155,597</u>	<u>108,160</u>	<u>13,244</u>	<u>8,419</u>
Trade receivables		72,091	-	-	-
Amount receivable from Government in respect of compensation for:					
- Foreign exchange differences		32,918	37,538	32,918	37,538
- Infrastructure projects		85,361	85,361	85,361	85,361
Subsidiaries	(ii)		-	43,135	40,402
Tax recoverable		32,759	37,181	26,857	30,212
Pool working fund	(iii)	2,021	2,446	-	-
Inventories		1,022	1,543	-	-
		<u>381,769</u>	<u>272,229</u>	<u>201,515</u>	<u>201,932</u>

(i) Included in the sundry receivables, deposits and prepayments of the Group is an amount due from related parties of Global Maritime Ventures Berhad amounting to RM136,260,000 (2012: RM89,168,000).

(ii) The amounts due from subsidiaries are unsecured, interest free and repayable on demand.

(iii) Pool working fund represents advances from subsidiaries to the pool operators for operating funds of the vessels in the pool. These advances are interest free, unsecured and are refundable only upon termination of the pool agreement signed between the subsidiaries with the pool operators.

(iv) Allowance for doubtful debts:

	Group and Bank	
	30 September 2013 RM'000	31 December 2012 RM'000
1 January	1,178	1,599
Recoveries	(389)	(421)
Closing balance	<u>789</u>	<u>1,178</u>

Notes to the financial statements - 30 September 2013 (cont'd.)

15. Property, plant and equipment

Group 30 September 2013	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Furniture and equipment RM'000	Motor vehicle RM'000	Mechanical and electricals RM'000	Vessels RM'000	Capital work-in progress RM'000	Dry- docking expenses RM'000	Total RM'000
Cost										
At 1 January	19,740	-	81,837	35,278	2,005	38,774	40,280	5,654	-	223,568
Additions	-	-	-	451	207	-	2,887	16,637	-	20,182
Acquisition of subsidiaries	-	1,193	1,806	3,666	1,627	-	1,153,812	38,536	-	1,200,640
Disposals/write-off	(550)	-	(2,170)	-	(193)	-	(537)	(26)	-	(3,476)
Effect of movements in exchange rates	-	-	-	-	-	-	50,692	114	-	50,806
Transfer to intangible assets	-	-	-	(963)	-	-	-	(5,518)	-	(6,481)
Reclassification	-	-	-	-	-	-	35,610	(35,610)	-	-
At 30 September	19,190	1,193	81,473	38,432	3,646	38,774	1,282,744	19,787	-	1,485,239
Accumulated depreciation										
At 1 January	-	-	8,290	28,587	1,021	25,826	671	-	-	64,395
Charge for the period	-	47	1,259	2,079	336	4,350	33,532	-	-	41,603
Acquisition of subsidiaries	-	418	208	2,296	1,322	-	71,399	-	-	75,643
Disposals/write-off	-	-	(1,340)	-	(130)	-	(599)	-	-	(2,069)
Effect of movements in exchange rates	-	-	-	-	-	-	5,992	-	-	5,992
At 30 September	-	465	8,417	32,962	2,549	30,176	110,995	-	-	185,564
Net carrying amount	19,190	728	73,056	5,470	1,097	8,598	1,171,749	19,787	-	1,299,675

Notes to the financial statements - 30 September 2013 (cont'd.)

15. Property, plant and equipment (cont'd.)

Group	Freehold land	Leasehold land	Buildings	Furniture and equipment	Motor vehicle	Mechanical and electricals	Vessels	Capital work-in progress	Dry-docking expenses	Total
31 December 2012	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost										
At 1 January	19,909	-	87,725	50,362	2,794	37,395	690,977	7,437	49,222	945,821
Additions	-	-	-	1,158	-	218	2,317	3,264	13,941	20,898
Acquisition of subsidiaries	-	-	-	-	-	-	40,280	-	-	40,280
Disposals/write-off	(169)	-	(5,888)	(14,899)	(789)	-	(113,629)	(5,047)	(17,385)	(157,806)
Transfer to assets of a subsidiary held for sale	-	-	-	(182)	-	-	-	-	-	(182)
Transfer to assets held for sale	-	-	-	-	-	-	(554,020)	-	(36,864)	(590,884)
Effect of movements in exchange rates	-	-	-	-	-	-	(25,645)	-	(8,914)	(34,559)
Reclassification	-	-	-	(1,161)	-	1,161	-	-	-	-
At 31 December	19,740	-	81,837	35,278	2,005	38,774	40,280	5,654	-	223,568

Notes to the financial statements - 30 September 2013 (cont'd.)

15. Property, plant and equipment (cont'd.)

Group	Freehold land	Leasehold land	Buildings	Furniture and equipment	Motor vehicle	Mechanical and electricals	Vessels	Capital work-in progress	Dry-docking expenses	Total
31 December 2012	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Accumulated depreciation										
At 1 January	-	-	12,408	41,612	1,418	20,045	347,469	-	27,187	450,139
Charge for the year	-	-	1,649	2,305	342	5,781	24,029	-	12,820	46,926
Disposals/write-off	-	-	(5,767)	(15,177)	(739)	-	(67,504)	-	(16,450)	(105,637)
Transfer to assets of a subsidiary held for sale	-	-	-	(153)	-	-	-	-	-	(153)
Transfer to assets held for sale	-	-	-	-	-	-	(289,518)	-	(21,542)	(311,060)
Effect of movements in exchange rates	-	-	-	-	-	-	(13,805)	-	(2,015)	(15,820)
At 31 December	-	-	8,290	28,587	1,021	25,826	671	-	-	64,395
Accumulated impairment losses										
At 1 January	-	-	-	-	-	-	9,699	-	-	9,699
Charge for the year	-	-	-	-	-	-	151,416	-	-	151,416
Transfer to assets held for sale	-	-	-	-	-	-	(160,370)	-	-	(160,370)
Effect of movements in exchange rates	-	-	-	-	-	-	(745)	-	-	(745)
At 31 December	-	-	-	-	-	-	-	-	-	-
Net carrying amount	19,740	-	73,547	6,691	984	12,948	39,609	5,654	-	159,173

Notes to the financial statements - 30 September 2013 (cont'd.)

15. Property, plant and equipment (cont'd.)

Bank 30 September 2013	Freehold land RM'000	Buildings RM'000	Furniture and equipment RM'000	Mechanical and electricals RM'000	Motor vehicles RM'000	Capital work-in progress RM'000	Total RM'000
Cost							
At 1 January	19,740	81,537	28,985	38,774	1,339	5,654	176,029
Additions	-	-	315	-	-	1,685	2,000
Disposals/write off	(550)	(2,170)	-	-	(4)	-	(2,724)
Reclassification	-	-	(963)	-	-	(5,518)	(6,481)
At 30 September	19,190	79,367	28,337	38,774	1,335	1,821	168,824
Accumulated depreciation							
At 1 January	-	8,266	23,677	25,826	632	-	58,401
Charge for the period	-	1,229	1,107	4,350	184	-	6,870
Disposals/write off	-	(1,340)	-	-	(4)	-	(1,344)
At 30 September	-	8,155	24,784	30,176	812	-	63,927
Net carrying amount	19,190	71,212	3,553	8,598	523	1,821	104,897

Notes to the financial statements - 30 September 2013 (cont'd.)

15. Property, plant and equipment (cont'd.)

Bank 31 December 2012	Freehold land RM'000	Buildings RM'000	Furniture and equipment RM'000	Mechanical and electricals RM'000	Motor vehicles RM'000	Capital work-in progress RM'000	Total RM'000
Cost							
At 1 January	19,740	82,121	29,650	37,395	1,831	2,390	173,127
Additions	-	-	525	218	-	3,264	4,007
Disposals/write off	-	(584)	(29)	-	(492)	-	(1,105)
Reclassification	-	-	(1,161)	1,161	-	-	-
At 31 December	19,740	81,537	28,985	38,774	1,339	5,654	176,029
Accumulated depreciation							
At 1 January	-	6,796	21,852	20,046	879	-	49,573
Charge for the year	-	1,647	1,837	5,780	245	-	9,509
Disposals/write off	-	(177)	(12)	-	(492)	-	(681)
At 31 December	-	8,266	23,677	25,826	632	-	58,401
Net carrying amount	19,740	73,271	5,308	12,948	707	5,654	117,628

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Notes to the financial statements - 30 September 2013 (cont'd.)

16. Intangible assets

Group	Goodwill	Computer	Total
30 September 2013	RM'000	Software	RM'000
		RM'000	RM'000
Cost			
At 1 January	-	17,246	17,246
Acquisition of subsidiaries	518	-	518
Additions	239,350	7,896	247,246
Closing balance	<u>239,868</u>	<u>25,142</u>	<u>265,010</u>
Amortisation			
At 1 January	-	8,484	8,484
Amortisation charged	-	2,479	2,479
Closing balance	<u>-</u>	<u>10,963</u>	<u>10,963</u>
Carrying amount	<u>239,868</u>	<u>14,179</u>	<u>254,047</u>

Group	Goodwill	Computer	Total
31 December 2012	RM'000	Software	RM'000
		RM'000	RM'000
Cost			
At 1 January	-	11,046	11,046
Additions	-	6,200	6,200
Closing balance	<u>-</u>	<u>17,246</u>	<u>17,246</u>
Amortisation			
At 1 January	-	6,815	6,815
Amortisation charged	-	1,669	1,669
Closing balance	<u>-</u>	<u>8,484</u>	<u>8,484</u>
Carrying amount	<u>-</u>	<u>8,762</u>	<u>8,762</u>

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16. Intangible assets (cont'd.)

Bank	Goodwill	Computer	Total
30 September 2013	RM'000	Software	RM'000
		RM'000	RM'000
Cost			
At 1 January	-	13,534	13,534
Additions	-	7,896	7,896
Closing balance	-	21,430	21,430
Amortisation			
At 1 January	-	6,870	6,870
Amortisation charged	-	2,274	2,274
Closing balance	-	9,144	9,144
Carrying amount	-	12,286	12,286
Bank	Goodwill	Computer	Total
31 December 2012	RM'000	Software	RM'000
		RM'000	RM'000
Cost			
At 1 January	-	9,296	9,296
Additions	-	4,238	4,238
Closing balance	-	13,534	13,534
Amortisation			
At 1 January	-	5,758	5,758
Amortisation charged	-	1,112	1,112
Closing balance	-	6,870	6,870
Carrying amount	-	6,664	6,664

Goodwill is allocated to the Group's Cash Generating Units ("CGUs") expected to benefit from the synergies of the acquisitions. The recoverable amount of the CGUs are assessed based on value-in-use and compared to the carrying amount of the CGUs exceeds its recoverable amount.

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17. Deposits from customers

	Group and Bank	
	30 September	31 December
	2013	2012
	RM'000	RM'000
Fixed deposits and negotiable instruments of deposits		
- One year or less	6,610,242	5,414,142
	<u>6,610,242</u>	<u>5,414,142</u>

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

	Group and Bank	
	30 September	31 December
	2013	2012
	RM'000	RM'000
Non-Mudharabah		
- Others	5,305,935	4,788,678
Mudharabah		
- General investment deposit	1,304,307	625,464
	<u>6,610,242</u>	<u>5,414,142</u>

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

	Group and Bank	
	30 September	31 December
	2013	2012
	RM'000	RM'000
Business enterprises	2,716,592	1,435,347
Government and statutory bodies	3,893,650	3,978,795
	<u>6,610,242</u>	<u>5,414,142</u>

(c) The deposits maturity structure are as follows:

	Group and Bank	
	30 September	31 December
	2013	2012
	RM'000	RM'000
Less than six months	6,121,560	4,847,411
Six months to one year	488,682	566,731
	<u>6,610,242</u>	<u>5,414,142</u>

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Notes to the financial statements - 30 September 2013 (cont'd.)

18. Deposits and placements from financial institutions

	Group and Bank	
	30 September 2013 RM'000	31 December 2012 RM'000
At amortised cost		
Licensed banks	45,050	30,073
Licensed Islamic banks	290,279	30,070
Licensed investment banks	-	80,156
Other financial institutions	10,862	13,257
	<u>346,191</u>	<u>153,556</u>

19. Other liabilities

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Amounts due to related companies	92,165	47,273	-	-
Provision for taxation	432	2,866	-	-
Provision for zakat	5,508	3,070	5,508	3,070
Trade creditors	40,208	9,141	2,778	7,061
Sundry creditors and accruals	74,407	120,854	21,738	23,740
Profit equalisation reserve ("PER") (Note 19 (i))	2,030	2,030	2,030	2,030
	<u>214,750</u>	<u>185,234</u>	<u>32,054</u>	<u>35,901</u>

The amounts due to related companies are unsecured, non-interest bearing and are repayable on demand.

(i) Movement in PER

	Group and Bank	
	30 September 2013 RM'000	31 December 2012 RM'000
At 1 January	2,030	2,188
Provided during the period/year	-	3,379
Transfer to reserve	-	(3,537)
Closing balance	<u>2,030</u>	<u>2,030</u>

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20. Redeemable notes

		Group and Bank	
		30 September 2013	31 December 2012
		RM'000	RM'000
	Note		
Redeemable non guaranteed notes			
Medium term notes	(i)	820,795	808,812
		<u>820,795</u>	<u>808,812</u>
Redeemable guaranteed notes			
Medium term notes-GGC	(ii)	1,529,334	2,017,875
Medium term notes-GGM	(iii)	-	503,994
		<u>1,529,334</u>	<u>2,521,869</u>
Infrastructure notes - nominal value	(iv)	824,682	810,097
Less: Unamortised discount		(6,068)	(6,787)
		<u>818,614</u>	<u>803,310</u>
		<u>3,168,743</u>	<u>4,133,991</u>
Discount upon issuance		18,500	18,500
Amortisation to date		(12,432)	(11,713)
Unamortised discount		<u>6,068</u>	<u>6,787</u>

- (i) These notes carry coupon rates ranging between 5.70% to 6.30% (2012: 5.70% to 6.30%) per annum and are for tenures of 10 years to 15 years.
- (ii) These notes were issued on 12 April 2010 and are guaranteed by the Government of Malaysia. These 3 years and 5 years notes carry coupon rates of 3.66% per annum (RM500.0 million) and 4.15% per annum (RM1.50 billion) respectively.
- (iii) These notes were issued on 12 April 2010 and are guaranteed by the Government of Malaysia. These 3 years notes carry profit rates of 3.64% per annum.
- (iv) These notes are guaranteed by the Government of Malaysia. These 15 years and 25 years notes carry coupon rates of 7.00% and 7.50% per annum (2012: 7.00% and 7.50%) respectively.

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Notes to the financial statements - 30 September 2013 (cont'd.)

21. Share capital

Group	Amount	Number	Amount	Number
	30 September 2013 RM'000	of shares 30 September 2013 '000	31 December 2012 RM'000	of shares 31 December 2012 '000
Authorised:				
Ordinary shares of RM1.00 each:	10,000,000	10,000,000	10,000,000	10,000,000
Irredeemable Convertible Preference Shares ("ICPS") of RM1.00 each:	25,000	25,000	-	-
	<u>10,025,000</u>	<u>10,025,000</u>	<u>10,000,000</u>	<u>10,000,000</u>
Issued and fully paid:				
Ordinary shares of RM1.00 each:	3,078,724	3,078,724	3,078,724	3,078,724
Irredeemable Convertible Preference Shares ("ICPS") of RM1.00 each:	25,000	25,000	-	-
	<u>3,103,724</u>	<u>3,103,724</u>	<u>3,078,724</u>	<u>3,078,724</u>
Bank	Amount	Number	Amount	Number
	30 September 2013 RM'000	of shares 30 September 2013 '000	31 December 2012 RM'000	of shares 31 December 2012 '000
Authorised:				
Ordinary shares of RM1.00 each:	10,000,000	10,000,000	10,000,000	10,000,000
Issued and fully paid:				
Ordinary shares of RM1.00 each:	<u>3,078,724</u>	<u>3,078,724</u>	<u>3,078,724</u>	<u>3,078,724</u>

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21. Share capital (cont'd.)

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Group and rank equally with regard to the Group's residual assets.

The main features of the ICPS are as follows:

- i) The ICPS carry a discretionary dividend rate of not less than 8% per annum as the members of the Group shall approve.
- ii) The holders of ordinary shares hereby, by way of tanazul, agree to waive their rights to profits of the Group up to the amount sufficient to pay ICPS dividends and shall be paid to ICPS holders annually in preference to any dividend declared over ordinary shares subject always to the Group having sufficient cash flow to pay the same.
- iii) In the event of any liquidation, dissolution, winding up or other repayment of capital of the Group, the ICPS carry the rights to have the surplus assets applied first in paying of the ICPS holders.
- iv) The ICPS shall be convertible at the option of the holders at anytime, before the occurrence of the public listing of the Group or the Trade Sale. Each ICPS shall be convertible into shares at the applicable conversion rate based on the value of ICPS being converted and the value of the ordinary shares. The value of the ICPS being converted will be equivalent to the value of the ordinary shares.

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Notes to the financial statements - 30 September 2013 (cont'd.)

22. Interest income

Group	Individual Quarter		Cumulative Quarter	
	30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Loans, advances and financing	263,847	269,637	801,458	834,447
Compensation from the Government	28,892	28,837	84,519	85,022
Money at call and deposit placement with financial institutions	13,180	12,115	42,083	52,776
Financial investments - available-for-sale ("AFS")	9,082	(3,822)	24,825	14,140
Financial investments - held-to-maturity ("HTM")	1,992	14,587	5,568	16,758
	<u>316,993</u>	<u>321,354</u>	<u>958,453</u>	<u>1,003,143</u>
Amortisation of premium less accretion of discount	5,693	5,049	16,550	14,707
	<u>322,686</u>	<u>326,403</u>	<u>975,003</u>	<u>1,017,850</u>
Of which:				
Interest income earned on impaired loans, advances and financing	<u>21,458</u>	<u>12,616</u>	<u>71,436</u>	<u>48,947</u>
Bank				
Loans, advances and financing	259,177	268,343	786,848	822,341
Compensation from the Government	28,892	28,837	84,519	85,022
Money at call and deposit placement with financial institutions	10,258	16,121	34,783	48,100
Financial investments - available-for-sale ("AFS")	9,082	(3,822)	24,825	14,140
Financial investments - held-to-maturity ("HTM")	1,992	14,587	5,568	16,758
	<u>309,401</u>	<u>324,066</u>	<u>936,543</u>	<u>986,361</u>
Amortisation of premium less accretion of discount	5,693	5,049	16,550	14,707
	<u>315,094</u>	<u>329,115</u>	<u>953,093</u>	<u>1,001,068</u>
Of which:				
Interest income earned on impaired loans, advances and financing	<u>21,458</u>	<u>12,616</u>	<u>71,436</u>	<u>48,947</u>

Included in the interest income from loans, advances and financing of the Bank is interest income from a subsidiary amounting to RM3,979,129 (2012: RM5,963,562).

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Notes to the financial statements - 30 September 2013 (cont'd.)

23. Interest expense

Group	Individual Quarter		Cummulative Quarter	
	30 September	30 September	30 September	30 September
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Deposits from customers	48,110	48,150	140,348	141,529
Deposits and placements from financial institutions	495	-	3,078	-
Term loans	109,066	98,306	321,999	293,192
Redeemable notes	37,029	43,407	114,945	129,277
Others	318	247	608	672
	<u>195,018</u>	<u>190,110</u>	<u>580,978</u>	<u>564,670</u>

Bank	Individual Quarter		Cummulative Quarter	
	30 September	30 September	30 September	30 September
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Deposits from customers	48,110	48,038	140,348	141,187
Deposits and placements from financial institutions	213	-	2,796	-
Term loans	96,880	98,301	288,569	293,223
Redeemable notes	37,029	43,407	114,945	129,277
Others	-	81	-	249
	<u>182,232</u>	<u>189,827</u>	<u>546,658</u>	<u>563,936</u>

24. Non-interest income

Group	Individual Quarter		Cummulative Quarter	
	30 September	30 September	30 September	30 September
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
(a) Other operating income: Charter hire, demurrage and freight income	81,012	17,151	221,258	46,177
	<u>81,012</u>	<u>17,151</u>	<u>221,258</u>	<u>46,177</u>
(b) Investment income: Gain on sale of: - financial investments - available-for-sale ("AFS")	766	492	14,508	2,004
Gross dividends from: - financial investments - available-for-sale ("AFS")	2,128	-	18,198	5,896
	<u>2,894</u>	<u>492</u>	<u>32,706</u>	<u>7,900</u>

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24. Non-interest income (cont'd.)

Group	Individual Quarter		Cumulative Quarter	
	30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
(c) Other income:				
Fee income	4,416	6,289	10,765	12,409
Rental income	559	739	1,682	2,075
Gain on disposal of property, plant and equipment	1,543	24,688	5,009	734
Gain on disposal of prepaid land lease	58	-	58	1,283
Gain on disposal of investment properties	50	-	2,406	-
Gain/(loss) on foreign exchange:				
- realised	36	72	574	360
- unrealised	-	-	278	(81)
Compensation from the Government:				
- recoverable from loan written off against ISF	(2,126)	(2,609)	(2,126)	(4,058)
- financial investments impairment made during the year against ISF	5,207	4,860	15,191	14,231
Interest income on amount due from Minister of Finance Incorporated	-	2,804	-	8,411
Others	(1,943)	(858)	3,177	1,917
	<u>7,800</u>	<u>35,985</u>	<u>37,014</u>	<u>37,281</u>
Total non-interest income	<u>91,706</u>	<u>53,628</u>	<u>290,978</u>	<u>91,358</u>

Bank	Individual Quarter		Cumulative Quarter	
	30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
(a) Investment income:				
Gain on sale of:				
- financial investments - available-for-sale ("AFS")	155	29	155	1,541
Gross dividends from:				
- financial investments - available-for-sale ("AFS")	1,577	109	10,187	5,627
	<u>1,732</u>	<u>138</u>	<u>10,342</u>	<u>7,168</u>

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24. Non-interest income (cont'd.)

Bank	Individual Quarter		Cumulative Quarter	
	30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
(b) Other income:				
Fee income	2,849	5,413	7,193	9,860
Rental income:				
- subsidiaries	197	214	622	645
- others	529	550	1,563	1,776
Gain on disposal of property, plant and equipment	466	-	466	633
Gain on disposal of prepaid land lease	58	-	58	1,283
Gain on disposal of investment properties	38	-	2,074	-
Gain/(loss) on foreign exchange:				
- realised	(1)	-	454	200
- unrealised	-	-	278	(81)
Compensation from the Government:				
- recoverable from loan written off against ISF	(2,126)	(2,609)	(2,126)	(4,058)
- financial investments impairment made during the year against ISF	5,207	4,860	15,191	14,231
Interest income on amount due from Minister of Finance Incorporated	-	2,804	-	8,411
Others	-	195	146	247
	<u>7,217</u>	<u>11,427</u>	<u>25,919</u>	<u>33,147</u>
Total non-interest income	<u>8,949</u>	<u>11,565</u>	<u>36,261</u>	<u>40,315</u>

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25. Overhead expenses

Group	Note	Individual Quarter		Cumulative Quarter	
		30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Personnel costs	(i)	31,157	20,718	85,546	56,595
Establishment related expenses	(ii)	17,941	11,713	53,964	43,419
Promotion and marketing expenses	(iii)	1,114	860	1,989	1,684
General administrative expenses	(iv)	50,377	12,141	108,327	36,581
		<u>100,589</u>	<u>45,432</u>	<u>249,826</u>	<u>138,279</u>
(i) Personnel costs					
Salaries, allowances and bonuses		26,901	14,986	74,737	45,713
Social security cost		99	54	286	169
Pension costs - Defined contribution plan		1,890	1,153	5,372	3,534
Compensation for loss employment		16	2,663	16	2,884
Other staff related expenses		2,251	1,862	5,135	4,295
		<u>31,157</u>	<u>20,718</u>	<u>85,546</u>	<u>56,595</u>
(ii) Establishment related expenses					
Depreciation:					
- Property, plant and equipment		14,801	10,211	41,603	37,385
- Investment properties		40	102	152	302
Amortisation of:					
- Prepaid lease rental		15	16	46	56
- Intangible assets		653	366	2,479	1,098
Rental of leasehold land and premises		36	-	136	-
Repairs and maintenance of property, plant and equipment		1,367	346	6,810	3,257
Information technology expenses		1,029	672	2,738	1,321
		<u>17,941</u>	<u>11,713</u>	<u>53,964</u>	<u>43,419</u>

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Notes to the financial statements - 30 September 2013 (cont'd.)

25. Overhead expenses (cont'd.)

Group	Individual Quarter		Cummulative Quarter	
	30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
(iii) Promotion and marketing expenses				
Advertisement and publicity	1,114	860	1,989	1,684
(iv) General administrative expenses				
General administrative expenses	50,313	11,977	107,979	36,199
Auditors' remuneration:				
- Statutory audit	64	164	320	364
- Services	-	-	2	-
Property, plant and equipment written off	-	-	26	18
	<u>50,377</u>	<u>12,141</u>	<u>108,327</u>	<u>36,581</u>

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25. Overhead expenses (cont'd.)

Bank	Note	Individual Quarter		Cumulative Quarter	
		30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Personnel costs	(i)	11,111	13,896	32,567	34,254
Establishment related expenses	(ii)	4,360	3,863	12,915	10,610
Promotion and marketing expenses	(iii)	1,034	817	1,895	1,503
General administrative expenses	(iv)	2,862	2,499	8,425	8,416
		<u>19,367</u>	<u>21,075</u>	<u>55,802</u>	<u>54,783</u>
(i) Personnel costs					
Salaries, allowances and bonuses		8,750	8,854	26,248	24,727
Social security cost		50	42	143	133
Pension costs - Defined contribution plan		1,065	975	3,175	2,985
Compensation for loss employment		16	2,663	16	2,884
Other staff related expenses		1,230	1,362	2,985	3,525
		<u>11,111</u>	<u>13,896</u>	<u>32,567</u>	<u>34,254</u>
(ii) Establishment related expenses					
Depreciation:					
- Property, plant and equipment		2,377	2,528	6,870	6,995
- Investment properties		7	45	40	133
Amortisation of:					
- Prepaid lease rental		15	16	46	56
- Intangible assets		784	281	2,274	847
Repairs and maintenance of property, plant and equipment		259	480	1,193	1,699
Information technology expenses		918	513	2,492	880
		<u>4,360</u>	<u>3,863</u>	<u>12,915</u>	<u>10,610</u>

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25. Overhead expenses (cont'd.)

	Individual Quarter		Cummulative Quarter	
	30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Bank				
(iii) Promotion and marketing expenses				
Advertisement and publicity	1,034	817	1,895	1,503
(iv) General administrative expenses				
General administrative expenses	2,816	2,372	8,171	8,133
Auditors' remuneration:				
- Statutory audit	46	127	254	265
Property, plant and equipment written off	-	-	-	18
	<u>2,862</u>	<u>2,499</u>	<u>8,425</u>	<u>8,416</u>

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26. Allowance for impairment of loans and financing

Group	Individual Quarter		Cummulative Quarter	
	30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Allowance for impairment of loans, advances and financing:				
Collective assessment allowance:				
- made during the year	(16,897)	-	40,810	-
- written back	(35,353)	(432)	(51,967)	(2,008)
- transferred to individual assessment allowance	(12,619)	-	(28,646)	-
Individual assessment allowance:				
- made during the period	87,927	163,978	124,069	305,491
- written back	(23,761)	(39,780)	(46,943)	(62,454)
- transferred from collective assessment allowance	12,619	-	28,646	-
Bad debts and financing:				
- written off - resigned staff	17	-	23	-
- written off	17,864	(3)	18,500	195
- recovered	(5,611)	(2,809)	(19,497)	(9,675)
	<u>24,186</u>	<u>120,954</u>	<u>64,995</u>	<u>231,549</u>

Bank	Individual Quarter		Cummulative Quarter	
	30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Allowance for impairment of loans, advances and financing:				
Collective assessment allowance:				
- made during the year	(16,897)	-	40,810	-
- written back	(35,353)	(432)	(51,967)	(2,008)
- transferred to individual assessment allowance	(12,619)	-	(28,646)	-
Individual assessment allowance:				
- made during the period	86,354	161,736	119,137	297,252
- written back	(4,416)	(38,004)	(14,951)	(40,016)
- transferred from collective assessment allowance	12,619	-	28,646	-
Bad debts and financing:				
- written off - resigned staff	17	-	23	-
- written off	86	157	722	195
- recovered	(4,005)	(1,226)	(16,382)	(4,136)
	<u>25,786</u>	<u>122,231</u>	<u>77,392</u>	<u>251,287</u>

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27. Impairment/(writeback) of impairment on other assets

Group	Individual Quarter		Cummulative Quarter	
	30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Financial investments available-for-sale ("AFS")	-	-	-	(1,309)
Financial investments - held-to-maturity ("HTM")	5,207	4,860	15,191	14,231
	<u>5,207</u>	<u>4,860</u>	<u>15,191</u>	<u>12,922</u>

Bank	Individual Quarter		Cummulative Quarter	
	30 June 2013 RM'000	30 June 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Financial investments - held-to-maturity ("HTM")	5,207	4,860	15,191	14,231
Investments in subsidiaries	-	-	-	(974)
	<u>5,207</u>	<u>4,860</u>	<u>15,191</u>	<u>13,257</u>

28. Commitments and contingencies

Loan and financing related commitments and contingencies of the Group and the Bank not included in these financial statements are as follows:

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Disbursement of loans to industries	3,372,975	3,629,235	3,372,975	3,629,235
Direct credit substitutes	5,457	520	5,457	520
Corporate guarantees issued by a subsidiary to financial institutions for credit facilities granted to jointly controlled entities	735,395	988,856	363,717	308,636
	<u>4,113,827</u>	<u>4,618,611</u>	<u>3,742,149</u>	<u>3,938,391</u>

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Notes to the financial statements - 30 September 2013 (cont'd.)

29. Capital adequacy

Capital management

Capital policy

The overall objective of capital management is to maintain a strong capital position in order to provide opportunities for business growth and able to provide cushion for any potential losses. In line with this objective, the Bank views capital position as an important key barometer of financial health.

Regulatory capital

In order to support its mandated roles, the Bank must have strong and adequate capital to support its business activities on an on-going basis. In line with this objective, Bank Negara Malaysia has imposed several regulatory capital requirements whereby, the Bank must have an absolute minimum capital of RM300,000,000 and a minimum Risk Weighted Capital Ratio ("RWCR") of 8% at all times. The minimum capital funds refer to paid-up capital and reserves as defined in Section 3 of Development Financial Institution Act 2002.

In order to further strengthen the capital position of the Bank through a progressive and systematic building up of the reserve fund, the minimum RWCR under both normal and stress scenarios shall not be less than 20% and 12% respectively.

The following table sets forth capital resources and capital adequacy for the Bank as at 30 September 2013.

	Bank	
	30 September 2013	31 December 2012
	RM'000	RM'000
Tier 1 capital		
Paid-up share capital	3,078,724	3,078,724
Other reserves	3,907,006	3,907,006
Total Tier 1 capital	<u>6,985,730</u>	<u>6,985,730</u>
Tier 2 capital		
Governments grants and subsidies	636,138	650,965
Collective assessment allowance	715,621	755,424
Total Tier 2 capital	<u>1,351,759</u>	<u>1,406,389</u>
Total capital	8,337,489	8,392,119
Less: Investment in subsidiaries	<u>(928,549)</u>	<u>(928,549)</u>
Total capital base	<u>7,408,940</u>	<u>7,463,570</u>

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Notes to the financial statements - 30 September 2013 (cont'd.)

29. Capital adequacy (cont'd.)

Capital management (cont'd.)

Regulatory capital (cont'd.)

Breakdown of risk-weighted assets in the various categories of risk-weights:

	Bank	
	30 September	31 December
	2013	2012
	RM'000	RM'000
20%	286,287	244,146
50%	1,383,181	1,355,624
100%	19,325,072	18,094,015
	<u>20,994,540</u>	<u>19,693,785</u>

Without deducting proposed dividend:

	Bank	
	30 September	31 December
	2013	2012
	%	%
Core capital ratio	33.27	35.47
RWCR	<u>35.29</u>	<u>37.90</u>

After deducting proposed dividend:

Core capital ratio	33.27	34.96
RWCR	<u>35.29</u>	<u>37.39</u>

Capital monitoring

The Bank's capital is closely monitored and actively managed. Besides the regulatory capital requirement of 8%, the Bank sets an internal capital requirement limit that would act as a buffer to the regulatory capital and as an indicator that affords the Bank a "well capitalised" status. Internal capital limit and regulatory capital requirement shall be closely monitored, regularly reviewed and reported to Management and Board of Directors.

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Notes to the financial statements - 30 September 2013 (cont'd.)

30. Financial instruments risk

Financial risk management objectives and policies

The Group's financial risk management policies seek to enhance shareholder value. The Group focuses on the enterprise wide risk exposure, which include credit, market, liquidity and operation risk and seeks to minimise potential adverse effects on the financial performance of the Group.

As part of the Group's strategy to integrate the management and control of risks across the various risk segments, a dedicated function known as the Group Risk Management was established.

Financial risks management is carried out through risk assessment and reviews, internal control systems and adhered to Group financial risk management policies, which are reported to and approved by the Board of Directors. The Board also approves the treasury policies, which cover the management of these risks.

The main areas of financial risks faced by the Group are set out as follows:

(a) Credit risk

Credit risk is the potential loss of revenue, either principal or interest or both, arising from customers or counterparties' failure or unwillingness to honour their financial and contractual obligations when they are due. These obligations are from lending, placement and other activities undertaken by the Bank.

Credit risk management activities conducted by the Bank are within Credit Risk Management Framework approved by the Board of Directors and in line with Bank Negara Malaysia (BNM)'s Guidelines on Best Practises for the Management of Credit Risk DFIs. This includes risk identification, assessment, measurement and monitoring.

Credit risk is principally managed through the establishment of lending directions, policies and guidelines to enhance loan asset quality. Credit processes are structured to ensure adherence to credit policies and to establish impartiality in loan origination, approval, documentation, disbursement and settlement.

All credit proposals are rated using an internal two dimensional credit rating system to measure each borrower's risk of default and facility risk. Only viable credit proposals with well-mitigated risk are considered for financing.

Credit reviews on existing customers are performed at least once a year and more frequent on watch-list accounts to proactively manage any delinquencies, maximize recoveries and to ensure timely recognition of asset impairment. Credit review are rated to determine current credit risk level of the borrowers and to address any rating migration.

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30. Financial instruments risk (cont'd.)

(a) Credit risk (cont'd.)

Prudential limits are established according to various categories such as customer and industry sector to minimize concentration risk. Single Customer Limit ("SCL") has been extended to capture the Group exposure to manage the Bank's and subsidiaries' concentration risk to common group of customers at Group level. Sector limit for commercial lending is being observed to monitor undesirable concentration which could expose the Bank to higher risk of lending. Meanwhile, counterparty limits are in place to control over exposure to a single financial institution.

Collateral is taken whenever possible to mitigate credit risk. The value of collateral is monitored periodically through frequent valuation. Policies and processes are in place to monitor collateral value.

The overall credit risk management is subject to an ongoing process for reviewing and enhancement from time to time so as to be in line with regulatory requirements. Audit is periodically performed to ensure that credit policies and procedures are complied with.

(b) Market risk

(i) Interest rate risk

Interest rate risk is the impact to earnings and economic value of the Group due to fluctuations in interest rates.

Interest rate exposure arises from the differences in the maturities and repricing dates of assets, liabilities and off-balance sheet items. These mismatches are actively monitored and managed as part of the overall interest rate risk management process which is conducted in accordance with the Group's policies as approved by the Board.

The Group may be exposed to a loss in earnings due to the interest rates structure of the balance sheet arising from interest rates and yield curve changes. The sensitivity to interest rates arises from the mismatches in the repricing rates, cash flows and other characteristic of the assets and their corresponding liability funding. The Group manages its interest rate risk exposure through the use of fixed/floating rate debts and financial instruments.

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Notes to the financial statements - 30 September 2013 (cont'd.)

30. Financial instruments risk (cont'd.)

(b) Market risk (cont'd.)

(i) Interest rate risk (cont'd.)

The table below summarises the Group's and Bank's exposure to interest rate risk. The table indicates effective average interest rates at the balance sheet date and the periods in which the financial instruments reprice or mature, whichever is earlier.

Group	←----- Non-trading book ----->						Effective interest rate %
	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	Non-interest sensitive RM'000	
30 September 2013							
Assets							
Cash and short term deposits	1,277,979	-	-	-	-	97,604	1,375,583
Deposits and placements with financial institutions	-	109,155	-	-	28	-	109,183
Financial investments - AFS	71,290	8,530	96,776	412,631	733,013	-	1,322,240
Financial investments - HTM	22	-	-	230,323	48,250	-	278,595
Loans, advances and financing							
- non-impaired	1,327,852	554,976	1,627,536	8,570,313	11,021,173	-	23,101,850
- impaired *	-	-	-	-	-	491,064	491,064
Interest in associates	-	-	-	-	-	23,849	23,849
Other assets	-	-	-	-	-	381,769	381,769
Interest in jointly controlled entities	-	-	-	-	-	195,458	195,458
Property, plant and equipment	-	-	-	-	-	1,299,675	1,299,675
Prepaid land lease	-	-	-	-	-	1,810	1,810
Investment properties	-	-	-	-	-	5,141	5,141
Intangible assets	-	-	-	-	-	254,047	254,047
Deferred tax assets	-	-	-	-	-	114,921	114,921
Assets classified as held for sale	-	-	-	-	-	18,772	18,772
Assets of subsidiaries classified as held for sale	-	-	-	-	-	39,688	39,688
Total assets	2,677,143	672,661	1,724,312	9,213,267	11,802,464	2,923,798	29,013,645

* This is arrived at after deducting collective assessment allowance and individual assessment allowance from the outstanding gross impaired loans.

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Notes to the financial statements - 30 September 2013 (cont'd.)

30. Financial instruments risk (cont'd.)

(b) Market risk (cont'd.)

(i) Interest rate risk (cont'd.)

Group	Non-trading book						Non- interest sensitive RM'000	Total RM'000	Effective interest rate %
	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				
30 September 2013 (cont'd.)									
Equity and liabilities									
Deposits from customers	993,469	3,617,332	1,999,441	-	-	-	6,610,242	3.39	
Deposits and placements from financial institutions	335,329	10,862	-	-	-	-	346,191	3.39	
Other liabilities	-	-	-	-	-	214,750	214,750	-	
Redeemable notes	-	-	-	2,248,018	920,725	-	3,168,743	5.44	
Term loans	137,060	37,670	73,641	6,050,000	3,963,491	-	10,261,862	4.32	
Infrastructure support fund	-	-	-	-	-	386,470	386,470	-	
Deferred income	-	-	-	-	-	249,668	249,668	-	
Deferred tax liabilities	-	-	-	-	-	12,847	12,847	-	
Liabilities of subsidiaries classified as held for sale	-	-	-	-	-	464	464	-	
Total liabilities	1,465,858	3,665,864	2,073,082	8,298,018	4,884,216	864,199	21,251,237		
Shareholders' equity	-	-	-	-	-	7,592,342	7,592,342	-	
Non-controlling interest	-	-	-	-	-	170,066	170,066	-	
Total equity and liabilities	1,465,858	3,665,864	2,073,082	8,298,018	4,884,216	8,626,607	29,013,645		
On-balance sheet interest sensitivity gap	1,211,285	(2,993,203)	(348,770)	915,249	6,918,248	(5,702,809)	-	-	
Off-balance sheet interest sensitivity gap	-	-	-	-	-	-	-	-	
Total interest sensitivity gap	1,211,285	(2,993,203)	(348,770)	915,249	6,918,248	(5,702,809)	-	-	

* This is arrived at after deducting collective assessment allowance and individual assessment allowance from the outstanding gross impaired loans.

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Notes to the financial statements - 30 September 2013 (cont'd.)

30. Financial instruments risk (cont'd.)

(b) Market risk (cont'd.)

(i) Interest rate risk (cont'd.)

Group	Non-trading book						Non-interest sensitive RM'000	Total RM'000	Effective interest rate %
	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 deposits	1,464,531	-	-	-	-	42,327	1,506,858	2.36	
Deposits and placements with financial institutions	1,033	66,722	-	-	28	-	67,783	3.10	
Financial investments - AFS	364,877	255,269	355,486	727	265,858	-	1,242,217	6.06	
Financial investments - HTM	22	126,771	51,237	-	48,250	-	226,280	4.68	
Loans, advances and financing									
- non-impaired	1,080,240	283,503	1,710,346	8,110,136	11,658,810	-	22,843,035	7.31	
- impaired *	-	-	-	-	-	391,507	391,507	-	
Interest in associates	-	-	-	-	-	273,743	273,743	-	
Other assets	-	-	-	-	-	272,229	272,229	-	
Interest in jointly controlled entities	-	-	-	-	-	209,727	209,727	-	
Property, plant and equipment	-	-	-	-	-	159,173	159,173	-	
Prepaid land lease	-	-	-	-	-	2,029	2,029	-	
Investment properties	-	-	-	-	-	9,720	9,720	-	
Intangible assets	-	-	-	-	-	8,762	8,762	-	
Deferred tax assets	-	-	-	-	-	87,957	87,957	-	
Assets classified as held for sale	-	-	-	-	-	120,530	120,530	-	
Assets of subsidiaries classified as held for sale	-	-	-	-	-	54,960	54,960	-	
Total assets	2,910,703	732,265	2,117,069	8,110,863	11,972,946	1,632,664	27,476,510		

* This is arrived at after deducting collective assessment allowance and individual assessment allowance from the outstanding gross impaired loans.

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Notes to the financial statements - 30 September 2013 (cont'd.)

30. Financial instruments risk (cont'd.)

(b) Market risk (cont'd.)

(i) Interest rate risk (cont'd.)

Group	Non-trading book						Non- interest sensitive RM'000	Total RM'000	Effective interest rate %
	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				
31 December 2012 (cont'd.)									
Equity and liabilities									
Deposits from customers	1,400,697	1,661,819	2,351,626	-	-	-	5,414,142	3.58	
Deposits and placements from financial institutions	10,019	62,826	80,711	-	-	-	153,556	-	
Other liabilities	-	-	-	-	-	185,234	185,234	-	
Redeemable notes	-	-	1,008,055	2,220,565	905,371	-	4,133,991	5.05	
Term loans	80,005	74,630	74,630	6,659,908	2,754,126	-	9,643,299	4.19	
Infrastructure support fund	-	-	-	-	-	-	399,535	-	
Deferred income	-	-	-	-	-	-	251,430	-	
Deferred tax liabilities	-	-	-	-	-	-	12,814	-	
Liabilities of subsidiaries classified as held for sale	-	-	-	-	-	101	101	-	
Total liabilities	1,490,721	1,799,275	3,515,022	8,880,473	3,659,497	849,114	20,194,102		
Shareholders' equity	-	-	-	-	-	-	7,129,258	-	
Non-controlling interest	-	-	-	-	-	-	153,150	-	
Total equity and liabilities	1,490,721	1,799,275	3,515,022	8,880,473	3,659,497	8,131,522	27,476,510		
On-balance sheet interest sensitivity gap	1,419,982	(1,067,010)	(1,397,953)	(769,610)	8,313,449	(6,498,858)	-	-	
Off-balance sheet interest sensitivity gap	-	-	-	-	-	-	-	-	
Total interest sensitivity gap	1,419,982	(1,067,010)	(1,397,953)	(769,610)	8,313,449	(6,498,858)	-	-	

* This is arrived at after deducting collective assessment allowance and individual assessment allowance from the outstanding gross impaired loans.

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Notes to the financial statements - 30 September 2013 (cont'd.)

30. Financial instruments risk (cont'd.)

(b) Market risk (cont'd.)

(i) Interest rate risk (cont'd.)

Bank 30 September 2013	Non-trading book					Total RM'000	Effective interest rate %
	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 deposits	1,152,581	-	-	-	-	1,168,126	3.07
Deposits and placements with financial institutions	-	108,101	-	-	-	108,101	3.07
Financial investments - AFS	55,637	8,530	96,776	412,631	733,013	1,306,587	5.68
Financial investments - HTM	-	-	-	230,323	48,250	278,573	4.35
Loans, advances and financing							
- non-impaired	1,327,852	554,976	1,595,843	8,518,819	10,963,098	22,960,588	6.92
- impaired *	-	-	-	-	-	442,856	-
Other assets	-	-	-	-	-	201,515	-
Investment in subsidiaries	-	-	-	-	-	928,549	-
Property, plant and equipment	-	-	-	-	-	104,897	-
Prepaid land lease	-	-	-	-	-	1,810	-
Investment properties	-	-	-	-	-	990	-
Intangible assets	-	-	-	-	-	12,286	-
Deferred tax	-	-	-	-	-	87,957	-
Subsidiaries classified as held for sale	-	-	-	-	-	56,765	-
Total assets	2,536,070	671,607	1,692,619	9,161,773	11,744,361	27,659,600	

* This is arrived at after deducting collective assessment allowance and individual assessment allowance from the outstanding gross impaired loans.

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Notes to the financial statements - 30 September 2013 (cont'd.)

30. Financial instruments risk (cont'd.)

(b) Market risk (cont'd.)

(i) Interest rate risk (cont'd.)

Bank 30 September 2013 (cont'd.)	Non-trading book					Non- interest sensitive RM'000	Total RM'000	Effective interest rate %
	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			
Equity and liabilities								
Deposits from customers	993,469	3,617,332	1,999,441	-	-	-	6,610,242	3.13
Deposits and placements from financial institutions	335,329	10,862	-	-	-	-	346,191	3.13
Other liabilities	-	-	-	-	-	32,054	32,054	-
Redeemable notes	-	-	-	2,248,018	920,725	-	3,168,743	5.44
Term loans	123,240	-	-	6,050,000	3,252,722	-	9,425,962	4.43
Infrastructure support fund	-	-	-	-	-	386,470	386,470	-
Deferred income	-	-	-	-	-	249,668	249,668	-
Total liabilities	1,452,038	3,628,194	1,999,441	8,298,018	4,173,447	668,192	20,219,330	
Shareholders' equity	-	-	-	-	-	7,440,270	7,440,270	-
Total equity and liabilities	1,452,038	3,628,194	1,999,441	8,298,018	4,173,447	8,108,462	27,659,600	
On-balance sheet interest sensitivity gap	1,084,032	(2,956,587)	(306,822)	863,755	7,570,914	(6,255,292)	-	-
Off-balance sheet interest sensitivity gap	-	-	-	-	-	-	-	-
Total interest sensitivity gap	1,084,032	(2,956,587)	(306,822)	863,755	7,570,914	(6,255,292)	-	-

* This is arrived at after deducting collective assessment allowance and individual assessment allowance from the outstanding gross impaired loans.

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Notes to the financial statements - 30 September 2013 (cont'd.)

30. Financial instruments risk (cont'd.)

(b) Market risk (cont'd.)

(i) Interest rate risk (cont'd.)

Bank 31 December 2012	Non-trading book						Non- interest sensitive RM'000	Total RM'000	Effective interest rate %
	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 deposits	1,071,185	-	-	-	-	3,379	1,074,564	3.15	
Deposits and placements with financial institutions	-	66,722	-	-	-	-	66,722	3.15	
Financial investments - AFS	311,607	255,269	355,486	727	265,858	-	1,188,947	5.47	
Financial investments - HTM	-	126,771	51,237	-	48,250	-	226,258	4.48	
Loans, advances and financing									
- non-impaired	1,201,268	283,503	1,710,346	7,791,854	11,705,299	-	22,692,270	7.29	
- impaired *	-	-	-	-	-	344,844	344,844	-	
Other assets	-	-	-	-	-	201,932	201,932	-	
Investment in subsidiaries	-	-	-	-	-	928,549	928,549	-	
Property, plant and equipment	-	-	-	-	-	117,628	117,628	-	
Prepaid land lease	-	-	-	-	-	2,029	2,029	-	
Investment properties	-	-	-	-	-	3,461	3,461	-	
Intangible assets	-	-	-	-	-	6,664	6,664	-	
Deferred tax	-	-	-	-	-	87,957	87,957	-	
Subsidiaries classified as held for sale	-	-	-	-	-	56,765	56,765	-	
Total assets	2,584,060	732,265	2,117,069	7,792,581	12,019,407	1,753,208	26,998,590		

* This is arrived at after deducting collective assessment allowance and individual assessment allowance from the outstanding gross impaired loans.

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Notes to the financial statements - 30 September 2013 (cont'd.)

30. Financial instruments risk (cont'd.)

(b) Market risk (cont'd.)

(i) Interest rate risk (cont'd.)

Bank 31 December 2012 (cont'd.)	Non-trading book						Effective interest rate %
	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	Non- interest sensitive RM'000	
Equity and liabilities							
Deposits from customers	1,400,697	1,661,819	2,351,626	-	-	-	5,414,142
Deposits and placements from financial institutions	10,019	62,826	80,711	-	-	-	153,556
Other liabilities	-	-	-	-	-	35,901	35,901
Redeemable notes	-	-	1,008,055	2,220,565	905,371	-	4,133,991
Term loans	80,005	74,630	74,630	6,548,597	2,754,126	-	9,531,988
Infrastructure support fund	-	-	-	-	-	399,535	399,535
Deferred income	-	-	-	-	-	251,430	251,430
Total liabilities	1,490,721	1,799,275	3,515,022	8,769,162	3,659,497	686,866	19,920,543
Shareholders' equity	-	-	-	-	-	7,078,047	7,078,047
Total equity and liabilities	1,490,721	1,799,275	3,515,022	8,769,162	3,659,497	7,764,913	26,998,590
On-balance sheet interest sensitivity gap	1,093,339	(1,067,010)	(1,397,953)	(976,581)	8,359,910	(6,011,705)	-
Off-balance sheet interest sensitivity gap	-	-	-	-	-	-	-
Total interest sensitivity gap	1,093,339	(1,067,010)	(1,397,953)	(976,581)	8,359,910	(6,011,705)	-

* This is arrived at after deducting collective assessment allowance and individual assessment allowance from the outstanding gross impaired loans.

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Notes to the financial statements - 30 September 2013 (cont'd.)

30. Financial instruments risk (cont'd.)

(c) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet its current and future payment obligations associated with financial obligations when they fall due. The liquidity and cash flow risks are managed by maintaining a diversity of funding sources and spreading debt repayments over a range of maturities.

The Group manages its liquidity requirement on a day-to-day basis to ensure that funds are readily available for its operational needs, withdrawals of deposits and repayments to fund providers. The Group may raise funds locally and globally either through Government-to-Government arrangements or direct negotiations. Other sources of funding through the capital market are being explored on an on-going basis to ensure a diversity of funding source.

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Notes to the financial statements - 30 September 2013 (cont'd.)

30. Financial instruments risk (cont'd.)

(c) Liquidity risk (cont'd.)

The following table shows the maturity analysis of the Group's assets and liabilities based on remaining contractual maturities. The contractual maturity profile often does not reflect the actual behavioural patterns. In particular, the Bank has a significant amount of "core deposits" of non-bank customers which are contractually at call (included in the "Up to 3 months" time band) but historically a stable source of long-term funding for the Bank.

Group	Non-trading book							Total
	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	Non-specific maturity RM'000	RM'000	
30 September 2013								
Assets								
Cash and short term deposits	1,277,979	-	-	-	-	97,604	1,375,583	
Deposits and placements with financial institutions	-	109,155	-	-	28	-	109,183	
Financial investments - AFS	70,915	8,343	96,000	406,684	730,984	-	1,312,926	
Financial investments - HTM	22	-	-	233,000	48,250	-	281,272	
Loans, advances and financing	1,327,852	554,976	1,627,536	8,570,313	11,021,173	491,064	23,592,914	
Other assets	-	-	-	-	-	381,769	381,769	
Total undiscounted financial assets	2,676,768	672,474	1,723,536	9,209,997	11,800,435	970,437	27,053,647	

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Notes to the financial statements - 30 September 2013 (cont'd.)

30. Financial instruments risk (cont'd.)

(c) Liquidity risk (cont'd.)

Group	Non-trading book						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	Non-specific maturity RM'000	
30 September 2013 (cont'd.)							
Liabilities							
Deposits from customers	993,469	3,617,332	1,999,441	-	-	-	6,610,242
Deposits and placements from financial institutions	335,329	10,862	-	-	-	-	346,191
Other liabilities	-	-	-	-	-	214,750	214,750
Redeemable notes	-	-	-	2,248,018	920,725	-	3,168,743
Term loans	137,060	37,670	73,641	6,050,000	3,963,491	-	10,261,862
Total undiscounted financial liabilities	1,465,858	3,665,864	2,073,082	8,298,018	4,884,216	214,750	20,601,788
Net maturity mismatches	1,210,910	(2,993,390)	(349,546)	911,979	6,916,219	755,687	6,451,859

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Notes to the financial statements - 30 September 2013 (cont'd.)

30. Financial instruments risk (cont'd.)

(c) Liquidity risk (cont'd.)

Group	Non-trading book						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	Non-specific maturity RM'000	
31 December 2012							
Assets							
Cash and short term deposits	1,464,531	-	-	-	-	42,327	1,506,858
Deposits and placements with financial institutions	1,033	66,722	-	-	28	-	67,783
Financial investments - AFS	363,145	251,100	382,124	727	412,277	-	1,409,373
Financial investments - HTM	22	132,997	50,173	-	48,250	-	231,442
Loans, advances and financing	1,080,240	283,503	1,710,346	8,110,136	11,705,300	344,844	23,234,369
Other assets	-	-	-	-	-	272,229	272,229
Total undiscounted financial assets	2,908,971	734,322	2,142,643	8,110,863	12,165,855	659,400	26,722,054

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Notes to the financial statements - 30 September 2013 (cont'd.)

30. Financial instruments risk (cont'd.)

(c) Liquidity risk (cont'd.)

Group	Non-trading book						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	Non-specific maturity RM'000	
31 December 2012 (cont'd.)							
Liabilities							
Deposits from customers	1,400,697	1,661,819	2,351,626	-	-	-	5,414,142
Deposits and placements from financial institutions	10,019	62,826	80,711	-	-	-	153,556
Other liabilities	-	-	-	-	-	185,234	185,234
Redeemable notes	-	-	1,008,055	2,220,565	905,371	-	4,133,991
Term loans	80,005	74,630	74,630	6,659,908	2,754,126	-	9,643,299
Total undiscounted financial liabilities	1,490,721	1,799,275	3,515,022	8,880,473	3,659,497	185,234	19,530,222
Net maturity mismatches	1,418,250	(1,064,953)	(1,372,379)	(769,610)	8,506,358	474,166	7,191,832

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Notes to the financial statements - 30 September 2013 (cont'd.)

30. Financial instruments risk (cont'd.)

(c) Liquidity risk (cont'd.)

Bank 30 September 2013	Non-trading book						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	Non-specific maturity RM'000	
Assets							
Cash and short term deposits	1,152,581	-	-	-	-	15,545	1,168,126
Deposits and placements with financial institutions	-	108,101	-	-	-	-	108,101
Financial investments - AFS	55,262	8,343	96,000	406,684	730,984	-	1,297,273
Financial investments - HTM	-	-	-	233,000	48,250	-	281,250
Loans, advances and financing	1,327,852	554,976	1,595,843	8,518,819	10,963,098	442,856	23,403,444
Other assets	-	-	-	-	-	201,515	201,515
Total undiscounted financial assets	2,535,695	671,420	1,691,843	9,158,503	11,742,332	659,916	26,459,709

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Notes to the financial statements - 30 September 2013 (cont'd.)

30. Financial instruments risk (cont'd.)

(c) Liquidity risk (cont'd.)

Bank 30 September 2013 (cont'd.)	Non-trading book						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	Non-specific maturity RM'000	
Liabilities							
Deposits from customers	993,469	3,617,332	1,999,441	-	-	-	6,610,242
Deposits and placements from financial institutions	335,329	10,862	-	-	-	-	346,191
Other liabilities	-	-	-	-	-	32,054	32,054
Redeemable notes	-	-	-	2,248,018	920,725	-	3,168,743
Term loans	123,240	-	-	6,050,000	3,252,722	-	9,425,962
Total undiscounted financial liabilities	1,452,038	3,628,194	1,999,441	8,298,018	4,173,447	32,054	19,583,192
Net maturity mismatches	1,083,657	(2,956,774)	(307,598)	860,485	7,568,885	627,862	6,876,517

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Notes to the financial statements - 30 September 2013 (cont'd.)

30. Financial instruments risk (cont'd.)

(c) Liquidity risk (cont'd.)

Bank 31 December 2012	Non-trading book						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	Non-specific maturity RM'000	
Assets							
Cash and short term deposits	1,071,185	-	-	-	-	3,379	1,074,564
Deposits and placements with financial institutions	-	66,722	-	-	-	-	66,722
Financial investments - AFS	309,875	251,100	382,124	727	412,277	-	1,356,103
Financial investments - HTM	-	132,997	50,173	-	48,250	-	231,420
Loans, advances and financing	1,201,268	283,503	1,710,346	7,791,853	11,705,300	344,844	23,037,114
Other assets	-	-	-	-	-	201,932	201,932
Total undiscounted financial assets	2,582,328	734,322	2,142,643	7,792,580	12,165,827	550,155	25,967,855

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Notes to the financial statements - 30 September 2013 (cont'd.)

30. Financial instruments risk (cont'd.)

(c) Liquidity risk (cont'd.)

Bank 31 December 2012 (cont'd.)	Non-trading book					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	
Liabilities						
Deposits from customers	1,400,697	1,661,819	2,351,626	-	-	5,414,142
Deposits and placements from financial institutions	10,019	62,826	80,711	-	-	153,556
Other liabilities	-	-	-	-	-	35,901
Redeemable notes	-	-	1,008,055	2,220,565	905,371	4,133,991
Term loans	80,005	74,630	74,630	6,548,597	2,754,126	9,531,988
Total undiscouted financial liabilities	1,490,721	1,799,275	3,515,022	8,769,162	3,659,497	19,269,578
Net maturity mismatches	1,091,607	(1,064,953)	(1,372,379)	(976,582)	8,506,330	6,698,277

The Bank is subject to liquidity requirements to support calls under outstanding contingent liabilities and undrawn credit facility commitments as disclosed in Notes 28. These have been incorporated in the net off-balance sheet position for financial period ended 30 September 2013. The total outstanding contractual amounts of these items do not represent future cash requirements since the Bank expects many of these contingent liabilities and commitments (such as direct credit substitutes and undrawn credit facilities) to expire without being called or drawn upon, and many of the contingent liabilities (such as letters of credit) are reimbursable by customers.

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Notes to the financial statements - 30 September 2013 (cont'd.)

31. Islamic banking business

The state of affairs as at 30 September 2013 and results for the financial period ended on this date under the Islamic Banking business of the Group included in the Group financial statements are summarised as follows:

Unaudited statements of financial position

As at 30 September 2013

	Note	Group		Bank	
		30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Assets					
Cash and short-term funds	(a)	543,714	308,825	521,928	288,727
Deposits and placements with financial institutions	(b)	1,433	1,399	1,433	1,399
Financial investments - AFS	(c)	7,486	31,457	7,486	31,457
Advances and financing	(d)	4,964,353	3,967,284	4,964,352	3,967,283
Other assets	(e)	1,127	974	1,127	974
Total assets		5,518,113	4,309,939	5,496,326	4,289,840
Liabilities					
Other liabilities	(f)	2,437,843	1,826,396	2,436,521	1,821,441
Deposit from customers		1,304,307	595,394	1,304,307	595,394
Deposits and placements from financial institutions		290,279	30,070	290,279	30,070
Redeemable notes		409,817	908,111	409,817	908,111
Deferred income		249,668	251,430	249,668	251,430
Islamic general funds		826,199	698,538	805,734	683,394
Total liabilities and Islamic banking funds		5,518,113	4,309,939	5,496,326	4,289,840
Commitments and contingencies	(n)	2,060,229	1,922,176	2,311,972	1,922,176

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Notes to the financial statements - 30 September 2013 (cont'd.)

31. Islamic banking business (cont'd.)

Unaudited income statements

For the third quarter ended 30 September 2013

Group	Note	Individual Quarter		Cumulative Quarter	
		30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Income derived from investment of depositors' funds	(g)	23,619	14,719	57,036	48,732
Income derived from investment of shareholder's funds	(h)	67,193	57,031	186,336	154,413
Allowance for impairment of financing and advances	(i)	(40,454)	(42,319)	(54,468)	(125,604)
Profit equalisation reserve		-	(568)	-	(3,379)
Total distributable income		50,358	28,863	188,904	74,162
Income attributable to the depositors	(j)	(11,123)	(7,455)	(26,992)	(25,720)
Total net income		39,235	21,408	161,912	48,442
Overhead expenses	(k)	(3,557)	(3,142)	(9,390)	(7,789)
Finance cost	(l)	(5,700)	(10,250)	(22,206)	(30,832)
Profit before zakat		29,978	8,016	130,316	9,821
Zakat	(m)	(1,000)	(750)	(3,000)	(2,250)
Profit for the period		28,978	7,266	127,316	7,571

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Notes to the financial statements - 30 September 2013 (cont'd.)

31. Islamic banking business (cont'd.)

Unaudited income statements

For the third quarter ended 30 September 2013

Bank	Note	Individual Quarter		Cumulative Quarter	
		30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Income derived from investment of depositors' funds	(g)	23,619	14,719	57,036	48,732
Income derived from investment of shareholder's funds	(h)	67,058	56,937	185,577	153,935
Allowance for impairment of financing and advances	(i)	(41,431)	(42,785)	(59,130)	(130,255)
Profit equalisation reserve		-	(568)	-	(3,379)
Total distributable income		49,246	28,303	183,483	69,033
Income attributable to the depositors	(j)	(11,123)	(7,455)	(26,992)	(25,720)
Total net income		38,123	20,848	156,491	43,313
Overhead expenses	(k)	(3,417)	(3,072)	(9,290)	(7,649)
Finance cost	(l)	(5,700)	(10,250)	(22,206)	(30,832)
Profit before zakat		29,006	7,526	124,995	4,832
Zakat	(m)	(1,000)	(750)	(3,000)	(2,250)
Profit for the period		28,006	6,776	121,995	2,582

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Notes to the financial statements - 30 September 2013 (cont'd.)

31. Islamic banking business (cont'd.)

**Unaudited statements of comprehensive income
For the third quarter ended 30 September 2013**

	Individual Quarter		Cummulative Quarter	
	30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Bank				
Profit for the period	28,006	6,776	121,995	2,582
Other comprehensive income				
Net (loss)/gain on revaluation of financial investments - AFS	(263)	13	345	190
Other comprehensive (loss)/income for the period, net of tax	(263)	13	345	190
Total comprehensive income for the period, net of tax	27,743	6,789	122,340	2,772

	Individual Quarter		Cummulative Quarter	
	30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Net income from Islamic banking business:				
Income derived from investment of depositors' fund	23,619	14,719	57,036	48,732
Income derived from investment of shareholder's fund	67,058	56,937	185,577	153,935
Income attributable to depositors	(11,123)	(7,455)	(26,992)	(25,720)
Finance cost	(5,700)	(10,250)	(22,206)	(30,832)
Profit equalisation reserve	-	(568)	-	(3,379)
Net income from Islamic banking business reported in the income statement of the Bank	73,854	53,383	193,415	142,736

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Notes to the financial statements - 30 September 2013 (cont'd.)

31. Islamic banking business (cont'd.)

Unaudited consolidated statements of changes in equity
For the third quarter ended 30 September 2013

Group	Capital funds RM'000	Unrealised holding reserve RM'000	Profit equalisation reserve RM'000	Retained profits RM'000	Total RM'000
At 1 January 2013	587,626	124	4,970	105,818	698,538
Total comprehensive income for the period	-	345	-	127,316	127,661
At 30 September 2013	587,626	469	4,970	233,134	826,199
At 1 January 2012	587,626	(24)	-	183,120	770,722
Total comprehensive income for the period	-	190	-	7,571	7,761
Transfer to profit equalisation reserve of the Islamic banking	-	-	3,537	-	3,537
Provision for the period	-	-	1,433	(1,433)	-
At 30 September 2012	587,626	166	4,970	189,258	782,020
Bank					
At 1 January 2013	597,400	124	4,970	80,900	683,394
Total comprehensive income for the period	-	345	-	121,995	122,340
At 30 September 2013	597,400	469	4,970	202,895	805,734
At 1 January 2012	597,400	(24)	-	166,530	763,906
Total comprehensive income for the period	-	190	-	2,582	2,772
Transfer to profit equalisation reserve of the Islamic banking	-	-	3,537	-	3,537
Provision for the period	-	-	1,433	(1,433)	-
At 30 September 2012	597,400	166	4,970	167,679	770,215

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Notes to the financial statements - 30 September 2013 (cont'd.)

31. Islamic banking business (cont'd.)

Unaudited cash flows statements for the third quarter ended 30 September 2013

	Group		Bank	
	30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Cash flows from operating activities				
Profit before zakat	130,316	9,821	124,995	4,832
Adjustments for:				
Individual impairment allowance	45,822	169,786	45,821	169,729
Transferred from collective assessment allowance	11,309	-	11,309	-
Collective impairment allowance	20,699	-	20,699	-
Collective impairment allowance written back	-	(1,576)	-	(1,576)
Individual impairment allowance written back	(10,685)	(88,925)	(7,758)	(37,846)
Transferred to individual impairment allowance	(11,309)	-	(11,309)	-
Bad debts and financing recovered	(1,797)	(933)	(61)	(52)
Bad debts written off	429	47,252	429	-
Profit equalisation reserve	-	3,379	-	3,379
Provision for zakat	(3,000)	-	(3,000)	-
Compensation from the Government	(5,121)	(4,914)	(5,121)	(4,914)
Operating profit before working capital changes	176,663	133,890	176,004	133,552
(Increase)/decrease in operating assets				
Other assets	34,060	19,702	34,060	19,702
Deposits and placements with financial institutions	(34)	80,792	(34)	80,792
Advances and financing	(1,052,425)	(623,162)	(1,057,087)	(581,442)
	(1,018,399)	(522,668)	(1,023,061)	(480,948)
Increase/(decrease) in operating liabilities				
Other liabilities	108,183	925,265	111,816	880,769
Deposits from customers	708,913	(862,763)	708,913	(862,763)
Deposits and placements from financial institutions	260,209	-	260,209	-
	1,077,305	62,502	1,080,938	18,006
Cash generated from/(used in) operations	235,569	(326,276)	233,881	(329,390)
Zakat paid	(568)	(1,983)	(568)	(1,983)
Net cash generated from/ (used in) operations	235,001	(328,259)	233,313	(331,373)

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Notes to the financial statements - 30 September 2013 (cont'd.)

31. Islamic banking business (cont'd.)

Unaudited cash flows statements for the third quarter ended 30 September 2013 (cont'd.)

	Group		Bank	
	30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Cash flows from financing activities				
Proceeds of redeemable guaranteed notes	-	(39,667)	-	(39,667)
Net cash used in from financing activities	-	(39,667)	-	(39,667)
Cash and cash equivalents (Note A)				
Net increase/(decrease) in cash and cash equivalents	235,001	(367,926)	233,313	(371,040)
Cash and cash equivalents at beginning of period	308,713	546,816	288,615	533,130
Cash and cash equivalents at end of period	543,714	178,890	521,928	162,090

(A) Cash and cash equivalents

Cash and cash equivalents included in the cash flows statements comprise the following statement of financial position amounts:

	Group		Bank	
	30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Cash and short term funds	543,714	178,890	521,928	162,090
	543,714	178,890	521,928	162,090

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Notes to the financial statements - 30 September 2013 (cont'd.)

31. Islamic banking business (cont'd.)

(a) Cash and short-term funds

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Cash and bank balances with financial institutions	22,970	20,104	1,184	6
Money at call and deposit placements maturing within one month	520,744	288,721	520,744	288,721
	<u>543,714</u>	<u>308,825</u>	<u>521,928</u>	<u>288,727</u>

(b) Deposits and placements with financial institutions

	Group and Bank	
	30 September 2013 RM'000	31 December 2012 RM'000
Licensed banks	<u>1,433</u>	<u>1,399</u>

(c) Financial investments - available-for sale ("AFS")

	Group and Bank	
	30 September 2013 RM'000	31 December 2012 RM'000
At fair value		
Unquoted securities: (In Malaysia)		
Loan stock	7,000	-
Private debt securities	486	31,457
	<u>7,486</u>	<u>31,457</u>

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Notes to the financial statements - 30 September 2013 (cont'd.)

31. Islamic banking business (cont'd.)

(d) Advances and financing

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Bai' Bithaman Ajil	512,548	569,225	492,465	546,213
Bai' 'Inah	172,431	146,649	172,431	146,649
Bai' Murabahah	44,328	37,418	44,328	37,418
Bai' Istisna'	8,253,124	7,186,238	8,253,124	7,186,239
Ijarah	151,225	26,594	151,093	26,455
Ijarah Muntahia Bitamlik	413,266	381,447	413,266	381,447
Ijarah Thummal Bai'	546	549	-	-
Tawarruq	14,954	-	14,954	-
Staff financing	23,010	24,695	23,010	24,695
Unearned income	(3,977,028)	(3,817,316)	(3,975,965)	(3,816,241)
Gross advances and financing	5,608,404	4,555,499	5,588,706	4,532,875
Allowance for impaired financing:				
- individual assessment allowance	(502,596)	(456,150)	(482,899)	(433,527)
- collective assessment allowance	(141,455)	(132,065)	(141,455)	(132,065)
	(644,051)	(588,215)	(624,354)	(565,592)
Net advances and financing	4,964,353	3,967,284	4,964,352	3,967,283

(i) Advances and financing analysed by type of customers are as follows:

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Domestic business enterprises	5,581,301	4,522,031	5,577,953	4,521,419
Individual	27,103	33,468	10,753	11,456
Gross advances and financing	5,608,404	4,555,499	5,588,706	4,532,875

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Notes to the financial statements - 30 September 2013 (cont'd.)

31. Islamic banking business (cont'd.)

(d) Advances and financing (cont'd.)

(ii) Advances and financing analysed by profit rate sensitivity are as follows:

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Fixed rate				
- Housing financing	29,918	33,468	10,753	11,456
- Other fixed rate financing	2,726,094	2,426,174	2,725,561	2,425,562
Variable rate				
- Cost plus	766,311	687,646	766,311	687,646
- Other variable rates	2,086,081	1,408,211	2,086,081	1,408,211
Gross advances and financing	5,608,404	4,555,499	5,588,706	4,532,875

(iii) Advances and financing analysed by industry are as follows:

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Construction	3,246,030	2,587,413	3,242,735	2,583,629
Education	382,790	160,675	382,790	160,675
Electricity, gas and water supply	214,572	184,380	214,572	184,380
Finance, takaful and business	232	267	-	-
Hotel and restaurants	71,506	48,094	71,506	48,094
Housing	15,725	17,166	10,753	11,456
Manufacturing	119,867	94,943	118,118	92,935
Marine related	103,407	-	103,407	-
Materials technology	108,915	107,417	108,915	107,417
Other community, social and personal service activities	5,762	6,619	-	-
Public administration and defence	58,026	58,379	58,026	58,379
Real estate, renting and business activities	2,430	2,791	-	-
Shipping	1,127,128	1,135,020	1,127,128	1,135,020
Transport, storage and communication	152,014	152,335	150,756	150,890
Gross advances and financing	5,608,404	4,555,499	5,588,706	4,532,875

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Notes to the financial statements - 30 September 2013 (cont'd.)

31. Islamic banking business (cont'd.)

(d) Advances and financing (cont'd.)

(iv) The maturity structure of the gross advances and financing are as follows:

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Receivable after 12 months	4,694,998	3,833,517	4,675,300	3,821,138
Receivable within 12 months	913,406	721,982	913,406	711,737
	<u>5,608,404</u>	<u>4,555,499</u>	<u>5,588,706</u>	<u>4,532,875</u>

(v) Movements in impaired advances and financing are as follows:

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Impaired financing				
At 1 January	707,599	735,054	633,888	633,226
Impaired during the period	131,950	282,365	131,950	282,365
Reclassified as non-impaired	-	(25,626)	-	(3,319)
Recovered during the period	(31,553)	(129,540)	(29,924)	(123,730)
Amount written off	(716)	(154,654)	-	(154,654)
Closing balance	<u>807,280</u>	<u>707,599</u>	<u>735,914</u>	<u>633,888</u>
Ratio of gross impaired financing	<u>14.39%</u>	<u>15.53%</u>	<u>16.15%</u>	<u>13.98%</u>

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Notes to the financial statements - 30 September 2013 (cont'd.)

31. Islamic banking business (cont'd.)

(d) Advances and financing (cont'd.)

(vi) Impaired advances and financing analysed by industry are as follows:

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Construction	103,697	23,217	77,514	1,689
Education	56,518	56,477	56,518	56,477
Electricity, gas and water supply	19,968	28,516	19,968	28,516
Finance, takaful and business	3,915	51,366	-	-
Hotel and restaurants	64,202	-	64,202	47,219
Housing	7,928	9,134	-	-
Manufacturing	60,890	53,653	50,106	40,672
Materials technology	108,915	107,418	108,915	107,418
Other community, social and personal service activities	11,529	13,852	-	-
Real estate, renting and business activities	10,011	10,905	-	-
Shipping	358,691	351,897	358,691	351,897
Transport, storage and communication	1,016	1,164	-	-
	807,280	707,599	735,914	633,888

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

Individual assessment allowance	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
At 1 January	456,150	468,214	433,527	439,134
Allowance made during the period	45,822	276,130	45,821	275,985
Amount written back	(10,685)	(161,654)	(7,758)	(155,052)
Amount transferred from collective assessment allowance	11,309	28,114	11,309	28,114
Amount written off	-	(154,654)	-	(154,654)
Closing balance	502,596	456,150	482,899	433,527

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Notes to the financial statements - 30 September 2013 (cont'd.)

31. Islamic banking business (cont'd.)

(d) Advances and financing (cont'd.)

(vii) Movements in allowance for impaired advances and financing are as follows (cont'd.):

	Group and Bank	
	30 September 2013	31 December 2012
	RM'000	RM'000
Collective assessment allowance		
At 1 January	132,065	115,426
Allowance made during the period	20,699	46,993
Amount written back	-	(2,240)
Amount transferred to individual assessment allowance	(11,309)	(28,114)
Closing balance	<u>141,455</u>	<u>132,065</u>

(e) Other assets

	Group and Bank	
	30 September 2013	31 December 2012
	RM'000	RM'000
Other receivables	<u>1,127</u>	<u>974</u>

(f) Other liabilities

	Group		Bank	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
	RM'000	RM'000	RM'000	RM'000
Bank overdraft	-	112	-	112
Other payables	1,313	5,500	944	3,520
Provision for zakat	5,508	3,070	5,508	3,070
Profit equalisation reserve	2,030	2,030	2,030	2,030
Inter divisions	2,428,992	1,815,684	2,428,039	1,812,709
	<u>2,437,843</u>	<u>1,826,396</u>	<u>2,436,521</u>	<u>1,821,441</u>

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Notes to the financial statements - 30 September 2013 (cont'd.)

31. Islamic banking business (cont'd.)

(g) Income derived from investment of depositors' funds

Group	Individual Quarter		Cummulative Quarter	
	30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Finance Income				
Advances and financing	22,563	14,304	55,564	47,702
Other income:				
- Fee income	1,056	415	1,472	1,030
	<u>23,619</u>	<u>14,719</u>	<u>57,036</u>	<u>48,732</u>
Bank				
Finance Income				
Advances and financing	22,563	14,304	55,564	47,702
Other income:				
- Fee income	1,056	415	1,472	1,030
	<u>23,619</u>	<u>14,719</u>	<u>57,036</u>	<u>48,732</u>

(h) Income derived from investment of shareholders funds

Group	Individual Quarter		Cummulative Quarter	
	30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Finance Income				
Advances and financing	61,388	52,308	172,241	139,329
Compensation from the Government	1,811	1,660	5,121	4,914
Deposit placement with financial institutions	1,235	738	4,277	5,422
Financial investments - AFS	-	596	445	1,849
	<u>64,434</u>	<u>55,302</u>	<u>182,084</u>	<u>151,514</u>
Other income:				
Fee income	2,759	1,729	4,252	2,899
	<u>67,193</u>	<u>57,031</u>	<u>186,336</u>	<u>154,413</u>
Of which:				
Profit income earned on impaired financing, advances and financing	3,858	6,107	13,630	14,238

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Notes to the financial statements - 30 September 2013 (cont'd.)

31. Islamic banking business (cont'd.)

(h) Income derived from investment of shareholders funds (cont'd)

Bank	Individual Quarter		Cumulative Quarter	
	30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Finance Income				
Advances and financing	61,263	52,227	171,553	138,864
Compensation from the Government	1,811	1,660	5,121	4,914
Deposit placement with financial institutions	1,235	738	4,255	5,422
Financial investments - AFS	-	596	445	1,849
	<u>64,309</u>	<u>55,221</u>	<u>181,374</u>	<u>151,049</u>
Other income:				
Fee income	2,749	1,716	4,203	2,886
	<u>67,058</u>	<u>56,937</u>	<u>185,577</u>	<u>153,935</u>
Of which:				
Profit income earned on impaired financing, advances and financing	3,858	6,107	13,630	14,238

(i) Allowance for losses on financing and advances

Group	Individual Quarter		Cumulative Quarter	
	30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Bad debts and financing written off	51	47,252	429	47,252
Bad debts recovered	(674)	(265)	(1,797)	(933)
Collective assessment allowance:				
- made during the period	(9)	-	20,699	-
- written back	-	-	-	(1,576)
- transferred to individual assessment allowance	(11,309)		(11,309)	-
Individual assessment allowance:				
- made during the period	45,821	80,740	45,822	169,786
- written back	(4,735)	(85,408)	(10,685)	(88,925)
- transferred from collective assessment allowance	11,309	-	11,309	-
	<u>40,454</u>	<u>42,319</u>	<u>54,468</u>	<u>125,604</u>

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Notes to the financial statements - 30 September 2013 (cont'd.)

31. Islamic banking business (cont'd.)

(i) Allowance for losses on financing and advances (con'd)

Bank	Individual Quarter		Cummulative Quarter	
	30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Bad debts and financing written off	51	-	429	-
Bad debts recovered	(15)	(52)	(61)	(52)
Collective impairment allowance:				
- made during the period	(9)	-	20,699	-
- written back	-	-	-	(1,576)
- transferred to individual assessment allowance	(11,309)		(11,309)	-
Individual impairment allowance:				
- made during the period	45,821	80,683	45,821	169,729
- written back	(4,417)	(37,846)	(7,758)	(37,846)
- transferred from collective assessment allowance	11,309	-	11,309	-
	<u>41,431</u>	<u>42,785</u>	<u>59,130</u>	<u>130,255</u>

(j) Income attributable to the depositors

Group and Bank	Individual Quarter		Cummulative Quarter	
	30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Deposit from customers - Mudharabah Fund	11,123	7,455	26,992	25,720

(k) Overhead expenses

Group	Note	Individual Quarter		Cummulative Quarter	
		30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Personnel costs	(i)	2,323	2,320	6,457	5,527
General administrative expenses	(ii)	1,234	822	2,933	2,262
		<u>3,557</u>	<u>3,142</u>	<u>9,390</u>	<u>7,789</u>

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31. Islamic banking business (cont'd.)

(k) Overhead expenses (con'd)

Group	Individual Quarter		Cummulative Quarter	
	30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
(i) Personnel costs				
Salaries, allowances and bonuses	1,868	1,506	5,255	4,099
Social security cost	11	7	29	22
Pension costs - Defined contribution plan	228	166	633	495
Other staff related expenses	216	641	540	911
	<u>2,323</u>	<u>2,320</u>	<u>6,457</u>	<u>5,527</u>
(ii) General administrative expenses				
General administrative expenses	1,234	822	2,933	2,262
	<u>1,234</u>	<u>822</u>	<u>2,933</u>	<u>2,262</u>

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Notes to the financial statements - 30 September 2013 (cont'd.)

31. Islamic banking business (cont'd.)

Bank	Note	Individual Quarter		Cummulative Quarter	
		30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Personnel costs	(i)	2,323	2,320	6,457	5,527
General administrative expenses	(ii)	1,094	752	2,833	2,122
		<u>3,417</u>	<u>3,072</u>	<u>9,290</u>	<u>7,649</u>

	Individual Quarter		Cummulative Quarter	
	30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000

(i) Personnel costs

Salaries, allowances and bonuses	1,868	1,506	5,255	4,099
Social security cost	11	7	29	22
Pension costs - Defined contribution plan	228	166	633	495
Other staff related expenses	216	641	540	911
	<u>2,323</u>	<u>2,320</u>	<u>6,457</u>	<u>5,527</u>

**(ii) General administrative
expenses**

General administrative expenses	1,094	752	2,833	2,122
	<u>1,094</u>	<u>752</u>	<u>2,833</u>	<u>2,122</u>

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31. Islamic banking business (cont'd.)

(k) Overhead expenses (cont'd.)

The above has been determined after charging amongst other items the following:

	Individual Quarter		Cummulative Quarter	
	30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Group and Bank				
Shariah Committee's remuneration	49	20	145	51

(l) Finance cost

	Individual Quarter		Cummulative Quarter	
	30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Group and Bank				
Redeemable notes	5,700	10,250	22,206	30,750
Commercial papers programme	-	-	-	82
	<u>5,700</u>	<u>10,250</u>	<u>22,206</u>	<u>30,832</u>

(m) Taxation and zakat

	Individual Quarter		Cummulative Quarter	
	30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Group and Bank				
Zakat	1,000	750	3,000	2,250

(n) Commitments and contingencies

	Group and Bank	
	30 September 2013 RM'000	31 December 2012 RM'000
Disbursement of advances and financing to industries	<u>2,060,229</u>	<u>1,922,176</u>