



Media Release

Public Islamic Bank assigned AAA/P1 ratings by RAM Ratings

RAM Ratings has assigned respective long- and short-term financial institution ratings of AAA and P1 to Public Islamic Bank Berhad; the long-term rating has a stable outlook. The ratings reflect Public Islamic Bank's highly integrated operating model with its parent, i.e. Public Bank, its healthy retail-dominated receivables profile, and strong capital base that is supportive of future asset expansion.

"Public Islamic Bank is effectively a carve-out from Public Bank's Islamic banking operations; it possesses a credit-risk profile that is largely similar to that of its parent. The Bank also shares the same branches, network and risk-management infrastructure with Public Bank," says Promod Dass, RAM Ratings' Head of Financial Institution Ratings. "Public Bank is expected to lend support to its Islamic banking subsidiary in terms of financial flexibility, should the need arise," he adds.

Public Islamic Bank's financing portfolio is directed at the retail sector, particularly motor vehicles and housing. As at end-September 2008, automobile and home financing together comprised about 79% of the Bank's entire financing portfolio. Public Islamic Bank's asset quality has remained one of the industry's strongest, bearing testimony to the Public Bank Group's prudent credit culture and highly diversified retail-based financing portfolio. As at end-September 2008, the Bank's net non-performing-financing ratio, a common measure of asset quality, stood at 0.97% - among the best in RAM Ratings' universe. Meanwhile, Public Islamic Bank's capitalisation is considered strong, taking into account its healthy asset quality and sustainable earnings. The Bank's risk-weighted capital-adequacy ratio came up to 32.52% as at the same date.

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