

**BANK PEMBANGUNAN MALAYSIA BERHAD**  
**AND ITS SUBSIDIARIES (16562-K)**  
**(Incorporated in Malaysia)**  
**Interim Unaudited Financial Statements**  
**31 March 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 31 March 2013**

		Group		Bank	
		31 March 2013	31 December 2012	31 March 2013	31 December 2012
	Note	RM'000	RM'000	RM'000	RM'000
<b>Assets</b>					
Cash and short term deposits	9	2,871,108	1,506,858	2,757,524	1,074,564
Deposits and placements with financial institutions	10	568,688	67,783	471,435	66,722
Financial investments - available-for-sale ("AFS")	11	1,218,199	1,242,217	1,165,205	1,188,947
Financial investments - held-to-maturity ("HTM")	12	278,219	226,280	278,197	226,258
Loans, advances and financing	13	22,602,273	23,234,542	22,403,904	23,037,114
Other assets	14	331,258	272,229	206,822	201,932
Investments in subsidiaries		-	-	928,976	928,549
Interest in associates		237,123	273,743	-	-
Interest in jointly controlled entities		171,218	209,727	-	-
Property, plant and equipment	15	865,090	159,173	109,195	117,628
Prepaid land leases		2,014	2,029	2,014	2,029
Investment properties		6,703	9,720	1,126	3,461
Intangible assets	16	96,645	8,762	13,498	6,664
Deferred tax assets		114,939	87,957	87,957	87,957
		29,363,477	27,301,020	28,425,853	26,941,825
Assets classified as held for sale		72,305	120,530	-	-
Assets of subsidiaries classified as held for sale		54,952	54,960	56,337	56,765
<b>Total assets</b>		<b>29,490,734</b>	<b>27,476,510</b>	<b>28,482,190</b>	<b>26,998,590</b>
<b>Liabilities</b>					
Deposits from customers	17	6,628,893	5,414,142	6,628,893	5,414,142
Deposits and placements from financial institutions	18	214,551	153,556	214,551	153,556
Other liabilities	19	126,643	185,234	35,940	35,901
Redeemable notes	20	4,184,978	4,133,991	4,184,978	4,133,991
Term loans		10,136,426	9,643,299	9,499,838	9,531,988
Infrastructure support fund		394,614	399,535	394,614	399,535
Deferred income		250,932	251,430	250,932	251,430
Deferred tax liabilities		12,975	12,814	-	-
Liabilities of subsidiaries classified as held for sale		85	101	-	-
<b>Total liabilities</b>		<b>21,950,097</b>	<b>20,194,102</b>	<b>21,209,746</b>	<b>19,920,543</b>

**Bank Pembangunan Malaysia Berhad**  
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**Interim financial statements**  
**Unaudited statements of financial position**  
**As at 31 March 2013 (cont'd)**

	Note	Group		Bank	
		31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
<b>Equity attributable to equity holders of the Bank</b>					
Share capital	21	3,103,724	3,078,724	3,078,724	3,078,724
Reserves		4,280,707	4,050,534	4,193,720	3,999,323
		<u>7,384,431</u>	<u>7,129,258</u>	<u>7,272,444</u>	<u>7,078,047</u>
<b>Non-controlling interest</b>		156,206	153,150	-	-
<b>Total equity</b>		<u>7,540,637</u>	<u>7,282,408</u>	<u>7,272,444</u>	<u>7,078,047</u>
<b>Total equity and liabilities</b>		<u>29,490,734</u>	<u>27,476,510</u>	<u>28,482,190</u>	<u>26,998,590</u>
<b>Commitments and contingencies</b>	28	<u>3,692,909</u>	<u>4,618,611</u>	<u>3,519,179</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 first financial quarter ended 31 March 2013**

Group	Note	Individual Quarter		Cumulative Quarter	
		31 March 2013 RM'000	31 March 2012 RM'000	31 March 2013 RM'000	31 March 2012 RM'000
Interest income	22	332,186	349,932	332,186	349,932
Interest expense	23	(190,723)	(189,937)	(190,723)	(189,937)
Net interest income		141,463	159,995	141,463	159,995
Net income from Islamic banking business	31	55,974	47,774	55,974	47,774
Non-interest income	24	85,745	31,463	85,745	31,463
Net income		283,182	239,232	283,182	239,232
Overhead expenses	25	(66,157)	(48,936)	(66,157)	(48,936)
Allowance for impairment of loans and financing	26	5,769	(2,557)	5,769	(2,557)
Impairment on other assets	27	(4,922)	(4,645)	(4,922)	(4,645)
<b>Operating profit</b>		<b>217,872</b>	<b>183,094</b>	<b>217,872</b>	<b>183,094</b>
Share of results of jointly controlled entities		1,400	4,762	1,400	4,762
<b>Profit before taxation and zakat</b>		<b>219,272</b>	<b>187,856</b>	<b>219,272</b>	<b>187,856</b>
Tax expense		(25,029)	(20,771)	(25,029)	(20,771)
Zakat		(1,000)	(750)	(1,000)	(750)
<b>Profit for the period</b>		<b>193,243</b>	<b>166,335</b>	<b>193,243</b>	<b>166,335</b>
<b>Discontinued operation</b>					
Loss from discontinued operations		20	-	20	-
<b>Profit for the period</b>		<b>193,263</b>	<b>166,335</b>	<b>193,263</b>	<b>166,335</b>
<b>Attributable to:</b>					
Shareholders of the Bank		189,845	170,836	189,845	170,836
Non-controlling interest		3,418	(4,501)	3,418	(4,501)
		<b>193,263</b>	<b>166,335</b>	<b>193,263</b>	<b>166,335</b>
<b>Earnings per share attributable to the equity holders of the Bank (sen)</b>					
Basic earnings per share		<b>6.12</b>	<b>5.55</b>		

**Bank Pembangunan Malaysia Berhad**  
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**Interim financial statements**

**Unaudited statements of comprehensive income**

**For the first financial quarter ended 31 March 2013**

Group	Individual Quarter		Cumulative Quarter	
	31 March 2013 RM'000	31 March 2012 RM'000	31 March 2013 RM'000	31 March 2012 RM'000
Profit for the period	193,263	166,335	193,263	166,335
<b>Other comprehensive income</b>				
Exchange difference on translation of foreign operations	8,669	(8,285)	8,669	(8,285)
Net unrealised gain on revaluation of financial investments - available-for-sale ("AFS")	31,297	31,797	31,297	31,797
<b>Other comprehensive income for the period, net of tax</b>	39,966	23,512	39,966	23,512
<b>Total comprehensive income for the period, net of tax</b>	233,229	189,847	233,229	189,847
<b>Total comprehensive income attributable to:</b>				
Shareholders of the Bank	230,173	194,348	230,173	194,348
Non-controlling interest	3,056	(4,501)	3,056	(4,501)
	233,229	189,847	233,229	189,847

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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**Interim financial statements**

**Unaudited income statements**

**For the first financial quarter ended 31 March 2013**

Bank	Note	Individual Quarter		Cumulative Quarter	
		31 March 2013 RM'000	31 March 2012 RM'000	31 March 2013 RM'000	31 March 2012 RM'000
Interest income	22	323,757	338,983	323,757	338,983
Interest expense	23	(181,784)	(188,368)	(181,784)	(188,368)
Net interest income		141,973	150,615	141,973	150,615
Net income from Islamic banking business	31	55,635	47,644	55,635	47,644
Non-interest income	24	12,113	12,884	12,113	12,884
Net income		209,721	211,143	209,721	211,143
Overhead expenses	25	(17,261)	(16,247)	(17,261)	(16,247)
Allowance for impairment of loans and financing	26	696	(16,143)	696	(16,143)
Impairment on other assets	27	(4,922)	(3,671)	(4,922)	(3,671)
<b>Profit before taxation and zakat</b>		188,234	175,082	188,234	175,082
Tax expense		(24,134)	(19,817)	(24,134)	(19,817)
Zakat		(1,000)	(750)	(1,000)	(750)
<b>Profit for the period</b>		<b>163,100</b>	<b>154,515</b>	<b>163,100</b>	<b>154,515</b>

**Bank Pembangunan Malaysia Berhad**  
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**Interim financial statements**

**Unaudited statements of comprehensive income**

**For the first financial quarter ended 31 March 2013**

	<b>Individual Quarter</b>		<b>Cummulative Quarter</b>	
	<b>31 March 2013 RM'000</b>	<b>31 March 2012 RM'000</b>	<b>31 March 2013 RM'000</b>	<b>31 March 2012 RM'000</b>
<b>Bank</b>				
Profit for the period	163,100	154,515	163,100	154,515
<b>Other comprehensive income</b>				
Net unrealised gain on revaluation of financial investments - available-for-sale ("AFS")	31,297	31,797	31,297	31,797
<b>Other comprehensive income for the period, net of tax</b>	31,297	31,797	31,297	31,797
<b>Total comprehensive income for the period, net of tax</b>	194,397	186,312	194,397	186,312
<b>Total comprehensive income attributable to:</b>				
Shareholders of the Bank	194,397	186,312	194,397	186,312
Non-controlling interest	-	-	-	-
	194,397	186,312	194,397	186,312

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 consolidated statement of changes in equity**  
**For the first financial quarter ended 31 March 2013**

Group	Note	Attributable to equity holders of the Bank									
		Non-Distributable					Distributable				
		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
<b>At 1 January 2013</b>		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		-	-	-	-	-	-	-	-	-	-
Acquisition of a subsidiary	21	25,000	-	-	-	31,297	9,031	189,845	230,173	3,056	233,229
<b>At 31 March 2013</b>		<b>3,103,724</b>	<b>1,000</b>	<b>1,745,855</b>	<b>4,970</b>	<b>(1,166)</b>	<b>(52,468)</b>	<b>2,582,516</b>	<b>7,384,431</b>	<b>156,206</b>	<b>7,540,637</b>
<b>At 1 January 2012</b>		3,078,724	1,000	1,658,415	-	(5,113)	(55,503)	2,355,009	7,032,532	197,697	7,230,229
Total comprehensive income for the period		-	-	-	-	31,797	(8,285)	170,836	194,348	(4,501)	189,847
<b>At 31 March 2012</b>		<b>3,078,724</b>	<b>1,000</b>	<b>1,658,415</b>	<b>-</b>	<b>26,684</b>	<b>(63,788)</b>	<b>2,525,845</b>	<b>7,226,880</b>	<b>193,196</b>	<b>7,420,076</b>

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 first financial quarter ended 31 March 2013**

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

<b>Bank</b>	<b>Share capital RM'000</b>	<b>Statutory reserve RM'000</b>	<b>Profit equalisation reserve RM'000</b>	<b>Unrealised holding reserve RM'000</b>	<b>Distributable retained profits RM'000</b>	<b>Total RM'000</b>
<b>At 1 January 2013</b>	3,078,724	1,745,855	4,970	87,347	2,161,151	7,078,047
Total comprehensive income for the period	-	-	-	31,297	163,100	194,397
<b>At 31 March 2013</b>	<u>3,078,724</u>	<u>1,745,855</u>	<u>4,970</u>	<u>118,644</u>	<u>2,324,251</u>	<u>7,272,444</u>
<b>At 1 January 2012</b>	3,078,724	1,658,415	-	111,618	2,003,801	6,852,558
Total comprehensive income for the period	-	-	-	31,797	154,515	186,312
<b>At 31 March 2012</b>	<u>3,078,724</u>	<u>1,658,415</u>	<u>-</u>	<u>143,415</u>	<u>2,158,316</u>	<u>7,038,870</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.

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**Interim financial statements**

**Unaudited statements of cash flows**

**For the first financial quarter ended 31 March 2013**

	<b>Group</b>		<b>Bank</b>	
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>				
Profit before taxation				
Continuing operations	219,272	187,856	188,234	175,082
Discontinued operations	20	-	-	-
Adjustment for:				
Share of lossess in jointly controlled entities	(1,400)	(4,762)	-	-
Depreciation of property, plant and equipment	13,231	9,166	2,136	1,957
Amortisation of prepaid lease rental	16	22	16	22
Depreciation of investment properties	66	100	21	44
Amortisation of intangible assets	711	370	711	286
Net gain on disposal of property, plant and equipment	(3,584)	(2,784)	(2,036)	(83)
Gain on sale of subsidiaries	-	-	-	(79)
Net gain on disposal of investment properties	(2,084)	-	-	-
Gain on sale of financial investments - available-for-sale ("AFS")	-	(1,512)	-	(1,512)
Dividend income:				
- financial investments available-for-sale ("AFS")	(120)	-	(1,692)	-
Amortisation of premium less accretion of discount of financial investments	(5,396)	(4,781)	(5,396)	(4,781)
Impairment allowance/(writeback) for:				
- financial investments - held-to-maturity ("HTM")	4,922	4,645	4,922	4,645
- investment in subsidiaries	-	-	-	(974)
Unrealised gain on foreign exchange	(495)	-	-	-
Balance carried forward	225,159	188,320	186,916	174,607

**Bank Pembangunan Malaysia Berhad**  
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**Interim financial statements**

**Unaudited statements of cash flows**

**For the first financial quarter ended 31 March 2013**

	<b>Group</b>		<b>Bank</b>	
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities (cont'd.)</b>				
Balance brought forward	225,159	188,320	186,916	174,607
Individual impairment allowance	1,352	20,719	-	18,311
Collective impairment allowance written back	(69)	-	(69)	-
Individual impairment allowance written back	(5,981)	(15,075)	(260)	(979)
Bad debts and financing written off	315	269	315	269
Bad debts and financing recovered	(1,386)	-	(682)	-
Profit equalisation reserve	-	(2,189)	-	(2,189)
Property, plant and equipment written off	26	-	-	-
Financial investment impairment made during the year against infrastructure support fund	(4,922)	(4,645)	(4,922)	(4,645)
Compensation from the Government	(33,949)	(29,774)	(29,028)	(29,774)
Operating profit before working capital changes	180,545	157,625	152,270	155,600
(Increase)/decrease in operating capital changes:				
Deposits and placements with financial institutions	(500,905)	914,940	(404,713)	912,377
Loans, advances and financing	642,626	(446,786)	633,408	(458,956)
Other assets	21,766	75,544	(4,657)	12,596
Deposits from customers	1,214,751	(635,386)	1,214,751	(635,386)
Deposit and placements from financial institutions	60,995	-	60,995	-
Other liabilities	(52,647)	122,848	50,027	55,616
Cash generated from operations	1,567,131	188,785	1,702,081	41,847

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**Interim financial statements**

**Unaudited statements of cash flows**

**For the first financial quarter ended 31 March 2013**

	<b>Group</b>		<b>Bank</b>	
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities (cont'd.)</b>				
Income taxes paid	(25,029)	(40,625)	(31,271)	(32,098)
Zakat paid	(1)	-	(1)	-
Net cash generated from operations	<u>1,542,101</u>	<u>148,160</u>	<u>1,670,809</u>	<u>9,749</u>
<b>Cash flows from investing activities</b>				
Acquisition of a subsidiaries	(715,671)	-	-	-
Dividends from financial investments - available-for-sale ("AFS")	120	-	1,692	-
Purchase of financial investments - available-for-sale ("AFS")	(51,275)	(130,988)	(51,275)	(130,988)
Purchase of property, plant and equipment	(2,221)	(3,535)	(184)	(2,616)
Purchase of intangible assets	(6,200)	-	(1,064)	-
Proceeds from disposal of a subsidiary	-	-	-	1,053
Proceeds from disposal/maturity of financial investments	55,740	69,913	55,740	69,913
Proceeds from disposal of property, plant and equipment	-	29,821	-	83
Proceeds from disposal of investment properties	<u>5,035</u>	<u>-</u>	<u>4,351</u>	<u>-</u>
Net cash (used in)/generated from investing activities	<u>(714,472)</u>	<u>(34,789)</u>	<u>9,260</u>	<u>(62,555)</u>

**Bank Pembangunan Malaysia Berhad**  
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**Interim financial statements**

**Unaudited statements of cash flow**

**For the first financial quarter ended 31 March 2013**

	<b>Group</b>		<b>Bank</b>	
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from financing activities</b>				
Net receipt from/(net repayment of) long-term loans	501,580	(295,567)	(32,150)	(127,798)
Net repayment of commercial papers	-	(99,835)	-	(99,865)
Proceeds from Government compensation	35,041	73,694	35,041	73,694
Net cash generated from/(used in) financing activities	<u>536,621</u>	<u>(321,708)</u>	<u>2,891</u>	<u>(153,969)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	1,364,250	(208,337)	1,682,960	(206,745)
<b>Cash and cash equivalents at beginning of period</b>	<u>1,506,858</u>	<u>2,586,442</u>	<u>1,074,564</u>	<u>2,435,932</u>
<b>Cash and cash equivalents at end of period</b>	<u>2,871,108</u>	<u>2,378,105</u>	<u>2,757,524</u>	<u>2,229,187</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.

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**Notes to the financial statements - 31 March 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 unaudited interim financial statements for the 1st quarter ended 31 March 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 unaudited interim financial statements have been prepared in accordance with the requirements of MFRS 134 : Interim Financial Reporting issued by Malaysian Accounting Standard Board ("MASB"). The unaudited interim 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 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 first financial quarter ended 31 March 2013.

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**Notes to the financial statements - 31 March 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 first financial quarter ended 31 March 2013.

**6. CHANGES IN ESTIMATES**

There were no material changes in estimates during the first financial quarter ended 31 March 2013.

**7. CHANGES IN DEBT AND EQUITY SECURITIES**

There were no changes including repayment of debt and equity securities by the Bank during the first financial quarter ended 31 March 2013.

**8. DIVIDEND PAID**

There was no dividend paid during the first financial quarter ended 31 March 2013.



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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**9. Cash and short term deposits**

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2013 RM'000</b>	<b>31 December 2012 RM'000</b>	<b>31 March 2013 RM'000</b>	<b>31 December 2012 RM'000</b>
Cash and balances with other financial institutions	68,966	42,327	12,295	3,379
Money at call and deposit placements maturing within one month	2,802,142	1,464,531	2,745,229	1,071,185
	<u>2,871,108</u>	<u>1,506,858</u>	<u>2,757,524</u>	<u>1,074,564</u>

**10. Deposits and placements with financial institutions**

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2013 RM'000</b>	<b>31 December 2012 RM'000</b>	<b>31 March 2013 RM'000</b>	<b>31 December 2012 RM'000</b>
Licensed banks	198,878	67,783	101,625	66,722
Other financial institutions	369,810	-	369,810	-
	<u>568,688</u>	<u>67,783</u>	<u>471,435</u>	<u>66,722</u>

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

	<b>Group</b>		<b>Bank</b>	
	<b>31 March</b>	<b>31 December</b>	<b>31 March</b>	<b>31 December</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At fair value</b>				
Money market instruments:				
Malaysian Government Securities	-	40,568	-	40,568
Government Investment Issues	233,763	234,513	233,763	234,513
	<u>233,763</u>	<u>275,081</u>	<u>233,763</u>	<u>275,081</u>
Quoted securities:				
(In Malaysia)				
Shares	304,790	250,938	300,888	246,760
Unit trust funds	202,245	200,763	202,245	200,763
	<u>507,035</u>	<u>451,701</u>	<u>503,133</u>	<u>447,523</u>
Unquoted securities:				
(In Malaysia)				
Shares	49,092	49,092	-	-
Loan stock	7,727	7,727	7,727	7,727
Private debt securities	420,582	458,616	420,582	458,616
	<u>477,401</u>	<u>515,435</u>	<u>428,309</u>	<u>466,343</u>
<b>Total financial investments - available-for-sale ("AFS")</b>	<u>1,218,199</u>	<u>1,242,217</u>	<u>1,165,205</u>	<u>1,188,947</u>

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

	Group		Bank	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
At amortised cost	RM'000	RM'000	RM'000	RM'000
Money market instruments:				
Cagamas	84,410	84,513	84,410	84,513
	<u>84,410</u>	<u>84,513</u>	<u>84,410</u>	<u>84,513</u>
Unquoted securities:				
(In Malaysia)				
Private debt securities	437,863	380,900	437,863	380,900
Loan stock	22	22	-	-
	<u>437,885</u>	<u>380,922</u>	<u>437,863</u>	<u>380,900</u>
Less: Accumulated impairment	<u>(244,076)</u>	<u>(239,155)</u>	<u>(244,076)</u>	<u>(239,155)</u>
<b>Total financial investments - held-to-maturity ("HTM")</b>	<u>278,219</u>	<u>226,280</u>	<u>278,197</u>	<u>226,258</u>

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

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

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2013 RM'000</b>	<b>31 December 2012 RM'000</b>	<b>31 March 2013 RM'000</b>	<b>31 December 2012 RM'000</b>
Cagamas	85,977	86,222	85,977	86,222
Unquoted private debt securities	256,960	199,313	256,960	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:

	<b>Group and Bank</b>	
	<b>31 March 2013 RM'000</b>	<b>31 December 2012 RM'000</b>
One year to three years	79,374	120,180
Three years to five years	238,799	239,414
	<u>318,173</u>	<u>359,594</u>

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**13. Loans, advances and financing**

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2013 RM'000</b>	<b>31 December 2012 RM'000</b>	<b>31 March 2013 RM'000</b>	<b>31 December 2012 RM'000</b>
Loans, advances and financing to industries:				
- Government Guaranteed	7,463,264	8,594,110	7,463,264	8,594,110
- Others	17,203,858	16,715,302	17,133,896	16,635,722
	<u>24,667,122</u>	<u>25,309,412</u>	<u>24,597,160</u>	<u>25,229,832</u>
Allowance for impaired loans, advances and financing:				
- individual assessment allowance	(1,642,367)	(1,652,245)	(1,572,405)	(1,572,665)
- collective assessment allowance	(751,042)	(756,623)	(751,042)	(751,111)
	<u>(2,393,409)</u>	<u>(2,408,868)</u>	<u>(2,323,447)</u>	<u>(2,323,776)</u>
Net loans, advances and financing to industries	<u>22,273,713</u>	<u>22,900,544</u>	<u>22,273,713</u>	<u>22,906,056</u>
Staff financing	13,623	14,344	13,621	14,342
Loan to subsidiaries	-	-	120,883	121,029
Lease receivable	69,278	70,545	-	-
Block discounting and factoring receivables	84,166	72,383	-	-
Hire purchase receivables	215,325	231,898	-	-
Ijarah receivables	27,279	26,239	-	-
Other loans, advances and financing	<u>409,671</u>	<u>415,409</u>	<u>134,504</u>	<u>135,371</u>
Allowance for impaired loans, advances and financing:				
- individual assessment allowance	(62,913)	(68,725)	-	-
- collective assessment allowance	(18,198)	(12,686)	(4,313)	(4,313)
	<u>(81,111)</u>	<u>(81,411)</u>	<u>(4,313)</u>	<u>(4,313)</u>

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

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

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2013 RM'000</b>	<b>31 December 2012 RM'000</b>	<b>31 March 2013 RM'000</b>	<b>31 December 2012 RM'000</b>
Net other loans, advances and financing	328,560	333,998	130,191	131,058
Net loans, advances and financing	<u>22,602,273</u>	<u>23,234,542</u>	<u>22,403,904</u>	<u>23,037,114</u>
Gross loans, advances and financing	25,076,793	25,724,821	24,731,664	25,365,203
Allowance for impaired loans, advances and financing:				
- individual assessment allowance	(1,705,280)	(1,720,970)	(1,572,405)	(1,572,665)
- collective assessment allowance	(769,240)	(769,309)	(755,355)	(755,424)
	<u>(2,474,520)</u>	<u>(2,490,279)</u>	<u>(2,327,760)</u>	<u>(2,328,089)</u>
Net loans, advances and financing	<u>22,602,273</u>	<u>23,234,542</u>	<u>22,403,904</u>	<u>23,037,114</u>

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

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

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

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2013</b>	<b>31 December 2012</b>	<b>31 March 2013</b>	<b>31 December 2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Bai' Bithaman Ajil	474,876	475,553	445,161	450,636
Bai' 'Inah	76,098	51,366	76,098	51,366
Bai' Murabahah	41,783	36,906	41,783	36,906
Bai' Istisna'	3,947,331	3,694,878	3,947,331	3,694,878
Bridging financing	11,071	11,172	-	-
Hire purchase	221,978	244,165	-	-
Factoring	84,166	72,383	-	-
Ijarah	44,802	44,081	18,510	18,507
Ijarah Muntahia Bitamlik	279,270	283,469	279,270	283,469
Infra support loan	121,871	120,282	121,871	120,282
Leasing	63,612	64,812	-	-
Revolving financing	22,220	23,904	-	-
Revolving working capital	616,128	446,471	616,128	446,471
Term loan	19,039,399	20,133,281	19,153,324	20,240,590
Working capital	32,188	22,098	32,188	22,098
Gross loans, advances and financing	25,076,793	25,724,821	24,731,664	25,365,203
Allowance for impaired loans, advances and financing:				
- individual assessment allowance	(1,705,280)	(1,720,970)	(1,572,405)	(1,572,665)
- collective assessment allowance	(769,240)	(769,309)	(755,355)	(755,424)
	(2,474,520)	(2,490,279)	(2,327,760)	(2,328,089)
Net loans, advances and financing	22,602,273	23,234,542	22,403,904	23,037,114

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

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

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

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2013 RM'000</b>	<b>31 December 2012 RM'000</b>	<b>31 March 2013 RM'000</b>	<b>31 December 2012 RM'000</b>
Domestic business enterprises	25,063,170	25,710,477	24,718,043	25,350,861
Individuals	13,623	14,344	13,621	14,342
Gross loans, advances and financing	<u>25,076,793</u>	<u>25,724,821</u>	<u>24,731,664</u>	<u>25,365,203</u>

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

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2013 RM'000</b>	<b>31 December 2012 RM'000</b>	<b>31 March 2013 RM'000</b>	<b>31 December 2012 RM'000</b>
Fixed rate:				
- Housing loans/financing	36,679	39,114	13,621	14,342
- Hire purchase receivables	221,978	244,165	-	-
- Other fixed rate loans/financing	13,685,265	14,538,865	13,585,172	14,448,184
Variable rate:				
- Cost plus	2,356,019	2,305,545	2,356,019	2,305,545
- Other variable rates	8,776,852	8,597,132	8,776,852	8,597,132
Gross loans, advances and financing	<u>25,076,793</u>	<u>25,724,821</u>	<u>24,731,664</u>	<u>25,365,203</u>



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

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

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2013 RM'000</b>	<b>31 December 2012 RM'000</b>	<b>31 March 2013 RM'000</b>	<b>31 December 2012 RM'000</b>
Agriculture, hunting and forestry	4,061	3,765	-	-
Construction	12,204,842	13,063,234	12,171,241	13,025,393
Education	441,064	435,099	441,064	435,099
Electricity, gas and water supply	2,477,464	2,427,239	2,477,458	2,427,229
Finance, insurance and business	24,187	25,268	120,883	121,029
Hotel and restaurants	752,593	757,455	752,593	757,455
Housing	20,276	23,476	13,621	14,342
Manufacturing	1,007,010	970,370	914,507	888,061
Marine related	92,586	90,844	92,586	90,844
Materials technology	127,005	126,330	127,005	126,330
Medical and pharmaceuticals	39,845	39,107	39,845	39,107
Mining and quarrying	2,126	1,151	-	-
Other community, social and personal service activities	159,753	70,487	46,248	47,801
Production engineering	220	472	220	472
Public administration and defence	57,442	58,379	57,442	58,379
Real estate, renting and business activities	997,309	1,091,576	987,404	985,000
Shipping	1,586,219	1,581,765	1,586,219	1,581,765
Shipyard	448,168	279,557	448,168	279,557
Transport, storage and communication	4,634,623	4,679,247	4,455,160	4,487,340
Gross loans, advances and financing	<u>25,076,793</u>	<u>25,724,821</u>	<u>24,731,664</u>	<u>25,365,203</u>

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

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

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

	<b>Group</b>		<b>Bank</b>	
	<b>31 March</b>	<b>31 December</b>	<b>31 March</b>	<b>31 December</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Maturity within one year	3,845,198	4,667,398	3,657,982	4,487,593
One year to three years	4,190,293	4,040,100	4,047,727	3,913,082
Three years to five years	4,857,749	4,807,914	4,760,676	4,719,211
Over five years	12,183,553	12,209,409	12,265,279	12,245,317
	<u>25,076,793</u>	<u>25,724,821</u>	<u>24,731,664</u>	<u>25,365,203</u>

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

(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 RM60,000,000 (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:

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2013</b>	<b>31 December 2012</b>	<b>31 March 2013</b>	<b>31 December 2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January	2,831,597	3,086,860	2,622,744	2,846,298
Impaired during the period/year	132,813	738,037	125,895	688,609
Reclassified as non-impaired	(1,260)	(84,670)	-	(31,734)
Recoveries	(60,632)	(351,767)	(52,942)	(323,445)
Amount written off	(11,371)	(556,863)	(310)	(556,984)
Closing balance	<u>2,891,147</u>	<u>2,831,597</u>	<u>2,695,387</u>	<u>2,622,744</u>
Gross impaired loans as % of gross loans, advances and financing	<u>11.53%</u>	<u>11.01%</u>	<u>10.48%</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:

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2013 RM'000</b>	<b>31 December 2012 RM'000</b>	<b>31 March 2013 RM'000</b>	<b>31 December 2012 RM'000</b>
Construction	448,640	433,915	426,833	407,289
Education	79,142	78,918	79,142	78,918
Electricity, gas and water supply	141,755	145,277	141,755	145,277
Finance, insurance and business	4,762	4,792	-	-
Hotel and restaurants	302,723	307,618	279,867	277,514
Manufacturing	867,174	867,808	788,876	786,872
Marine related	90,734	90,844	90,734	90,844
Materials technology	108,010	107,417	108,010	107,417
Medical and pharmaceuticals	39,844	39,107	39,844	39,107
Other community, social and personal service activities	13,985	12,456	-	-
Production engineering	12	12	12	12
Real estate, renting and business activities	336,411	342,182	326,506	327,244
Shipping	403,377	352,013	403,377	352,014
Shipyard	10,431	10,236	10,431	10,236
Transport, storage and communication	44,147	39,002	-	-
	<b>2,891,147</b>	<b>2,831,597</b>	<b>2,695,387</b>	<b>2,622,744</b>

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

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

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2013 RM'000</b>	<b>31 December 2012 RM'000</b>	<b>31 March 2013 RM'000</b>	<b>31 December 2012 RM'000</b>
<b>Individual assessment allowance</b>				
At 1 January	1,720,970	1,848,143	1,572,665	1,686,560
Allowance made during the period/year	1,352	542,633	-	528,986
Amount written back respect of recoveries	(5,981)	(164,797)	(260)	(137,750)
Amount transferred from collective assessment allowance	-	51,852	-	51,852
Amount written off	(11,061)	(556,861)	-	(556,983)
Closing balance	<u>1,705,280</u>	<u>1,720,970</u>	<u>1,572,405</u>	<u>1,572,665</u>
<b>Collective assessment allowance</b>				
At 1 January	769,309	918,020	755,424	904,135
Allowance made during the period/year	-	11,314	-	11,314
Amount written back	(69)	(108,173)	(69)	(108,173)
Amount transferred to individual assessment allowance	-	(51,852)	-	(51,852)
Closing balance	<u>769,240</u>	<u>769,309</u>	<u>755,355</u>	<u>755,424</u>

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**14. Other assets**

	Note	Group		Bank	
		31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Sundry receivables, deposits and prepayment	(i)	107,194	109,338	48,227	9,597
Less: Allowance for doubtful debts	(iv)	(1,178)	(1,178)	(1,178)	(1,178)
		<u>106,016</u>	<u>108,160</u>	<u>47,049</u>	<u>8,419</u>
Trade receivables		57,857	-	-	-
Amount receivable from Government in respect of compensation for:					
- Foreign exchange differences		31,525	37,538	31,525	37,538
- Infrastructure projects		85,361	85,361	85,361	85,361
Subsidiaries	(ii)	-	-	42,887	40,402
Tax recoverable		46,349	37,181	-	30,212
Pool working fund	(iii)	2,475	2,446	-	-
Inventories		1,675	1,543	-	-
		<u>331,258</u>	<u>272,229</u>	<u>206,822</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 RM19,303,000 (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	
	31 March 2013 RM'000	31 December 2012 RM'000
1 January	1,178	1,599
Recoveries	-	(421)
Closing balance	<u>1,178</u>	<u>1,178</u>

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**15. Property, plant and equipment**

Group 31 March 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
<b>Cost</b>										
At 1 January	19,740	-	81,837	35,278	2,005	38,774	40,280	5,654	-	223,568
Additions	-	-	-	152	-	-	439	1,630	-	2,221
Acquisition of subsidiaries	-	1,193	1,806	3,666	1,627	-	744,486	38,536	-	791,314
Disposals/write-off	-	-	-	-	-	-	(26)	-	-	(26)
Effect of movements in exchange rates	-	-	-	-	-	-	8,612	20	-	8,632
Reclassification	-	-	-	(963)	-	-	31,928	(37,446)	-	(6,481)
At 31 March	19,740	1,193	83,643	38,133	3,632	38,774	825,719	8,394	-	1,019,228

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

<b>Group</b>	<b>Freehold land</b>	<b>Leasehold land</b>	<b>Buildings</b>	<b>Furniture and equipment</b>	<b>Motor vehicle</b>	<b>Mechanical and electricals</b>	<b>Vessels</b>	<b>Capital work-in progress</b>	<b>Dry-docking expenses</b>	<b>Total</b>
<b>31 March 2013</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Accumulated depreciation</b>										
At 1 January	-	-	8,290	28,587	1,021	25,826	671	-	-	64,395
Charge for the period	-	16	414	462	107	1,434	10,798	-	-	13,231
Acquisition of subsidiaries	-	418	208	2,296	1,322	-	71,399	-	-	75,643
Effect of movements in exchange rates	-	-	-	-	-	-	869	-	-	869
At 31 March	-	434	8,912	31,345	2,450	27,260	83,737	-	-	154,138
<b>Net carrying amount</b>	<b>19,740</b>	<b>759</b>	<b>74,731</b>	<b>6,788</b>	<b>1,182</b>	<b>11,514</b>	<b>741,982</b>	<b>8,394</b>	<b>-</b>	<b>865,090</b>



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**15. Property, plant and equipment**

<b>Group</b>	<b>Freehold land</b>	<b>Leasehold land</b>	<b>Buildings</b>	<b>Furniture and equipment</b>	<b>Motor vehicle</b>	<b>Mechanical and electricals</b>	<b>Vessels</b>	<b>Capital work-in progress</b>	<b>Dry-docking expenses</b>	<b>Total</b>
<b>31 December 2012</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Cost</b>										
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

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

<b>Group</b>	<b>Freehold land</b>	<b>Leasehold land</b>	<b>Buildings</b>	<b>Furniture and equipment</b>	<b>Motor vehicle</b>	<b>Mechanical and electricals</b>	<b>Vessels</b>	<b>Capital work-in progress</b>	<b>Dry-docking expenses</b>	<b>Total</b>
<b>31 December 2012</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Accumulated depreciation</b>										
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
<b>Accumulated impairment losses</b>										
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	-	-	-	-	-	-	-	-	-	-
<b>Net carrying amount</b>	<b>19,740</b>	<b>-</b>	<b>73,547</b>	<b>6,691</b>	<b>984</b>	<b>12,948</b>	<b>39,609</b>	<b>5,654</b>	<b>-</b>	<b>159,173</b>

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**15. Property, plant and equipment**

<b>Bank 31 March 2013</b>	<b>Freehold land RM'000</b>	<b>Buildings RM'000</b>	<b>Furniture and equipment RM'000</b>	<b>Mechanical and electricals RM'000</b>	<b>Motor vehicles RM'000</b>	<b>Capital work-in progress RM'000</b>	<b>Total RM'000</b>
<b>Cost</b>							
At 1 January	19,740	81,537	28,985	38,774	1,339	5,654	176,029
Additions	-	-	97	-	-	87	184
Transfer to intangible asset	-	-	(963)	-	-	(5,518)	(6,481)
At 31 March	19,740	81,537	28,119	38,774	1,339	223	169,732
<b>Accumulated depreciation</b>							
At 1 January	-	8,266	23,677	25,826	632	-	58,401
Charge for the period	-	405	237	1,434	60	-	2,136
At 31 March	-	8,671	23,914	27,260	692	-	60,537
<b>Net carrying amount</b>	19,740	72,866	4,205	11,514	647	223	109,195

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

<b>Bank</b>	<b>Freehold land</b>	<b>Buildings</b>	<b>Furniture and equipment</b>	<b>Mechanical and electricals</b>	<b>Motor vehicles</b>	<b>Capital work-in progress</b>	<b>Total</b>
<b>31 December 2012</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Cost</b>							
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
<b>Accumulated depreciation</b>							
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
<b>Net carrying amount</b>	<b>19,740</b>	<b>73,271</b>	<b>5,308</b>	<b>12,948</b>	<b>707</b>	<b>5,654</b>	<b>117,628</b>

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**16. Intangible assets**

<b>Group</b>	<b>Goodwill</b>	<b>Computer</b>	<b>Total</b>
<b>31 March 2013</b>	<b>RM'000</b>	<b>Software</b>	<b>RM'000</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>Cost</b>			
At 1 January	-	17,246	17,246
Acquisition of subsidiaries	81,217	-	81,217
Additions	-	1,064	1,064
Transfer from property, plant and equipment	-	6,481	6,481
Closing balance	81,217	24,791	106,008
<b>Amortisation</b>			
At 1 January	-	8,484	8,484
Transfer from property, plant and equipment	-	879	879
Closing balance	-	9,363	9,363
<b>Carrying amount</b>	81,217	15,428	96,645

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

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**16. Intangible assets (cont'd.)**

<b>Bank</b>	<b>Goodwill</b>	<b>Computer</b>	<b>Total</b>
<b>31 March 2013</b>	<b>RM'000</b>	<b>Software</b>	<b>RM'000</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>Cost</b>			
At 1 January	-	13,534	13,534
Additions	-	1,064	1,064
Transfer from property, plant and equipment	-	6,481	6,481
Closing balance	-	21,079	21,079
<b>Amortisation</b>			
At 1 January	-	6,870	6,870
Amortisation charged	-	711	711
Closing balance	-	7,581	7,581
<b>Carrying amount</b>	-	13,498	13,498
<b>Bank</b>	<b>Goodwill</b>	<b>Computer</b>	<b>Total</b>
<b>31 December 2012</b>	<b>RM'000</b>	<b>Software</b>	<b>RM'000</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>Cost</b>			
At 1 January	-	9,296	9,296
Additions	-	4,238	4,238
Closing balance	-	13,534	13,534
<b>Amortisation</b>			
At 1 January	-	5,758	5,758
Amortisation charged	-	1,112	1,112
Closing balance	-	6,870	6,870
<b>Carrying amount</b>	-	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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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**17. Deposits from customers**

	<b>Group and Bank</b>	
	<b>31 March</b>	<b>31 December</b>
	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed deposits and negotiable instruments of deposits		
- One year or less	6,628,893	5,414,142
	<u>6,628,893</u>	<u>5,414,142</u>

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

	<b>Group and Bank</b>	
	<b>31 March</b>	<b>31 December</b>
	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>
Non-Mudharabah		
- Others	5,883,190	4,788,678
Mudharabah		
- General investment deposit	745,703	625,464
	<u>6,628,893</u>	<u>5,414,142</u>

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

	<b>Group and Bank</b>	
	<b>31 March</b>	<b>31 December</b>
	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>
Business enterprises	2,101,449	1,435,347
Government and statutory bodies	4,527,444	3,978,795
	<u>6,628,893</u>	<u>5,414,142</u>

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**17. Deposits from customers (cont'd.)**

(c) The deposits maturity structure are as follows:

	<b>Group and Bank</b>	
	<b>31 March</b>	<b>31 December</b>
	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>
Less than six months	5,734,055	4,847,411
Six months to one year	894,838	566,731
	<u>6,628,893</u>	<u>5,414,142</u>

**18. Deposits and placements from financial institutions**

	<b>Group and Bank</b>	
	<b>31 March</b>	<b>31 December</b>
	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At amortised cost</b>		
Licensed banks	100,390	30,073
Licensed Islamic banks	30,106	30,070
Licensed investment banks	70,686	80,156
Other financial institutions	13,369	13,257
	<u>214,551</u>	<u>153,556</u>



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**19. Other liabilities**

	<b>Group</b>		<b>Bank</b>	
	<b>31 March</b>	<b>31 December</b>	<b>31 March</b>	<b>31 December</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Amounts due to related companies	19,303	47,273	-	-
Provision for taxation	1,800	2,866	-	-
Provision for zakat	4,049	3,070	4,049	3,070
Trade creditors	23,168	9,141	4,775	7,061
Sundry creditors and accruals	76,293	120,854	25,086	23,740
Profit equalisation reserve (Note 19 (i))	2,030	2,030	2,030	2,030
	<u>126,643</u>	<u>185,234</u>	<u>35,940</u>	<u>35,901</u>

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

(i) Movement in profit equalisation reserve ("PER")

	<b>Group and Bank</b>	
	<b>31 March</b>	<b>31 December</b>
	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>
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**

		<b>Group and Bank</b>	
		<b>31 March</b>	<b>31 December</b>
		<b>2013</b>	<b>2012</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>Redeemable non guaranteed notes</b>	<b>Note</b>		
Medium term notes	(i)	820,725	808,812
		<u>820,725</u>	<u>808,812</u>
<b>Redeemable guaranteed notes</b>			
Medium term notes-GGC	(ii)	2,037,737	2,017,875
Medium term notes-GGM	(iii)	508,544	503,994
		<u>2,546,281</u>	<u>2,521,869</u>
Infrastructure notes - nominal value	(iv)	824,522	810,097
Less: Unamortised discount		<u>(6,550)</u>	<u>(6,787)</u>
		<u>817,972</u>	<u>803,310</u>
		<u>4,184,978</u>	<u>4,133,991</u>
Discount upon issuance		18,500	18,500
Amortisation to date		<u>(11,950)</u>	<u>(11,713)</u>
Unamortised discount		<u>6,550</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 - 31 March 2013 (cont'd.)**

**21 Share capital**

<b>Group</b>	<b>Amount 31 March 2013 RM'000</b>	<b>Number of shares 31 March 2013 '000</b>	<b>Amount 31 December 2012 RM'000</b>	<b>Number of shares 31 December 2012 '000</b>
<b>Authorised:</b>				
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>
<b>Issued and fully paid:</b>				
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>
<b>Bank</b>	<b>Amount 31 March 2013 RM'000</b>	<b>Number of shares 31 March 2013 '000</b>	<b>Amount 31 December 2012 RM'000</b>	<b>Number of shares 31 December 2012 '000</b>
<b>Authorised:</b>				
Ordinary shares of RM1.00 each:	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>
<b>Issued and fully paid:</b>				
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**

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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**22. Interest income**

<b>Group</b>	<b>Individual Quarter</b>		<b>Cummulative Quarter</b>	
	<b>31 March 2013 RM'000</b>	<b>31 March 2012 RM'000</b>	<b>31 March 2013 RM'000</b>	<b>31 March 2012 RM'000</b>
Loans, advances and financing	276,418	283,385	276,418	283,385
Compensation from the Government	27,385	28,151	27,385	28,151
Money at call and deposit placement with financial institutions	14,373	23,568	14,373	23,568
Financial investments - available-for-sale ("AFS")	7,008	8,961	7,008	8,961
Financial investments - held-to-maturity ("HTM")	1,606	1,085	1,606	1,085
	<u>326,790</u>	<u>345,150</u>	<u>326,790</u>	<u>345,150</u>
Amortisation of premium less accretion of discount	5,396	4,782	5,396	4,782
	<u>332,186</u>	<u>349,932</u>	<u>332,186</u>	<u>349,932</u>
Of which:				
Interest income earned on impaired loans, advances and financing	<u>21,912</u>	<u>22,265</u>	<u>21,912</u>	<u>22,265</u>

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**22. Interest income (cont'd)**

<b>Bank</b>	<b>Individual Quarter</b>		<b>Cummulative Quarter</b>	
	<b>31 March 2013 RM'000</b>	<b>31 March 2012 RM'000</b>	<b>31 March 2013 RM'000</b>	<b>31 March 2012 RM'000</b>
Loans, advances and financing	270,640	277,990	270,640	277,990
Compensation from the Government	27,385	28,151	27,385	28,151
Money at call and deposit placement with financial institutions	11,722	18,014	11,722	18,014
Financial investments - available-for-sale ("AFS")	7,008	8,961	7,008	8,961
Financial investments - held-to-maturity ("HTM")	1,606	1,085	1,606	1,085
	<u>318,361</u>	<u>334,201</u>	<u>318,361</u>	<u>334,201</u>
Amortisation of premium less accretion of discount	5,396	4,782	5,396	4,782
	<u>323,757</u>	<u>338,983</u>	<u>323,757</u>	<u>338,983</u>
Of which:				
Interest income earned on impaired loans, advances and financing	<u>21,912</u>	<u>22,625</u>	<u>21,912</u>	<u>22,625</u>

Included in the interest income from loans, advances and financing of the Bank is interest income from a subsidiary amounting to RM1,338,884 (2012: RM2,051,831).

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**23. Interest expense**

<b>Group</b>	<b>Individual Quarter</b>		<b>Cummulative Quarter</b>	
	<b>31 March 2013 RM'000</b>	<b>31 March 2012 RM'000</b>	<b>31 March 2013 RM'000</b>	<b>31 March 2012 RM'000</b>
Deposits from customers	53,059	47,427	53,059	47,427
Deposits and placements from financial institutions	1,332	-	1,332	-
Term loans	95,427	99,102	95,427	99,102
Redeemable notes	40,737	42,935	40,737	42,935
Others	168	473	168	473
	<b>190,723</b>	<b>189,937</b>	<b>190,723</b>	<b>189,937</b>

<b>Bank</b>	<b>Individual Quarter</b>		<b>Cummulative Quarter</b>	
	<b>31 March 2013 RM'000</b>	<b>31 March 2012 RM'000</b>	<b>31 March 2013 RM'000</b>	<b>31 March 2012 RM'000</b>
Deposits from customers	44,298	47,311	44,298	47,311
Deposits and placements from financial institutions	1,332	-	1,332	-
Term loans	95,417	97,789	95,417	97,789
Redeemable notes	40,737	42,935	40,737	42,935
Others	-	333	-	333
	<b>181,784</b>	<b>188,368</b>	<b>181,784</b>	<b>188,368</b>

**24. Non-interest income**

<b>Group</b>	<b>Individual Quarter</b>		<b>Cummulative Quarter</b>	
	<b>31 March 2013 RM'000</b>	<b>31 March 2012 RM'000</b>	<b>31 March 2013 RM'000</b>	<b>31 March 2012 RM'000</b>
(a) Other operating income:				
Charter hire, demurrage and freight income	55,286	12,440	55,286	12,440
	<b>55,286</b>	<b>12,440</b>	<b>55,286</b>	<b>12,440</b>
(b) Investment income:				
Gain on sale of:				
- financial investments - available-for-sale ("AFS")	13,742	1,512	13,742	1,512
Gross dividends from:				
- financial investments - available-for-sale ("AFS")	1,812	-	1,812	-
	<b>15,554</b>	<b>1,512</b>	<b>15,554</b>	<b>1,512</b>

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

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

<b>Group</b>	<b>Individual Quarter</b>		<b>Cummulative Quarter</b>	
	<b>31 March 2013 RM'000</b>	<b>31 March 2012 RM'000</b>	<b>31 March 2013 RM'000</b>	<b>31 March 2012 RM'000</b>
(c) Other income:				
Fee income	3,450	5,305	3,450	5,305
Rental income	580	675	580	675
Gain on disposal of property, plant and equipment	3,584	2,784	3,584	2,784
Gain on disposal of investment property	48	-	48	-
Gain on foreign exchange				
- realised	44	52	44	52
- unrealised	495	-	495	-
Compensation from the Government:				
- financial investments impairment made during the year against ISF	4,922	4,645	4,922	4,645
Interest income on amount due from Minister of Finance Incorporated	-	1,339	-	1,339
Others	1,782	2,711	1,782	2,711
	<u>14,905</u>	<u>17,511</u>	<u>14,905</u>	<u>17,511</u>
Total non-interest income	<u>85,745</u>	<u>31,463</u>	<u>85,745</u>	<u>31,463</u>



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**24. Non-interest income**

	Individual Quarter		Cummulative Quarter	
	31 March 2013 RM'000	31 March 2012 RM'000	31 March 2013 RM'000	31 March 2012 RM'000
<b>Bank</b>				
(a) Investment income:				
Gain on sale of:				
- financial investments - available-for-sale ("AFS")	-	1,512	-	1,512
- subsidiaries	-	79	-	79
Gross dividends from:				
- financial investments - available-for-sale ("AFS")	1,692	-	1,692	-
	<u>1,692</u>	<u>1,591</u>	<u>1,692</u>	<u>1,591</u>

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

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

<b>Bank</b>	<b>Individual Quarter</b>		<b>Cummulative Quarter</b>	
	<b>31 March 2013 RM'000</b>	<b>31 March 2012 RM'000</b>	<b>31 March 2013 RM'000</b>	<b>31 March 2012 RM'000</b>
(b) Other income:				
Fee income	2,716	4,391	2,716	4,391
Rental income:				
- subsidiaries	215	215	215	215
- others	518	614	518	614
Gain on disposal of property, plant and equipment	2,036	83	2,036	83
- financial investments impairment made during the year against ISF	4,922	4,645	4,922	4,645
Interest income on amount due from Minister of Finance Incorporated	-	1,339	-	1,339
Others	14	6	14	6
	<u>10,421</u>	<u>11,293</u>	<u>10,421</u>	<u>11,293</u>
Total non-interest income	<u>12,113</u>	<u>12,884</u>	<u>12,113</u>	<u>12,884</u>

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**25. Overhead expenses**

Group	Note	Individual Quarter		Cumulative Quarter	
		31 March 2013 RM'000	31 March 2012 RM'000	31 March 2013 RM'000	31 March 2012 RM'000
Personnel costs	(i)	24,658	18,341	24,658	18,341
Establishment related expenses	(ii)	17,841	12,054	17,841	12,054
Promotion and marketing expenses	(iii)	299	323	299	323
General administrative expenses	(iv)	23,359	18,218	23,359	18,218
		<u>66,157</u>	<u>48,936</u>	<u>66,157</u>	<u>48,936</u>

**(i) Personnel costs**

Salaries, allowances and bonuses	21,000	16,149	21,000	16,149
Social security cost	90	57	90	57
Pension costs - Defined contribution plan	1,668	1,139	1,668	1,139
Other staff related expenses	1,900	996	1,900	996
	<u>24,658</u>	<u>18,341</u>	<u>24,658</u>	<u>18,341</u>

**(ii) Establishment related expenses**

Depreciation:				
- Property, plant and equipment	13,231	9,166	13,231	9,166
- Investment properties	66	100	66	100
Amortisation of:				
- Prepaid lease rental	16	22	16	22
- Intangible assets	711	370	711	370
Rental of leasehold land and premises	37	-	37	-
Repairs and maintenance of property, plant and equipment	3,051	937	3,051	937
Information technology expenses	729	1,459	729	1,459
	<u>17,841</u>	<u>12,054</u>	<u>17,841</u>	<u>12,054</u>

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**25. Overhead expenses (cont'd.)**

Group	Individual Quarter		Cumulative Quarter	
	31 March 2013 RM'000	31 March 2012 RM'000	31 March 2013 RM'000	31 March 2012 RM'000
<b>(iii) Promotion and marketing expenses</b>				
Advertisement and publicity	299	323	299	323
<b>(iv) General administrative expenses</b>				
General administrative expenses	23,232	18,099	23,232	18,099
Auditors' remuneration:				
- Statutory audit	127	119	127	119
	<b>23,359</b>	<b>18,218</b>	<b>23,359</b>	<b>18,218</b>

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**25. Overhead expenses (cont'd)**

Bank	Note	Individual Quarter		Cumulative Quarter	
		31 March 2013 RM'000	31 March 2012 RM'000	31 March 2013 RM'000	31 March 2012 RM'000
Personnel costs	(i)	10,407	9,748	10,407	9,748
Establishment related expenses	(ii)	4,000	3,241	4,000	3,241
Promotion and marketing expenses	(iii)	306	220	306	220
General administrative expenses	(iv)	2,548	3,038	2,548	3,038
		<u>17,261</u>	<u>16,247</u>	<u>17,261</u>	<u>16,247</u>

**(i) Personnel costs**

Salaries, allowances and bonuses	8,460	7,836	8,460	7,836
Social security cost	46	45	46	45
Pension costs - Defined contribution plan	1,030	964	1,030	964
Other staff related expenses	871	903	871	903
	<u>10,407</u>	<u>9,748</u>	<u>10,407</u>	<u>9,748</u>

**(ii) Establishment related expenses**

Depreciation:				
- Property, plant and equipment	2,136	1,957	2,136	1,957
- Investment properties	21	44	21	44
Amortisation of:				
- Prepaid lease rental	16	22	16	22
- Intangible assets	711	286	711	286
Repairs and maintenance of property, plant and equipment	461	611	461	611
Information technology expenses	655	321	655	321
	<u>4,000</u>	<u>3,241</u>	<u>4,000</u>	<u>3,241</u>

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**25. Overhead expenses (cont'd.)**

	<b>Individual Quarter</b>		<b>Cummulative Quarter</b>	
	<b>31 March 2013 RM'000</b>	<b>31 March 2012 RM'000</b>	<b>31 March 2013 RM'000</b>	<b>31 March 2012 RM'000</b>
<b>Bank</b>				
<b>(iii) Promotion and marketing expenses</b>				
Advertisement and publicity	306	220	306	220
<b>(iv) General administrative expenses</b>				
General administrative expenses	2,444	2,950	2,444	2,950
Auditors' remuneration:				
- Statutory audit	104	88	104	88
	<b>2,548</b>	<b>3,038</b>	<b>2,548</b>	<b>3,038</b>

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**26. Loans, advances and financing loss and allowances**

Group	Individual Quarter		Cumulative Quarter	
	31 March 2013 RM'000	31 March 2012 RM'000	31 March 2013 RM'000	31 March 2012 RM'000
Allowance for impaired loans, advances and financing:				
Collective assessment allowance:				
- written back	(69)	-	(69)	-
Individual impairment allowance:				
- made during the period	1,352	20,719	1,352	20,719
- written back	(5,981)	(15,075)	(5,981)	(15,075)
Bad debts and financing:				
- written off - resigned staff	6	-	6	-
- written off	309	269	309	269
- recovered	(1,386)	(3,356)	(1,386)	(3,356)
	<u>(5,769)</u>	<u>2,557</u>	<u>(5,769)</u>	<u>2,557</u>

Bank	Individual Quarter		Cumulative Quarter	
	31 March 2013 RM'000	31 March 2012 RM'000	31 March 2013 RM'000	31 March 2012 RM'000
Allowance for impaired loans, advances and financing:				
Collective assessment allowance:				
- written back	(69)	-	(69)	-
Individual impairment allowance:				
- made during the period	-	18,311	-	18,311
- written back	(260)	(979)	(260)	(979)
Bad debts and financing:				
- written off - resigned staff	6	-	6	-
- written off	309	269	309	269
- recovered	(682)	(1,458)	(682)	(1,458)
	<u>(696)</u>	<u>16,143</u>	<u>(696)</u>	<u>16,143</u>

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

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

<b>Group</b>	<b>Individual Quarter</b>		<b>Cummulative Quarter</b>	
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Financial investments - held-to-maturity ("HTM")	4,922	4,645	4,922	4,645
	<u>4,922</u>	<u>4,645</u>	<u>4,922</u>	<u>4,645</u>

<b>Bank</b>	<b>Individual Quarter</b>		<b>Cummulative Quarter</b>	
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Financial investments - held-to-maturity ("HTM")	4,922	4,645	4,922	4,645
Investments in subsidiaries	-	(974)	-	(974)
	<u>4,922</u>	<u>3,671</u>	<u>4,922</u>	<u>3,671</u>



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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**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:

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2013 RM'000</b>	<b>31 December 2012 RM'000</b>	<b>31 March 2013 RM'000</b>	<b>31 December 2012 RM'000</b>
Disbursement of loans to industries	3,240,957	3,629,235	3,240,957	3,629,235
Direct credit substitutes	924	520	924	520
Corporate guarantees issued by a subsidiary to financial institutions for credit facilities granted to jointly controlled entities	451,028	988,856	277,298	308,636
	<u>3,692,909</u>	<u>4,618,611</u>	<u>3,519,179</u>	<u>3,938,391</u>

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**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 31 March 2013.

	<b>Bank</b>	
	<b>31 March 2013</b>	<b>31 December 2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Tier 1 capital</b>		
Paid-up share capital	3,078,724	3,078,724
Other reserves	3,907,006	3,907,006
Total Tier 1 capital	6,985,730	6,985,730
<b>Tier 2 capital</b>		
Governments grants and subsidies	645,546	670,965
Collective assessment allowance	755,355	755,424
Total Tier 2 capital	1,400,901	1,426,389
Total capital	8,386,631	8,392,119
Less: Investment in subsidiaries	(985,313)	(928,549)
Total capital base	7,401,318	7,463,570

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**Notes to the financial statements - 31 March 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:

	<b>Bank</b>	
	<b>31 March 2013</b>	<b>31 December 2012</b>
	<b>RM'000</b>	<b>RM'000</b>
20%	659,411	244,146
50%	1,011,150	1,355,624
100%	18,713,264	18,094,015
	<u>20,383,825</u>	<u>19,693,785</u>

Without deducting proposed dividend:

	<b>Bank</b>	
	<b>31 March 2013</b>	<b>31 December 2012</b>
	<b>%</b>	<b>%</b>
Core capital ratio	34.27	35.47
Risk-weighted capital adequacy ratio	<u>36.31</u>	<u>37.90</u>

After deducting proposed dividend:

Core capital ratio	34.27	34.96
Risk-weighted capital adequacy ratio	<u>36.31</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 - 31 March 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. This includes risk identification, assessment, measurement and monitoring.

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**30. Financial instruments risk (cont'd.)**

**(a) Credit risk (cont'd.)**

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.

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.

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**30. Financial instruments risk (cont'd.)**

**(b) Market risk (cont'd.)**

**(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 - 31 March 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 31 March 2013	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	Total RM'000	
<b>Assets</b>								
Cash and short term deposits	2,802,141	-	-	-	-	68,967	2,871,108	3.14
Deposits and placements with financial institutions	1,040	247,191	320,429	-	28	-	568,688	2.61
Financial investments - available-for-sale ("AFS")	235,803	364,431	296,376	727	320,862	-	1,218,199	5.23
Financial investments - held-to-maturity ("HTM")	42,648	187,321	-	-	48,250	-	278,219	4.48
Loans, advances and financing								
- non-impaired	2,223,516	474,704	560,458	8,045,250	10,926,405	-	22,230,333	7.29
- impaired *	-	-	-	-	-	371,940	371,940	-
Interest in associates	-	-	-	-	-	237,123	237,123	-
Other assets	-	-	-	-	-	331,258	331,258	-
Interest in jointly controlled entities	-	-	-	-	-	171,218	171,218	-
Property, plant and equipment	-	-	-	-	-	865,090	865,090	-
Prepaid land lease	-	-	-	-	-	2,014	2,014	-
Investment properties	-	-	-	-	-	6,703	6,703	-
Intangible assets	-	-	-	-	-	96,645	96,645	-
Deferred tax assets	-	-	-	-	-	114,939	114,939	-
Assets classified as held for sale	-	-	-	-	-	72,305	72,305	-
Assets of subsidiaries classified as held for sale	-	-	-	-	-	54,952	54,952	-
<b>Total assets</b>	<b>5,305,148</b>	<b>1,273,647</b>	<b>1,177,263</b>	<b>8,045,977</b>	<b>11,295,545</b>	<b>2,393,154</b>	<b>29,490,734</b>	

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**30. Financial instruments risk (cont'd.)**

**(b) Market risk (cont'd.)**

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

Group 31 March 2013 (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	Total RM'000
<b>Equity and liabilities</b>							
Deposits from customers	2,597,263	2,630,180	1,401,450	-	-	-	6,628,893
Deposits and placements from financial institutions	-	123,110	91,441	-	-	-	214,551
Other liabilities	-	-	-	-	-	126,643	126,643
Redeemable notes	1,017,117	-	-	2,247,443	920,418	-	4,184,978
Term loans	122,485	-	37,670	6,123,641	3,852,630	-	10,136,426
Infrastructure support fund	-	-	-	-	-	394,614	394,614
Deferred income	-	-	-	-	-	250,932	250,932
Deferred tax liabilities	-	-	-	-	-	12,975	12,975
Liabilities of subsidiaries classified as held for sale	-	-	-	-	-	85	85
<b>Total liabilities</b>	<b>3,736,865</b>	<b>2,753,290</b>	<b>1,530,561</b>	<b>8,371,084</b>	<b>4,773,048</b>	<b>785,249</b>	<b>21,950,097</b>
Shareholders' equity	-	-	-	-	-	7,384,431	7,384,431
Non-controlling interest	-	-	-	-	-	156,206	156,206
<b>Total equity and liabilities</b>	<b>3,736,865</b>	<b>2,753,290</b>	<b>1,530,561</b>	<b>8,371,084</b>	<b>4,773,048</b>	<b>8,325,886</b>	<b>29,490,734</b>
On-balance sheet interest sensitivity gap	1,568,283	(1,479,643)	(353,298)	(325,107)	6,522,497	(5,932,732)	-
Off-balance sheet interest sensitivity gap	-	-	-	-	-	-	-
<b>Total interest sensitivity gap</b>	<b>1,568,283</b>	<b>(1,479,643)</b>	<b>(353,298)</b>	<b>(325,107)</b>	<b>6,522,497</b>	<b>(5,932,732)</b>	<b>-</b>

\* 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 - 31 March 2013 (cont'd.)**

**30. Financial instruments risk (cont'd.)**

**(b) Financial instruments risk (cont'd.)**

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

Group 31 December 2012	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	Total RM'000
<b>Assets</b>							
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 - available-for-sale ("AFS")	384,877	255,269	355,486	727	265,858	-	1,242,217
Financial investments - held-to-maturity ("HTM")	22	126,771	51,237	-	48,250	-	226,280
Loans, advances and financing							
- non-impaired	1,080,240	283,503	1,710,346	8,110,136	11,658,810	-	22,843,035
- 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	-	-	-	-	-	-	-
<b>Total assets</b>	<b>2,910,703</b>	<b>732,265</b>	<b>2,117,069</b>	<b>8,110,863</b>	<b>11,972,946</b>	<b>1,632,664</b>	<b>27,476,510</b>

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**30. Financial instruments risk (cont'd.)**

**(b) Market risk (cont'd.)**

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

Group	Non-trading book						Effective interest rate %
	Up to 1 month	>1 - 3 months	>3 - 12 months	>1 - 5 years	Over 5 years	Non-interest sensitive	
31 December 2012 (cont'd.)	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	Total RM'000
<b>Equity and liabilities</b>							
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
Infrastructure support fund	-	-	-	-	-	399,535	399,535
Deferred income	-	-	-	-	-	251,430	251,430
Deferred tax liabilities	-	-	-	-	-	12,814	12,814
Liabilities of subsidiaries classified as held for sale	-	-	-	-	-	101	101
<b>Total liabilities</b>	<b>1,490,721</b>	<b>1,799,275</b>	<b>3,515,022</b>	<b>8,880,473</b>	<b>3,659,497</b>	<b>849,114</b>	<b>20,194,102</b>
Shareholders' equity	-	-	-	-	-	7,129,258	7,129,258
Non-controlling interest	-	-	-	-	-	153,150	153,150
<b>Total equity and liabilities</b>	<b>1,490,721</b>	<b>1,799,275</b>	<b>3,515,022</b>	<b>8,880,473</b>	<b>3,659,497</b>	<b>8,131,522</b>	<b>27,476,510</b>
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	-	-	-	-	-	-	-
<b>Total interest sensitivity gap</b>	<b>1,419,982</b>	<b>(1,067,010)</b>	<b>(1,397,953)</b>	<b>(769,610)</b>	<b>8,313,449</b>	<b>(6,498,858)</b>	<b>-</b>

\* 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 - 31 March 2013 (cont'd.)**

**30. Financial instruments risk (cont'd.)**

**(b) Market risk (cont'd.)**

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

Bank 31 March 2013	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	Total RM'000
<b>Assets</b>							
Cash and short term deposits	2,745,228	-	-	-	-	12,296	2,757,524
Deposits and placements with financial institutions	-	151,006	320,429	-	-	-	471,435
Financial investments - available-for-sale ("AFS")	182,809	364,431	296,376	727	320,862	-	1,165,205
Financial investments - held-to-maturity ("HTM")	42,626	187,321	-	-	48,250	-	278,197
Loans, advances and financing							
- non-impaired	2,223,516	474,704	560,458	7,846,881	10,926,405	-	22,031,964
- impaired *	-	-	-	-	-	371,940	371,940
Other assets	-	-	-	-	-	206,822	206,822
Investment in subsidiaries	-	-	-	-	-	928,976	928,976
Property, plant and equipment	-	-	-	-	-	109,195	109,195
Prepaid land lease	-	-	-	-	-	2,014	2,014
Investment properties	-	-	-	-	-	1,126	1,126
Intangible assets	-	-	-	-	-	13,498	13,498
Deferred tax	-	-	-	-	-	87,957	87,957
Subsidiaries classified as held for sale	-	-	-	-	-	56,337	56,337
<b>Total assets</b>	<b>5,194,179</b>	<b>1,177,462</b>	<b>1,177,263</b>	<b>7,847,608</b>	<b>11,295,517</b>	<b>1,790,161</b>	<b>28,482,190</b>

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**30. Financial instruments risk (cont'd.)**

**(b) Market risk (cont'd.)**

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

Bank 31 March 2013 (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	Total RM'000
<b>Equity and liabilities</b>							
Deposits from customers	2,597,263	2,630,180	1,401,450	-	-	-	6,628,893
Deposits and placements from financial institutions	-	123,111	91,440	-	-	-	214,551
Other liabilities	-	-	-	-	-	35,940	35,940
Redeemable notes	1,017,117	-	-	2,247,443	920,418	-	4,184,978
Term loans	122,485	-	-	6,050,000	3,327,353	-	9,499,838
Infrastructure support fund	-	-	-	-	-	394,614	394,614
Deferred income	-	-	-	-	-	250,932	250,932
<b>Total liabilities</b>	<b>3,736,865</b>	<b>2,753,291</b>	<b>1,492,890</b>	<b>8,297,443</b>	<b>4,247,771</b>	<b>681,486</b>	<b>21,209,746</b>
Shareholders' equity						7,272,444	7,272,444
<b>Total equity and liabilities</b>	<b>3,736,865</b>	<b>2,753,291</b>	<b>1,492,890</b>	<b>8,297,443</b>	<b>4,247,771</b>	<b>7,953,930</b>	<b>28,482,190</b>
On-balance sheet interest sensitivity gap	1,457,314	(1,575,829)	(315,627)	(449,835)	7,047,746	(6,163,769)	-
Off-balance sheet interest sensitivity gap	-	-	-	-	-	-	-
<b>Total interest sensitivity gap</b>	<b>1,457,314</b>	<b>(1,575,829)</b>	<b>(315,627)</b>	<b>(449,835)</b>	<b>7,047,746</b>	<b>(6,163,769)</b>	<b>-</b>

\* 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 - 31 March 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							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	Total RM'000	
<b>Assets</b>								
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 - available-for-sale ("AFS")	311,607	255,269	355,486	727	265,858	-	1,188,947	5.47
Financial investments - held-to-maturity ("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	-
<b>Total assets</b>	<b>2,584,060</b>	<b>732,265</b>	<b>2,117,069</b>	<b>7,792,581</b>	<b>12,019,407</b>	<b>1,753,208</b>	<b>26,998,590</b>	

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**Notes to the financial statements - 31 March 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	Total RM'000
<b>Equity and liabilities</b>							
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
<b>Total liabilities</b>	<b>1,490,721</b>	<b>1,799,275</b>	<b>3,515,022</b>	<b>8,769,162</b>	<b>3,659,497</b>	<b>686,866</b>	<b>19,920,543</b>
Shareholders' equity	-	-	-	-	-	7,078,047	7,078,047
<b>Total equity and liabilities</b>	<b>1,490,721</b>	<b>1,799,275</b>	<b>3,515,022</b>	<b>8,769,162</b>	<b>3,659,497</b>	<b>7,764,913</b>	<b>26,998,590</b>
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	-	-	-	-	-	-	-
<b>Total interest sensitivity gap</b>	<b>1,093,339</b>	<b>(1,067,010)</b>	<b>(1,397,953)</b>	<b>(976,581)</b>	<b>8,359,910</b>	<b>(6,011,705)</b>	<b>-</b>

\* 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 - 31 March 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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**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 31 March 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	
<b>Assets</b>							
Cash and short term deposits	2,802,141	-	-	-	-	68,967	2,871,108
Deposits and placements with financial institutions	1,040	247,191	320,429	-	28	-	568,688
Financial investments - available-for-sale ("AFS")	235,408	386,744	295,000	727	466,838	-	1,384,717
Financial investments - held-to-maturity ("HTM")	50,022	183,000	-	-	48,250	-	281,272
Loans, advances and financing	2,223,516	474,704	560,458	8,045,250	10,926,405	371,940	22,602,273
Other assets	-	-	-	-	-	331,259	331,259
<b>Total undiscounted financial assets</b>	<b>5,312,127</b>	<b>1,291,639</b>	<b>1,175,887</b>	<b>8,045,977</b>	<b>11,441,521</b>	<b>772,166</b>	<b>28,039,317</b>



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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**30. Financial instruments risk (cont'd.)**

**(c) Liquidity risk (cont'd.)**

Group 31 March 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	
<b>Liabilities</b>							
Deposits from customers	2,597,263	2,630,180	1,401,450	-	-	-	6,628,893
Deposits and placements from financial institutions	-	123,111	91,440	-	-	-	214,551
Other liabilities	-	-	-	-	-	126,643	126,643
Redeemable notes	1,017,117	-	-	2,247,443	920,418	-	4,184,978
Term loans	122,485	-	37,670	6,123,641	3,852,630	-	10,136,426
<b>Total undiscounted financial liabilities</b>	<b>3,736,865</b>	<b>2,753,291</b>	<b>1,530,560</b>	<b>8,371,084</b>	<b>4,773,048</b>	<b>126,643</b>	<b>21,291,491</b>
<b>Net maturity mismatches</b>	<b>1,575,262</b>	<b>(1,461,652)</b>	<b>(354,673)</b>	<b>(325,107)</b>	<b>6,668,473</b>	<b>645,523</b>	<b>6,747,826</b>

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**30. Financial instruments risk (cont'd.)**

**(c) Liquidity risk (cont'd.)**

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	
<b>31 December 2012</b>							<b>RM'000</b>
<b>Assets</b>							
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 - available-for-sale ("AFS")	363,145	251,100	382,124	727	412,277	-	1,409,373
Financial investments - held-to-maturity ("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
<b>Total undiscounted financial assets</b>	<b>2,908,971</b>	<b>734,322</b>	<b>2,142,643</b>	<b>8,110,863</b>	<b>12,165,855</b>	<b>659,400</b>	<b>26,722,054</b>

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**30. Financial instruments risk (cont'd.)**

**(c) Liquidity risk (cont'd.)**

Group 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	Non-specific maturity RM'000	
<b>Liabilities</b>							
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
<b>Total undiscounted financial liabilities</b>	<b>1,490,721</b>	<b>1,799,275</b>	<b>3,515,022</b>	<b>8,880,473</b>	<b>3,659,497</b>	<b>185,234</b>	<b>19,530,222</b>
<b>Net maturity mismatches</b>	<b>1,418,250</b>	<b>(1,064,953)</b>	<b>(1,372,379)</b>	<b>(769,610)</b>	<b>8,506,358</b>	<b>474,166</b>	<b>7,191,832</b>

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**30. Financial instruments risk (cont'd.)**

**(c) Liquidity risk (cont'd.)**

Bank 31 March 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	
<b>Assets</b>							
Cash and short term deposits	2,745,228	-	-	-	-	12,296	2,757,524
Deposits and placements with financial institutions	-	151,006	320,429	-	-	-	471,435
Financial investments - available-for-sale ("AFS")	182,414	386,744	295,000	727	466,838	-	1,331,723
Financial investments - held-to-maturity ("HTM")	50,000	183,000	-	-	48,250	-	281,250
Loans, advances and financing	2,223,516	474,704	560,458	7,846,881	10,926,405	371,940	22,403,904
Other assets	-	-	-	-	-	206,822	206,822
<b>Total undiscounted financial assets</b>	<b>5,201,158</b>	<b>1,195,454</b>	<b>1,175,887</b>	<b>7,847,608</b>	<b>11,441,493</b>	<b>591,058</b>	<b>27,452,658</b>

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**30. Financial instruments risk (cont'd.)**

**(c) Liquidity risk (cont'd.)**

Bank 31 March 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	
<b>Liabilities</b>							
Deposits from customers	2,597,263	2,630,180	1,401,450	-	-	-	6,628,893
Deposits and placements from financial institutions	-	123,111	91,440	-	-	-	214,551
Other liabilities	-	-	-	-	-	35,940	35,940
Redeemable notes	1,017,117	-	-	2,247,443	920,418	-	4,184,978
Term loans	122,485	-	-	6,050,000	3,327,353	-	9,499,838
<b>Total undiscounted financial liabilities</b>	<b>3,736,865</b>	<b>2,753,291</b>	<b>1,492,890</b>	<b>8,297,443</b>	<b>4,247,771</b>	<b>35,940</b>	<b>20,564,200</b>
<b>Net maturity mismatches</b>	<b>1,464,293</b>	<b>(1,557,837)</b>	<b>(317,003)</b>	<b>(449,835)</b>	<b>7,193,722</b>	<b>555,118</b>	<b>6,888,458</b>

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**Notes to the financial statements - 31 March 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	
<b>Assets</b>							
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 - available-for-sale ("AFS")	309,875	251,100	382,124	727	412,277	-	1,356,103
Financial investments - held-to-maturity ("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
<b>Total undiscounted financial assets</b>	<b>2,582,328</b>	<b>734,322</b>	<b>2,142,643</b>	<b>7,792,580</b>	<b>12,165,827</b>	<b>550,155</b>	<b>25,967,855</b>

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**30. Financial instruments risk (cont'd.)**

**(c) Liquidity risk (cont'd.)**

Bank	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	
<b>31 December 2012 (cont'd.)</b>							<b>RM'000</b>
<b>Liabilities</b>							
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
<b>Total undiscounted financial liabilities</b>	<b>1,490,721</b>	<b>1,799,275</b>	<b>3,515,022</b>	<b>8,769,162</b>	<b>3,659,497</b>	<b>35,901</b>	<b>19,269,578</b>
<b>Net maturity mismatches</b>	<b>1,091,607</b>	<b>(1,064,953)</b>	<b>(1,372,379)</b>	<b>(976,582)</b>	<b>8,506,330</b>	<b>514,254</b>	<b>6,698,277</b>

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 year ended 31 March 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 - 31 March 2013 (cont'd.)**

**31. Islamic banking business**

The state of affairs as at 31 March 2013 and results for the financial year ended on this date under the Islamic Banking business of the Group included in the Group financial statements are summarised as follows:

**Statements of financial position**

**As at 31 March 2013**

		<b>Group</b>	
		<b>31 March 2013</b>	<b>31 December 2012</b>
	<b>Note</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Assets</b>			
Cash and short-term funds	(a)	212,807	308,825
Deposits and placements with financial institutions	(b)	2,992	1,399
Financial investments - available-for-sale ("AFS")	(c)	37,481	31,457
Advances and financing	(d)	4,245,515	3,972,934
Other assets	(e)	1,013	974
Total assets		<u>4,499,808</u>	<u>4,315,589</u>
<b>Liabilities</b>			
Other liabilities	(f)	1,801,959	1,832,046
Deposit from customers		745,703	595,394
Deposits and placements from financial institutions		30,106	30,070
Redeemable notes		918,360	908,111
Deferred income		250,932	251,430
Islamic general fund		<u>752,748</u>	<u>698,538</u>
Total liabilities and Islamic banking funds		<u>4,499,808</u>	<u>4,315,589</u>
Commitments and contingencies	(n)	<u>1,794,865</u>	<u>1,922,176</u>



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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**31. Islamic banking business**

**Statements of financial position**

**As at 31 March 2013**

		<b>Bank</b>	
		<b>31 March 2013</b>	<b>31 December 2012</b>
	<b>Note</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Assets</b>			
Cash and short-term funds	(a)	191,566	288,727
Deposits and placements with financial institutions	(b)	2,992	1,399
Financial investments - available-for-sale ("AFS")	(c)	37,481	31,457
Advances and financing	(d)	4,245,514	3,972,933
Other assets	(e)	1,013	974
<b>Total assets</b>		<b>4,478,566</b>	<b>4,295,490</b>
<b>Liabilities</b>			
Other liabilities	(f)	1,798,515	1,827,091
Deposit from customers		745,703	595,394
Deposits and placements from financial institutions		30,106	30,070
Redeemable notes		918,360	908,111
Deferred income		250,932	251,430
Islamic general fund		734,950	683,394
<b>Total liabilities and Islamic banking funds</b>		<b>4,478,566</b>	<b>4,295,490</b>
<b>Commitments and contingencies</b>	(n)	<b>1,794,865</b>	<b>1,922,176</b>

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**31. Islamic banking business (cont'd.)**

Group	Note	Individual Quarter		Cummulative Quarter	
		31 March 2013 RM'000	31 March 2012 RM'000	31 March 2013 RM'000	31 March 2012 RM'000
Unaudited income statements for the first financial quarter ended 31 March 2013					
Income derived from investment of depositors' funds	(g)	11,937	4,794	11,937	4,794
Income derived from investment of shareholder's funds	(h)	60,105	60,238	60,105	60,238
Allowance for losses on financing and advances	(i)	2,120	(9,968)	2,120	(9,968)
Profit equalisation reserve		-	2,189	-	2,189
<b>Total distributable income</b>		74,162	57,253	74,162	57,253
Income attributable to the depositors	(j)	(5,818)	(9,115)	(5,818)	(9,115)
<b>Total net income</b>		68,344	48,138	68,344	48,138
Overhead expenses	(k)	(2,623)	(2,247)	(2,623)	(2,247)
Finance cost	(l)	(10,250)	(10,332)	(10,250)	(10,332)
Profit before taxation and zakat		55,471	35,559	55,471	35,559
Taxation and zakat	(m)	(1,000)	(750)	(1,000)	(750)
Profit after taxation and zakat		54,471	34,809	54,471	34,809
Profit for the period		54,471	34,809	54,471	34,809

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**31. Islamic banking business (cont'd.)**

**Statements of comprehensive income**

**For the first financial quarter ended 31 March 2013**

<b>Group</b>	<b>Individual Quarter</b>		<b>Cummulative Quarter</b>	
	<b>31 March 2013 RM'000</b>	<b>31 March 2012 RM'000</b>	<b>31 March 2013 RM'000</b>	<b>31 March 2012 RM'000</b>
Profit for the period	54,471	34,809	54,471	34,809
<b>Other comprehensive income</b>				
Net (loss)/gain on revaluation of financial investments - available-for-sale ("AFS")	(261)	156	(261)	156
<b>Other comprehensive (loss)/income for the period, net of tax</b>	(261)	156	(261)	156
<b>Total comprehensive income for the period, net of tax</b>	<b>54,210</b>	<b>34,965</b>	<b>54,210</b>	<b>34,965</b>
<b>Total comprehensive income attributable to:</b>				
Shareholders of the Bank	54,210	34,965	54,210	34,965
	<b>54,210</b>	<b>34,965</b>	<b>54,210</b>	<b>34,965</b>
<b>Net income from Islamic banking business:</b>	<b>Individual Quarter</b>		<b>Cummulative Quarter</b>	
	<b>31 March 2013 RM'000</b>	<b>31 March 2012 RM'000</b>	<b>31 March 2013 RM'000</b>	<b>31 March 2012 RM'000</b>
Income derived from investment of depositors' fund	11,937	4,794	11,937	4,794
Income derived from investment of shareholder's fund	60,105	60,238	60,105	60,238
Income attributable to depositors	(5,818)	(9,115)	(5,818)	(9,115)
Finance cost	(10,250)	(10,332)	(10,250)	(10,332)
Profit equalisation reserve	-	2,189	-	2,189
<b>Net income from Islamic Banking business reported in the income statement of the Group</b>	<b>55,974</b>	<b>47,774</b>	<b>55,974</b>	<b>47,774</b>

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**31. Islamic banking business (cont'd.)**

Bank	Note	Individual Quarter		Cumulative Quarter	
		31 March 2013 RM'000	31 March 2012 RM'000	31 March 2013 RM'000	31 March 2012 RM'000
Unaudited income statements for the first financial quarter ended 31 March 2013					
Income derived from investment of depositors' funds	(g)	11,937	4,794	11,937	4,794
Income derived from investment of shareholder's funds	(h)	59,766	60,108	59,766	60,108
Allowance for losses on financing and advances	(i)	(153)	(13,415)	(153)	(13,415)
Profit equalisation reserve		-	2,189	-	2,189
<b>Total distributable income</b>		71,550	53,676	71,550	53,676
Income attributable to the depositors	(j)	(5,818)	(9,115)	(5,818)	(9,115)
<b>Total net income</b>		65,732	44,561	65,732	44,561
Overhead expenses	(k)	(2,665)	(2,227)	(2,665)	(2,227)
Finance cost	(l)	(10,250)	(10,332)	(10,250)	(10,332)
Profit before taxation and zakat		52,817	32,002	52,817	32,002
Taxation and zakat	(m)	(1,000)	(750)	(1,000)	(750)
Profit after taxation and zakat		51,817	31,252	51,817	31,252
Profit for the period		51,817	31,252	51,817	31,252

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**31. Islamic banking business (cont'd.)**

**Statements of comprehensive income**  
**For the first financial quarter ended 31 March 2013**

	<b>Individual Quarter</b>		<b>Cummulative Quarter</b>	
	<b>31 March 2013 RM'000</b>	<b>31 March 2012 RM'000</b>	<b>31 March 2013 RM'000</b>	<b>31 March 2012 RM'000</b>
<b>Bank</b>				
Profit for the period	51,817	31,252	51,817	31,252
<b>Other comprehensive income</b>				
Net (loss)/gain on revaluation of financial investments - available-for-sale ("AFS")	(261)	156	(261)	156
<b>Other comprehensive (loss)/income for the period, net of tax</b>	(261)	156	(261)	156
<b>Total comprehensive income for the period, net of tax</b>	<b>51,556</b>	<b>31,408</b>	<b>51,556</b>	<b>31,408</b>
<b>Total comprehensive income attributable to:</b>				
Shareholders of the Bank	51,556	31,408	51,556	31,408
	<b>51,556</b>	<b>31,408</b>	<b>51,556</b>	<b>31,408</b>
	<b>Individual Quarter</b>		<b>Cummulative Quarter</b>	
	<b>31 March 2013 RM'000</b>	<b>31 March 2012 RM'000</b>	<b>31 March 2013 RM'000</b>	<b>31 March 2012 RM'000</b>
<b>Net income from Islamic banking business:</b>				
Income derived from investment of depositors' fund	11,937	4,794	11,937	4,794
Income derived from investment of shareholder's fund	59,766	60,108	59,766	60,108
Income attributable to depositors	(5,818)	(9,115)	(5,818)	(9,115)
Finance cost	(10,250)	(10,332)	(10,250)	(10,332)
Profit equalisation reserve	-	2,189	-	2,189
<b>Net income from Islamic Banking business reported in the income statement of the Bank</b>	<b>55,635</b>	<b>47,644</b>	<b>55,635</b>	<b>47,644</b>

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**31. Islamic banking business (cont'd.)**

**Consolidated statements of changes in equity**  
**For the year ended 31 March 2013**

<b>Group</b>	<b>Capital funds RM'000</b>	<b>Unrealised holding reserve RM'000</b>	<b>Profit equalisation reserve RM'000</b>	<b>Retained profits RM'000</b>	<b>Total RM'000</b>
<b>At 1 January 2013</b>	587,626	124	4,970	105,818	698,538
Total comprehensive income for the period	-	(261)	-	54,471	54,210
<b>At 31 March 2013</b>	<u>587,626</u>	<u>(137)</u>	<u>4,970</u>	<u>160,289</u>	<u>752,748</u>
<b>At 1 January 2012</b>	587,626	(24)	-	183,120	770,722
Total comprehensive income for the period	-	156	-	34,809	34,965
<b>At 31 March 2012</b>	<u>587,626</u>	<u>132</u>	<u>-</u>	<u>217,929</u>	<u>805,687</u>

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**31. Islamic banking business (cont'd.)**

**Consolidated statements of changes in equity**  
**For the year ended 31 March 2013**

<b>Bank</b>	<b>Capital funds RM'000</b>	<b>Unrealised holding reserve RM'000</b>	<b>Profit equalisation reserve RM'000</b>	<b>Retained profits RM'000</b>	<b>Total RM'000</b>
<b>At 1 January 2013</b>	597,400	124	4,970	80,900	683,394
Total comprehensive income for the period	-	(261)	-	51,817	51,556
<b>At 31 March 2013</b>	<b>597,400</b>	<b>(137)</b>	<b>4,970</b>	<b>132,717</b>	<b>734,950</b>
<b>At 1 January 2012</b>	597,400	(24)	-	166,530	763,906
Total comprehensive income for the period	-	156	-	31,252	31,408
<b>At 31 March 2012</b>	<b>597,400</b>	<b>132</b>	<b>-</b>	<b>197,782</b>	<b>795,314</b>

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**31. Islamic banking business (cont'd.)**

**Cash flows statements for the financial year ended 31 March 2013**

	<b>Group</b>		<b>Bank</b>	
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>				
Profit before tax and zakat	55,471	35,559	52,817	32,002
Adjustments for:				
Individual impairment allowance	1	13,415	-	13,415
Individual impairment allowance written back	(1,634)	(2,755)	-	-
Bad debts and financing recovered	(655)	-	(15)	-
Bad debts written off	168	-	168	-
Profit equalisation reserve	-	(2,189)	-	(2,189)
Provision for zakat	(1,000)	-	(1,000)	-
Compensation from the Government	(1,643)	(1,623)	(1,643)	(1,623)
Operating profit before working capital changes	50,708	42,407	50,327	41,605
(Increase)/decrease in operating capital changes				
Other assets	(6,063)	1,666	(6,063)	1,666
Other liabilities	(19,725)	637,313	(18,214)	640,462
Deposits and placements with financial institutions	(1,593)	146,586	(1,593)	146,586
Deposits from customers	150,309	(845,485)	150,309	(845,485)
Deposits and placements from financial institutions	36	-	36	-
Advances and financing	(269,577)	(253,142)	(271,850)	(255,897)
Cash used in operations	(95,905)	(270,655)	(97,048)	(271,063)
Zakat paid	(1)	-	(1)	-
Net cash used in operations	(95,906)	(270,655)	(97,049)	(271,063)



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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**31. Islamic banking business (cont'd.)**

**Cash flows statements for the financial year ended 31 March 2013 (cont'd.)**

	<b>Group</b>		<b>Bank</b>	
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from financing activities</b>				
Proceeds of redeemable guaranteed notes	-	(39,667)	-	(39,667)
Net cash used in from financing activities	-	(39,667)	-	(39,667)
<b>Net decrease in cash and cash equivalents</b>	<b>(95,906)</b>	<b>(310,322)</b>	<b>(97,049)</b>	<b>(310,730)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>308,713</b>	<b>570,279</b>	<b>288,615</b>	<b>554,271</b>
<b>Cash and cash equivalents at end of period</b>	<b>212,807</b>	<b>259,957</b>	<b>191,566</b>	<b>243,541</b>

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**31. Islamic banking business (cont'd.)**

**(a) Cash and short-term funds**

	<b>Group</b>		<b>Bank</b>	
	<b>31 March</b>	<b>31 December</b>	<b>31 March</b>	<b>31 December</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances with financial institutions	22,226	20,104	985	6
Money at call and deposit placements maturing within one month	190,581	288,721	190,581	288,721
	<u>212,807</u>	<u>308,825</u>	<u>191,566</u>	<u>288,727</u>

**(b) Deposits and placements with financial institutions**

	<b>Group and Bank</b>	
	<b>31 March</b>	<b>31 December</b>
	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>
Licensed banks	<u>2,992</u>	<u>1,399</u>

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**31. Islamic banking business (cont'd.)**

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

	<b>Group and Bank</b>	
	<b>31 March</b>	<b>31 December</b>
	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At fair value</b>		
Unquoted securities:		
(In Malaysia)		
Private debt securities	37,481	31,457

**(d) Advances and financing**

	<b>Group</b>		<b>Bank</b>	
	<b>31 March</b>	<b>31 December</b>	<b>31 March</b>	<b>31 December</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Bai' Bithaman Ajil	552,674	569,225	531,306	546,213
Bai' 'Inah	171,121	146,649	171,121	146,649
Ijarah	26,277	26,594	26,138	26,455
Bai' Istisna'	7,280,741	7,186,238	7,280,741	7,186,239
Ijarah Muntahia				
Bitamlik	430,408	381,447	430,408	381,447
Bai' Murabahah	42,139	37,418	42,139	37,418
Staff financing	23,527	24,695	23,527	24,695
Ijarah Thummal Bai'	549	549	-	-
Unearned income	(3,700,989)	(3,817,316)	(3,699,924)	(3,816,241)
Gross advances and financing	4,826,447	4,555,499	4,805,456	4,532,875
Allowance for impaired financing:				
- individual assessment allowance	(454,517)	(456,150)	(433,527)	(433,527)
- collective assessment allowance	(126,415)	(126,415)	(126,415)	(126,415)
	(580,932)	(582,565)	(559,942)	(559,942)
Net advances and financing	4,245,515	3,972,934	4,245,514	3,972,933

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**31. Islamic banking business (cont'd.)**

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

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

	<b>Group</b>		<b>Bank</b>	
	<b>31 March</b>	<b>31 December</b>	<b>31 March</b>	<b>31 December</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Domestic business enterprises	4,795,099	4,522,031	4,794,531	4,521,419
Individual	31,348	33,468	10,925	11,456
Gross advances and financing	<u>4,826,447</u>	<u>4,555,499</u>	<u>4,805,456</u>	<u>4,532,875</u>

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

	<b>Group</b>		<b>Bank</b>	
	<b>31 March</b>	<b>31 December</b>	<b>31 March</b>	<b>31 December</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Fixed rate				
- Housing financing	31,348	33,468	10,925	11,456
- Other fixed rate financing	2,505,476	2,426,174	2,504,908	2,425,562
Variable rate				
- Cost plus	708,802	687,646	708,802	687,646
- Other variable rates	1,580,821	1,408,211	1,580,821	1,408,211
Gross advances and financing	<u>4,826,447</u>	<u>4,555,499</u>	<u>4,805,456</u>	<u>4,532,875</u>

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**31. Islamic banking business (cont'd.)**

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

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

	<b>Group</b>		<b>Bank</b>	
	<b>31 March</b>	<b>31 December</b>	<b>31 March</b>	<b>31 December</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Construction	2,813,888	2,587,413	2,810,377	2,583,629
Education	164,531	160,675	164,531	160,675
Electricity, gas and water supply	184,913	184,380	184,913	184,380
Finance, takaful and business	248	267	-	-
Hotel and restaurants	50,193	48,094	50,193	48,094
Housing	16,223	17,166	10,925	11,456
Manufacturing	111,941	94,943	109,935	92,935
Materials technology	108,010	107,417	108,010	107,417
Other community, social and personal service activities	5,999	6,619	-	-
Public administration and defence	57,442	58,379	57,442	58,379
Real estate, renting and business activities	2,589	2,791	-	-
Shipping	1,158,310	1,135,020	1,158,310	1,135,020
Transport, storage and communication	152,160	152,335	150,820	150,890
Gross advances and financing	<u>4,826,447</u>	<u>4,555,499</u>	<u>4,805,456</u>	<u>4,532,875</u>

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**Notes to the financial statements - 31 March 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:

	<b>Group</b>		<b>Bank</b>	
	<b>31 March</b>	<b>31 December</b>	<b>31 March</b>	<b>31 December</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Receivable after 12 months	4,061,524	3,833,517	4,050,919	3,821,138
Receivable within 12 months	764,923	721,982	754,537	711,737
	<u>4,826,447</u>	<u>4,555,499</u>	<u>4,805,456</u>	<u>4,532,875</u>

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**31. Islamic banking business (cont'd.)**

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

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

	<b>Group</b>		<b>Bank</b>	
	<b>31 March</b>	<b>31 December</b>	<b>31 March</b>	<b>31 December</b>
<b>Impaired financing</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January	707,599	735,054	633,888	633,226
Impaired during the period	45,367	282,365	45,367	282,365
Reclassified as non-impaired	-	(25,626)	-	(3,319)
Recovered during the period	(23,420)	(129,540)	(19,671)	(123,730)
Amount written off	(168)	(154,654)	(168)	(154,654)
Closing balance	<u>729,378</u>	<u>707,599</u>	<u>659,416</u>	<u>633,888</u>
Ratio of gross impaired financing	<u>15.11%</u>	<u>15.53%</u>	<u>14.48%</u>	<u>13.98%</u>

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**Notes to the financial statements - 31 March 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:

	<b>Group</b>		<b>Bank</b>	
	<b>31 March</b>	<b>31 December</b>	<b>31 March</b>	<b>31 December</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Construction	48,043	23,217	26,586	1,689
Education	56,477	56,477	56,477	56,477
Electricity, gas and water supply	24,990	28,516	24,990	28,516
Finance, takaful and business	4,147	51,366	-	47,219
Hotel and restaurants	49,318	-	49,318	-
Housing	6,655	9,134	-	-
Manufacturing	51,730	53,653	40,749	40,672
Materials technology	108,010	107,418	108,010	107,418
Other community, social and personal service activities	13,174	13,852	-	-
Real estate, renting and business activities	9,905	10,905	-	-
Shipping	353,286	351,897	353,286	351,897
Transport, storage and communication	3,643	1,164	-	-
	<b>729,378</b>	<b>707,599</b>	<b>659,416</b>	<b>633,888</b>



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**Notes to the financial statements - 31 March 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:

<b>Individual assessment allowance</b>	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2013 RM'000</b>	<b>31 December 2012 RM'000</b>	<b>31 March 2013 RM'000</b>	<b>31 December 2012 RM'000</b>
At 1 January	456,150	468,214	433,527	439,134
Allowance made during the period	1	276,130	-	275,985
Amount written back	(1,634)	(161,654)	-	(155,052)
Amount transferred from collective assessment allowance	-	28,114	-	28,114
Amount written off	-	(154,654)	-	(154,654)
Closing balance	<u>454,517</u>	<u>456,150</u>	<u>433,527</u>	<u>433,527</u>

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**Notes to the financial statements - 31 March 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.):

	<b>Group and Bank</b>	
	<b>31 March</b>	<b>31 December</b>
	<b>2013</b>	<b>2012</b>
<b>Collective assessment allowance</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January	126,415	115,426
Allowance made during the period	-	41,343
Amount written back	-	(2,240)
Amount transferred to individual assessment allowance	-	(28,114)
Closing balance	126,415	126,415

**(e) Other assets**

	<b>Group and Bank</b>	
	<b>31 March</b>	<b>31 December</b>
	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>
Other receivables	1,013	974

**(f) Other liabilities**

	<b>Group</b>		<b>Bank</b>	
	<b>31 March</b>	<b>31 December</b>	<b>31 March</b>	<b>31 December</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Bank overdraft	-	112	-	112
Other payables	3,070	5,500	2,064	3,520
Provision for zakat	4,049	3,070	4,049	3,070
Profit equalisation reserve	2,030	2,030	2,030	2,030
Inter divisions	1,792,810	1,821,334	1,790,372	1,818,359
	<u>1,801,959</u>	<u>1,832,046</u>	<u>1,798,515</u>	<u>1,827,091</u>

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**31. Islamic banking business (cont'd.)**

**(g) Income derived from investment of depositors' funds**

<b>Group</b>	<b>Individual Quarter</b>		<b>Cummulative Quarter</b>	
	<b>31 March 2013 RM'000</b>	<b>31 March 2012 RM'000</b>	<b>31 March 2013 RM'000</b>	<b>31 March 2012 RM'000</b>
<b>Finance Income</b>				
Advances and financing	11,756	4,714	11,756	4,714
Other income:				
- Fee income	181	80	181	80
	<u>11,937</u>	<u>4,794</u>	<u>11,937</u>	<u>4,794</u>
<b>Bank</b>	<b>Individual Quarter</b>		<b>Cummulative Quarter</b>	
	<b>31 March 2013 RM'000</b>	<b>31 March 2012 RM'000</b>	<b>31 March 2013 RM'000</b>	<b>31 March 2012 RM'000</b>
<b>Finance Income</b>				
Advances and financing	11,756	4,714	11,756	4,714
Other income:				
- Fee income	181	80	181	80
	<u>11,937</u>	<u>4,794</u>	<u>11,937</u>	<u>4,794</u>

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**31. Islamic banking business (cont'd.)**

**(h) Income derived from investment of shareholders funds**

Group	Individual Quarter		Cummulative Quarter	
	31 March 2013 RM'000	31 March 2012 RM'000	31 March 2013 RM'000	31 March 2012 RM'000
<b>Finance Income</b>				
Advances and financing	56,992	54,390	56,992	54,390
Compensation from the Government	1,643	1,623	1,643	1,623
Deposit placement with financial institutions	165	2,844	165	2,844
Financial investments - available-for-sale ("AFS")	406	633	406	633
	<u>59,206</u>	<u>59,490</u>	<u>59,206</u>	<u>59,490</u>
<b>Other income:</b>				
Fee income	899	748	899	748
	<u>60,105</u>	<u>60,238</u>	<u>60,105</u>	<u>60,238</u>
<b>Of which:</b>				
Profit income earned on impaired financing, advances and financing	<u>4,308</u>	<u>5,416</u>	<u>4,308</u>	<u>5,416</u>

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**31. Islamic banking business (cont'd.)**

<b>Bank</b>	<b>Individual Quarter</b>		<b>Cummulative Quarter</b>	
	<b>31 March 2013 RM'000</b>	<b>31 March 2012 RM'000</b>	<b>31 March 2013 RM'000</b>	<b>31 March 2012 RM'000</b>
<b>Finance Income</b>				
Advances and financing	56,694	54,260	56,694	54,260
Compensation from the Government	1,643	1,623	1,643	1,623
Deposit placement with financial institutions	143	2,844	143	2,844
Financial investments - available-for-sale ("AFS")	406	633	406	633
	<u>58,886</u>	<u>59,360</u>	<u>58,886</u>	<u>59,360</u>
Other income:				
Fee income	880	748	880	748
	<u>59,766</u>	<u>60,108</u>	<u>59,766</u>	<u>60,108</u>
Of which:				
Profit income earned on impaired financing, advances and financing	<u>4,308</u>	<u>5,416</u>	<u>4,308</u>	<u>5,416</u>

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**31. Islamic banking business (cont'd.)**

**(i) Advances and financing loss and allowance**

Group	Individual Quarter		Cumulative Quarter	
	31 March	31 March	31 March	31 March
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Bad debts and financing written off	168	-	168	-
Bad debts recovered	(655)	(692)	(655)	(692)
Individual impairment allowance:				
- made during the period	1	13,415	1	13,415
- written back	(1,634)	(2,755)	(1,634)	(2,755)
	<u>(2,120)</u>	<u>9,968</u>	<u>(2,120)</u>	<u>9,968</u>

Bank	Individual Quarter		Cumulative Quarter	
	31 March	31 March	31 March	31 March
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Bad debts and financing written off	168	-	168	-
Bad debts recovered	(15)	-	(15)	-
Individual impairment allowance:				
- made during the period	-	13,415	-	13,415
	<u>153</u>	<u>13,415</u>	<u>153</u>	<u>13,415</u>

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**31. Islamic banking business (cont'd.)**

**(j) Income attributable to depositors**

Group and Bank	Individual Quarter		Cumulative Quarter	
	31 March	31 March	31 March	31 March
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Deposit from customers - Mudharabah Fund	5,818	9,115	5,818	9,115

**(k) Overhead expenses**

Group	Note	Individual Quarter		Cumulative Quarter	
		31 March	31 March	31 March	31 March
		2013	2012	2013	2012
		RM'000	RM'000	RM'000	RM'000
Personnel costs	(i)	1,923	1,541	1,923	1,541
General administrative expenses	(ii)	700	706	700	706
		2,623	2,247	2,623	2,247

		Individual Quarter		Cumulative Quarter	
		31 March	31 March	31 March	31 March
		2013	2012	2013	2012
		RM'000	RM'000	RM'000	RM'000
<b>(i) Personnel costs</b>					
Salaries, allowances and bonuses		1,569	1,254	1,569	1,254
Social security cost		9	7	9	7
Pension costs - Defined contribution plan		191	154	191	154
Other staff related expenses		154	126	154	126
		1,923	1,541	1,923	1,541
<b>(ii) General administrative expenses</b>					
General administrative expenses		700	706	700	706
		700	706	700	706

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**31. Islamic banking business (cont'd.)**

Bank	Note	Individual Quarter		Cumulative Quarter	
		31 March 2013 RM'000	31 March 2012 RM'000	31 March 2013 RM'000	31 March 2012 RM'000
Personnel costs	(i)	1,923	1,541	1,923	1,541
General administrative expenses	(ii)	742	686	742	686
		<u>2,665</u>	<u>2,227</u>	<u>2,665</u>	<u>2,227</u>

	Individual Quarter		Cummulative Quarter	
	31 March 2013 RM'000	31 March 2012 RM'000	31 March 2013 RM'000	31 March 2012 RM'000
(i) Personnel costs				
Salaries, allowances and bonuses	1,569	1,254	1,569	1,254
Social security cost	9	7	9	7
Pension costs - Defined contribution plan	191	154	191	154
Other staff related expenses	154	126	154	126
	<u>1,923</u>	<u>1,541</u>	<u>1,923</u>	<u>1,541</u>

**(ii) General administrative expenses**

General administrative expenses	742	686	742	686
	<u>742</u>	<u>686</u>	<u>742</u>	<u>686</u>



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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**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		Cumulative Quarter	
	31 March 2013 RM'000	31 March 2012 RM'000	31 March 2013 RM'000	31 March 2012 RM'000
Group and Bank				
Shariah Committee's remuneration	49	16	49	16

**(l) Finance cost**

	Individual Quarter		Cumulative Quarter	
	31 March 2013 RM'000	31 March 2012 RM'000	31 March 2013 RM'000	31 March 2012 RM'000
Group and Bank				
Redeemable notes	10,250	10,250	10,250	10,250
Commercial papers programme	-	82	-	82
	10,250	10,332	10,250	10,332

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**Notes to the financial statements - 31 March 2013 (cont'd.)**

**31. Islamic banking business (cont'd.)**

**(m) Taxation and zakat**

	<b>Individual Quarter</b>		<b>Cummulative Quarter</b>	
	<b>31 March 2013 RM'000</b>	<b>31 March 2012 RM'000</b>	<b>31 March 2013 RM'000</b>	<b>31 March 2012 RM'000</b>
<b>Group and Bank</b>				
Zakat	<u>1,000</u>	<u>750</u>	<u>1,000</u>	<u>750</u>

**(n) Commitments and contingencies**

	<b>Group and Bank</b>	
	<b>31 March 2013 RM'000</b>	<b>31 December 2012 RM'000</b>
Disbursement of advances and financing to industries	<u>1,794,865</u>	<u>1,922,176</u>