

**PUBLIC ISLAMIC BANK BERHAD**  
**(14328 - V)**  
**(Incorporated in Malaysia)**  
**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED BALANCE SHEETS AS AT 31 MARCH 2009**

	<b>31 March 2009 RM'000</b>	<b>31 December 2008 RM'000</b>
<b>ASSETS</b>		
Cash and short-term funds	3,343,767	3,323,580
Securities held-for-trading	341,952	382,296
Securities available-for-sale	402,549	400,454
Financing and advances	12,093,707	11,877,409
Other assets	53,663	52,591
Statutory deposits with Bank Negara Malaysia	116,300	341,600
Deferred tax assets	74,844	72,304
Property and equipment	545	359
<b>TOTAL ASSETS</b>	<b>16,427,327</b>	<b>16,450,593</b>
<b>LIABILITIES</b>		
Deposits from customers	15,184,400	13,786,574
Deposits and placements of banks and other financial institutions	92,878	700,576
Other liabilities	71,175	974,266
Provision for zakat and taxation	24,247	4,745
<b>TOTAL LIABILITIES</b>	<b>15,372,700</b>	<b>15,466,161</b>
<b>EQUITY</b>		
Share capital	159,217	159,217
Reserves	895,410	825,215
<b>TOTAL EQUITY</b>	<b>1,054,627</b>	<b>984,432</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>16,427,327</b>	<b>16,450,593</b>
<b>OFF-BALANCE SHEET EXPOSURES</b>	<b>1,060,729</b>	<b>1,031,888</b>
<b>CAPITAL ADEQUACY</b>		
Core Capital Ratio	8.8%	9.1%
Risk-Weighted Capital Ratio	10.6%	11.0%
<b>Net assets per share attributable to ordinary equity holder of the Bank (RM)</b>	<b>6.62</b>	<b>6.18</b>

*The Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 December 2008.*

**PUBLIC ISLAMIC BANK BERHAD**  
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**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED INCOME STATEMENTS**  
**FOR THE 1ST QUARTER ENDED 31 MARCH 2009**

	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>31 March 2009 RM'000</b>	<b>31 March 2008 RM'000</b>	<b>31 March 2009 RM'000</b>	<b>31 March 2008 RM'000</b>
Income derived from investment of depositors' funds and others	<b>207,824</b>	-	<b>207,824</b>	-
Income derived from investment of shareholder's funds	<b>14,786</b>	932	<b>14,786</b>	932
Allowance for losses on financing and advances	<b>(9,695)</b>	-	<b>(9,695)</b>	-
- General allowances	<b>(1,012)</b>	-	<b>(1,012)</b>	-
- Other financing loss allowances	<b>(8,683)</b>	-	<b>(8,683)</b>	-
Profit equalisation reserves	<b>(8,420)</b>	-	<b>(8,420)</b>	-
Total distributable income	<b>204,495</b>	932	<b>204,495</b>	932
Income attributable to the depositors	<b>(71,945)</b>	-	<b>(71,945)</b>	-
Total net income	<b>132,550</b>	932	<b>132,550</b>	932
Personnel expenses	<b>(3,458)</b>	-	<b>(3,458)</b>	-
Other overheads and expenditures	<b>(36,008)</b>	(5)	<b>(36,008)</b>	(5)
Profit before zakat and taxation	<b>93,084</b>	927	<b>93,084</b>	927
Zakat	<b>(49)</b>	-	<b>(49)</b>	-
Taxation	<b>(23,721)</b>	(241)	<b>(23,721)</b>	(241)
Profit for the period	<b>69,314</b>	686	<b>69,314</b>	686
Earnings per RM1.00 share (sen)	<b>43.5</b>	0.5	<b>43.5</b>	0.5

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**PUBLIC ISLAMIC BANK BERHAD**  
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**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE 1ST QUARTER ENDED 31 MARCH 2009**

	<-----Non-distributable----->				<----- Distributable----->		Total Shareholder's Equity RM'000
	Share Capital RM'000	Share Premium RM'000	<u>Reserves</u> Statutory Reserves RM'000	Revaluation Reserves RM'000	<u>Reserves</u> General Reserves RM'000	Retained Profits RM'000	
<b>At 1 January 2009</b>	<b>159,217</b>	<b>773,500</b>	<b>23,819</b>	<b>341</b>	<b>2,000</b>	<b>25,555</b>	<b>984,432</b>
Unrealised net gain on revaluation of securities available-for-sale	-	-	-	<b>881</b>	-	-	<b>881</b>
Net profit for the period	-	-	-	-	-	<b>69,314</b>	<b>69,314</b>
Total recognised income for the period	-	-	-	<b>881</b>	-	<b>69,314</b>	<b>70,195</b>
<b>At 31 March 2009</b>	<b>159,217</b>	<b>773,500</b>	<b>23,819</b>	<b>1,222</b>	<b>2,000</b>	<b>94,869</b>	<b>1,054,627</b>
At 1 January 2008	127,717	-	-	-	2,000	1,736	131,453
Net profit for the year	-	-	-	-	-	686	686
At 31 March 2008	127,717	-	-	-	2,000	2,422	132,139

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**PUBLIC ISLAMIC BANK BERHAD**  
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**UNAUDITED CONDENSED CASH FLOW STATEMENTS**  
**FOR THE 1ST QUARTER ENDED 31 MARCH 2009**

	<b>31 March 2009 RM'000</b>	<b>31 March 2008 RM'000</b>
Profit before zakat and taxation	93,084	927
Adjustments for non-cash items	20,523	-
Operating profit before working capital changes	<u>113,607</u>	<u>927</u>
Changes in working capital:		
Net changes in operating assets	36,199	(2)
Net changes in operating liabilities	(121,383)	5
Zakat and tax paid	(7,102)	-
Net cash generated from operating activities	<u>21,321</u>	<u>930</u>
Net cash used in investing activities	<u>(1,134)</u>	<u>-</u>
Net change in cash and cash equivalents	20,187	930
Cash and cash equivalents at beginning of the period	3,323,580	106,513
Cash and cash equivalents at end of the period	<u><u>3,343,767</u></u>	<u><u>107,443</u></u>

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**Part A - Explanatory Notes Pursuant to Financial Reporting Standard 134 ("FRS 134") and Guidelines on Financial Reporting for Licensed Islamic Banks (BNM/GP8i) Issued by Bank Negara Malaysia**

**A1. Basis of Preparation**

The unaudited interim financial statements for the 1st quarter ended 31 March 2009 have been prepared under the historical cost convention except for the following assets which are stated at fair value: held-for-trading and available-for-sale financial assets.

The unaudited interim financial statements have been prepared in accordance with FRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"). The unaudited interim financial statements should be read in conjunction with the audited annual financial statements of the Bank for the year ended 31 December 2008. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Bank since the year ended 31 December 2008.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 December 2008.

Financing and advances are stated at cost less any allowance for bad and doubtful financing. Allowance for bad and doubtful financing are made with regard to specific risks and relate to those financing or trade receivables that have been individually reviewed and specifically identified as sub-standard, doubtful or bad.

The allowance for bad and doubtful financing are computed in conformity with BNM/GP3. Consistent with previous years, the Bank has adopted a more stringent policies on classification of non-performing financing, and specific allowances whereby financing are classified as non-performing and sub-standard when repayments are in arrears for more than three (3) months from the first day of default or after maturity date with a 20% specific allowance.

A general allowance based on a percentage of total outstanding financing (including accrued profit), net of specific allowance for bad and doubtful financing, is maintained by the Bank against risks which are not specifically identified.

An uncollectible financing or portion of a financing classified as bad is written off after taking into consideration the realisable value of collateral, if any, when in the opinion of management, there is no prospect of recovery.

Values assigned to collateral held for non-performing financing secured by properties is determined based on the realisable values of the properties, being the force sale value provided by independent parties/valuers, on the following basis:

- (i) Assigning only fifty percent (50%) of the realisable value of the properties held as collateral for non-performing financing which are in arrears for more than five (5) years but less than seven (7) years; and
- (ii) No value will be assigned to the realisable value of the properties held as collateral for non-performing financing which are in arrears for more than seven (7) years.

The portion of non-performing financing where no realisable value has been assigned will be written off.

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**A2. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2008 was not qualified.

**A3. Comments about Seasonal or Cyclical Factors**

The operations of the Bank were not materially affected by any seasonal or cyclical factors in the 1st quarter ended 31 March 2009.

**A4. Unusual Items Due to Their Nature, Size or Incidence**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Bank in the 1st quarter ended 31 March 2009.

**A5. Changes in Estimates**

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the 1st quarter ended 31 March 2009.

**A6. Debt and Equity Securities**

There were no issuance of shares, share buy-backs and repayment of debt and equity securities by the Bank in the 1st quarter ended 31 March 2009.

**A7. Dividends**

No dividend has been declared or paid during the 1st quarter ended 31 March 2009.

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**A8. Securities Held-for-Trading**

	<b>31 March 2009 RM'000</b>	<b>31 December 2008 RM'000</b>
<b>At fair value</b>		
Money market instruments:		
Cagamas bonds	201,591	382,296
Bank Negara Malaysia Monetary Notes	140,361	-
	<b>341,952</b>	<b>382,296</b>
	<b>341,952</b>	<b>382,296</b>

**A9. Securities Available-for-Sale**

	<b>31 March 2009 RM'000</b>	<b>31 December 2008 RM'000</b>
<b>At fair value</b>		
Quoted securities:		
Trust units in Malaysia	402,549	400,454
	<b>402,549</b>	<b>400,454</b>
	<b>402,549</b>	<b>400,454</b>

**A10. Financing and Advances**

	<b>31 March 2009 RM'000</b>	<b>31 December 2008 RM'000</b>
Cash line	115,758	106,699
Term financing		
- House financing	2,554,952	2,536,324
- Hire purchase receivables	9,155,180	9,345,331
- Other term financing	3,897,137	3,659,063
Revolving credits	2,102	2,104
	<b>15,725,129</b>	<b>15,649,521</b>
Less: Unearned income	(3,218,646)	(3,209,630)
Gross financing and advances (including Islamic house financing sold to Cagamas)	<b>12,506,483</b>	<b>12,439,891</b>
Less: Islamic house financing sold to Cagamas	(200,001)	(350,009)
Gross financing and advances (excluding Islamic house financing sold to Cagamas)	<b>12,306,482</b>	<b>12,089,882</b>
Allowance for losses on financing and advances:		
- general	(189,504)	(188,492)
- specific	(23,271)	(23,981)
	<b>12,093,707</b>	<b>11,877,409</b>
Net financing and advances	<b>12,093,707</b>	<b>11,877,409</b>

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**A10. Financing and Advances (continued)**

**a. By concept**

	<b>31 March 2009 RM'000</b>	<b>31 December 2008 RM'000</b>
Bai' Bithaman Ajil-i (deferred payment sale)	2,845,827	2,762,685
Ijarah Thamma Al-Bai'-i (leasing)	7,904,272	8,057,261
Bai-Al-Einah-i	1,756,384	1,619,945
	<u>12,506,483</u>	<u>12,439,891</u>
Less: Islamic house financing sold to Cagamas	(200,001)	(350,009)
Gross financing and advances	<u><u>12,306,482</u></u>	<u><u>12,089,882</u></u>

**b. By type of customer**

	<b>31 March 2009 RM'000</b>	<b>31 December 2008 RM'000</b>
Domestic non-bank financial institutions		
- Others	476	508
Domestic business enterprises		
- Small and medium enterprises	889,410	897,653
- Others	333,108	330,219
Government and statutory bodies	82	87
Individuals	11,247,932	11,174,410
Other domestic entities	1,399	1,413
Foreign entities	34,076	35,601
	<u>12,506,483</u>	<u>12,439,891</u>
Less: Islamic house financing sold to Cagamas	(200,001)	(350,009)
Gross financing and advances	<u><u>12,306,482</u></u>	<u><u>12,089,882</u></u>

**c. By profit rate sensitivity**

	<b>31 March 2009 RM'000</b>	<b>31 December 2008 RM'000</b>
Fixed rate		
- House financing	1,244,589	1,303,631
- Hire purchase receivables	7,904,272	8,057,261
- Other fixed rate financing	2,498,867	2,376,369
Variable rate		
- BFR plus	782,584	626,200
- Cost plus	76,171	76,430
	<u>12,506,483</u>	<u>12,439,891</u>
Less: Islamic house financing sold to Cagamas	(200,001)	(350,009)
Gross financing and advances	<u><u>12,306,482</u></u>	<u><u>12,089,882</u></u>

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**A10. Financing and Advances (continued)**

**d. By economic purpose**

	<b>31 March 2009 RM'000</b>	<b>31 December 2008 RM'000</b>
Purchase of securities	612	799
Purchase of transport vehicles	7,907,737	8,060,891
Purchase of landed properties	2,466,682	2,403,744
(of which: - residential	1,662,825	1,618,124
- non-residential)	803,857	785,620
Purchase of fixed assets (excluding landed properties)	6,596	6,854
Personal use	1,832,686	1,690,914
Purchase of consumer durables	16,171	17,211
Construction	10,175	9,822
Working capital	147,675	134,014
Other purpose	118,149	115,642
	12,506,483	12,439,891
Less: Islamic house financing sold to Cagamas	(200,001)	(350,009)
Gross financing and advances	12,306,482	12,089,882

**e. By sectors**

	<b>31 March 2009 RM'000</b>	<b>31 December 2008 RM'000</b>
Agriculture, hunting, forestry and fishing	190,997	184,401
Mining and quarrying	7,301	7,298
Manufacturing	128,660	136,944
Electricity, gas and water	789	877
Construction	222,736	226,802
Wholesale & retail trade and restaurants & hotels	294,028	308,267
Transport, storage and communication	49,726	51,056
Finance, insurance and business services	124,538	124,100
Real estate	107,355	93,424
Community, social and personal services	61,523	59,942
Households	11,281,699	11,209,680
(of which: - purchase of residential properties	1,636,573	1,591,372
- purchase of transport vehicles	7,371,150	7,494,181
- others )	2,273,976	2,124,127
Others	37,131	37,100
	12,506,483	12,439,891
Less: Islamic house financing sold to Cagamas	(200,001)	(350,009)
Gross financing and advances	12,306,482	12,089,882

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**A10. Financing and Advances (continued)**

**f. Non-performing financing and advances by economic purpose**

	<b>31 March 2009 RM'000</b>	<b>31 December 2008 RM'000</b>
Purchase of transport vehicles	59,430	61,939
Purchase of landed properties	56,130	60,728
(of which: - residential	47,803	51,850
- non-residential)	8,327	8,878
Purchase of fixed assets (excluding landed properties)	125	124
Personal use	15,302	16,151
Purchase of consumer durables	75	175
Working capital	267	480
Other purpose	147	242
	<b>131,476</b>	<b>139,839</b>

Non-performing financing and advances by sectors

Agriculture, hunting, forestry and fishing	55	52
Manufacturing	1,275	1,546
Construction	1,066	1,266
Wholesale & retail trade and restaurants & hotels	3,631	3,358
Transport, storage and communication	134	233
Finance, insurance and business services	1,025	338
Real estate	466	795
Community, social and personal services	576	656
Households	123,113	131,374
(of which: - purchase of residential properties	47,627	51,671
- purchase of transport vehicles	55,478	57,981
- others	20,008	21,722
Others	135	221
	<b>131,476</b>	<b>139,839</b>

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**A10. Financing and Advances (continued)**

g. Movements in non-performing financing and advances ("NPF") are as follows:

	<b>31 March 2009 RM'000</b>	<b>31 December 2008 RM'000</b>
At 1 January	139,839	-
Non-performing during the period/ year	81,143	58,476
Reclassified as performing	(68,895)	(58,370)
Recoveries	(8,666)	(4,565)
Amount written off	(11,945)	(12,287)
Amount vested over from Public Bank Berhad	-	156,585
Closing balance	<u>131,476</u>	<u>139,839</u>
Specific allowance	<u>(23,271)</u>	<u>(23,981)</u>
Net non-performing financing and advances	<u><u>108,205</u></u>	<u><u>115,858</u></u>
Net NPF as % of gross financing and advances (including Islamic house financing sold to Cagamas) less specific allowance	<u><u>0.87%</u></u>	<u><u>0.93%</u></u>

h. Movements in the allowance for losses on financing and advances accounts are as follows:

	<b>31 March 2009 RM'000</b>	<b>31 December 2008 RM'000</b>
<u>General Allowance</u>		
At 1 January	188,492	-
Allowance made during the period/ year	1,012	1,407
Amount vested over from Public Bank Berhad	-	187,085
Closing balance	<u>189,504</u>	<u>188,492</u>
As % of gross financing and advances (including Islamic house financing sold to Cagamas) less specific allowance	<u><u>1.52%</u></u>	<u><u>1.52%</u></u>
<u>Specific Allowance</u>		
At 1 January	23,981	-
Allowance made during the period/ year	15,293	11,392
Amount written back in respect of recoveries	(4,230)	(3,438)
Amount written off	(11,945)	(12,287)
Reinstatement of amount written off previously due to restructuring / rescheduling now reclassified as performing financing	172	51
Amount vested over from Public Bank Berhad	-	28,263
Closing balance	<u>23,271</u>	<u>23,981</u>

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**A11. Other Assets**

	<b>31 March 2009 RM'000</b>	<b>31 December 2008 RM'000</b>
Deferred handling fees	49,865	51,745
Income receivable	2,574	388
Other receivables, deposits and prepayments	1,224	458
	<b>53,663</b>	<b>52,591</b>

**A12. Deposits from Customers**

**a. By type of deposit**

	<b>31 March 2009 RM'000</b>	<b>31 December 2008 RM'000</b>
<u>Non-Mudharabah Fund</u>		
Wadiah current deposits-i	1,751,369	1,828,887
Wadiah savings deposits-i	3,369,992	3,232,045
Negotiable Debt Certificate-i	5,179,816	4,487,970
Others	3,788	2,836
	<b>10,304,965</b>	<b>9,551,738</b>
<u>Mudharabah Fund</u>		
Mudharabah savings deposits-i	77,669	74,033
Mudharabah general investment deposits-i	4,354,076	3,493,453
Mudharabah special investment deposits-i	447,690	667,350
	<b>4,879,435</b>	<b>4,234,836</b>
	<b>15,184,400</b>	<b>13,786,574</b>

**b. By type of customer**

	<b>31 March 2009 RM'000</b>	<b>31 December 2008 RM'000</b>
Federal and state governments	437,283	312,476
Local government and statutory authorities	456,467	540,412
Business enterprises	1,846,253	1,980,917
Individuals	3,766,143	3,604,440
Foreign customers	80,040	79,812
Others	8,598,214	7,268,517
	<b>15,184,400</b>	<b>13,786,574</b>

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**A13. Deposits and Placements of Banks and Other Financial Institutions**

	<b>31 March 2009 RM'000</b>	<b>31 December 2008 RM'000</b>
<u>Mudharabah Fund</u>		
Licensed banks		
- Holding company	-	699,448
- Others	<b>92,878</b>	<b>1,128</b>
	<b>92,878</b>	<b>700,576</b>

**A14. Other Liabilities**

	<b>31 March 2009 RM'000</b>	<b>31 December 2008 RM'000</b>
Income payable	<b>14,748</b>	16,126
Other payables and accruals	<b>13,263</b>	323,554
Employee benefits	<b>(1,463)</b>	(1,515)
Profit equalisation reserves	<b>43,204</b>	34,784
Amount due to holding company	<b>1,423</b>	601,317
	<b>71,175</b>	<b>974,266</b>

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**A15. Income Derived from Investment of Depositors' Funds and Others**

	1st Quarter Ended		Three Months Ended	
	31 March 2009 RM'000	31 March 2008 RM'000	31 March 2009 RM'000	31 March 2008 RM'000
Income derived from investment of:				
(a) General investment deposits	58,911	-	58,911	-
(b) Other deposits	148,913	-	148,913	-
	<u>207,824</u>	<u>-</u>	<u>207,824</u>	<u>-</u>
<b>a. Income derived from investment of general investment deposits:</b>				
<u>Finance income and Hibah</u>				
Financing and advances	52,232	-	52,232	-
Securities held-for-trading	947	-	947	-
Money at call and deposits with financial institutions	4,479	-	4,479	-
Others	280	-	280	-
	<u>57,938</u>	<u>-</u>	<u>57,938</u>	<u>-</u>
Amortisation of premium less accretion of discount	(33)	-	(33)	-
Total finance income and Hibah	<u>57,905</u>	<u>-</u>	<u>57,905</u>	<u>-</u>
<u>Other operating income</u>				
Fee income	993	-	993	-
Other income	13	-	13	-
	<u>1,006</u>	<u>-</u>	<u>1,006</u>	<u>-</u>
	<u>58,911</u>	<u>-</u>	<u>58,911</u>	<u>-</u>
<b>b. Income derived from investment of other deposits:</b>				
<u>Finance income and Hibah</u>				
Financing and advances	132,030	-	132,030	-
Securities held-for-trading	2,395	-	2,395	-
Money at call and deposits with financial institutions	11,323	-	11,323	-
Others	708	-	708	-
	<u>146,456</u>	<u>-</u>	<u>146,456</u>	<u>-</u>
Amortisation of premium less accretion of discount	(84)	-	(84)	-
Total finance income and Hibah	<u>146,372</u>	<u>-</u>	<u>146,372</u>	<u>-</u>
<u>Other operating income</u>				
Fee income	2,509	-	2,509	-
Other income	32	-	32	-
	<u>2,541</u>	<u>-</u>	<u>2,541</u>	<u>-</u>
	<u>148,913</u>	<u>-</u>	<u>148,913</u>	<u>-</u>

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**A16. Income Derived from Investment of Shareholder's Funds**

	1st Quarter Ended		Three Months Ended	
	31 March 2009 RM'000	31 March 2008 RM'000	31 March 2009 RM'000	31 March 2008 RM'000
<u>Finance income and Hibah</u>				
Financing and advances	13,110	-	13,110	-
Securities held-for-trading	238	-	238	-
Money at call and deposit placements with financial institutions	1,124	931	1,124	931
Others	70	-	70	-
	<u>14,542</u>	<u>931</u>	<u>14,542</u>	<u>931</u>
Amortisation of premium less accretion of discount	(8)	-	(8)	-
Total finance income and Hibah	<u>14,534</u>	<u>931</u>	<u>14,534</u>	<u>931</u>
<u>Operating income</u>				
Fee income	249	-	249	-
Other income	3	1	3	1
	<u>252</u>	<u>1</u>	<u>252</u>	<u>1</u>
	<u>14,786</u>	<u>932</u>	<u>14,786</u>	<u>932</u>

**A17. Allowance for Losses on Financing and Advances**

	1st Quarter Ended		Three Months Ended	
	31 March 2009 RM'000	31 March 2008 RM'000	31 March 2009 RM'000	31 March 2008 RM'000
Allowance for bad and doubtful financing:				
- general allowance (net)	1,012	-	1,012	-
- specific allowance	15,293	-	15,293	-
- specific allowance written back	(4,230)	-	(4,230)	-
Bad financing recovered	(2,405)	-	(2,405)	-
Bad financing written off	25	-	25	-
	<u>9,695</u>	<u>-</u>	<u>9,695</u>	<u>-</u>

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	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>31 March 2009 RM'000</b>	<b>31 March 2008 RM'000</b>	<b>31 March 2009 RM'000</b>	<b>31 March 2008 RM'000</b>
Deposits from customers				
- Mudharabah fund	<b>24,621</b>	-	<b>24,621</b>	-
- Non-Mudharabah fund	<b>41,843</b>	-	<b>41,843</b>	-
Deposits and placements of banks and other financial institutions				
- Mudharabah fund	<b>5,481</b>	-	<b>5,481</b>	-
	<b>71,945</b>	-	<b>71,945</b>	-

**A19. Personnel expenses**

	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>31 March 2009 RM'000</b>	<b>31 March 2008 RM'000</b>	<b>31 March 2009 RM'000</b>	<b>31 March 2008 RM'000</b>
Salaries, allowances and bonuses	<b>2,754</b>	-	<b>2,754</b>	-
Pension costs	<b>387</b>	-	<b>387</b>	-
Others	<b>317</b>	-	<b>317</b>	-
	<b>3,458</b>	-	<b>3,458</b>	-

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**A20. Other Overheads and Expenditures**

	1st Quarter Ended		Three Months Ended	
	31 March 2009 RM'000	31 March 2008 RM'000	31 March 2009 RM'000	31 March 2008 RM'000
Establishment costs				
- Depreciation	28	-	28	-
- Rental	66	-	66	-
- Insurance	(12)	-	(12)	-
- Water and electricity	21	-	21	-
- General repairs and maintenance	45	-	45	-
- Others	15	-	15	-
	<u>163</u>	<u>-</u>	<u>163</u>	<u>-</u>
Marketing expenses				
- Advertisement and publicity	340	-	340	-
- Others	1,321	-	1,321	-
	<u>1,661</u>	<u>-</u>	<u>1,661</u>	<u>-</u>
Administration and general expenses				
- Communication expenses	(1,813)	-	(1,813)	-
- Legal and professional fees	904	-	904	-
- Others	251	5	251	5
	<u>(658)</u>	<u>5</u>	<u>(658)</u>	<u>5</u>
Shared service costs paid/payable to Public Bank Berhad	34,842	-	34,842	-
	<u>36,008</u>	<u>5</u>	<u>36,008</u>	<u>5</u>

**A21. Earnings Per Share (EPS)**

The calculation of the basic earnings per share is based on the net profit attributable to the equity holder of the Bank divided by the weighted average number of ordinary shares of RM1.00 each in issue during the 1st quarter and financial period ended 31 March 2009.

	1st Quarter Ended		Three Months Ended	
	31 March 2009 RM'000	31 March 2008 RM'000	31 March 2009 RM'000	31 March 2008 RM'000
Net profit attributable to equity holder of the Bank (RM'000)	<u>69,314</u>	686	<u>69,314</u>	686
Weighted average number of PIBB Shares ('000)	<u>159,217</u>	127,717	<u>159,217</u>	127,717
Basic earnings per share (sen)	<u>43.5</u>	0.5	<u>43.5</u>	0.5

There are no dilutive potential ordinary shares in the 1st quarter ended 31 March 2009 and 31 March 2008.

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**A22. Performance Review**

The Bank recorded a pre-tax profit of RM93.1 million for the 1st quarter ended 31 March 2009 as compared to RM0.9 million in the previous corresponding quarter. The higher pre-tax profits is attributable to the transfer of the Islamic banking business of its holding company, Public Bank Berhad to the Bank on 1 November 2008.

**A23. Prospects for 2009**

Despite the slowing economy, the banking industry in Malaysia is expected to grow positively and remain resilient due to its strong capitalisation, healthy asset quality and improved risk management practices. Amidst excess liquidity, the entry of new Islamic banks and the liberal operating environment for incumbent foreign-controlled banks, the banking industry will remain competitive, particularly in the retail sector, and the pressure on net profit margins will remain. Banks are expected to introduce innovative and competitive products and services at a faster pace, pursue competitive pricing strategies and strengthen their customer relationship management and delivery standards to gain market share. The banking industry's financing growth is expected to moderate as households and businesses turn more cautious. Factors that will continue to support financing growth include low financing costs, promotion of BNM funds to support SMEs and the Government's fiscal stimulus to boost economic activity.

The Bank will continue to focus on its core business of home mortgages, passenger vehicle hire purchase financing, SME financing and personal financing, whilst sourcing its funds from retail and wholesale deposits. The Bank will continue to tap on its extensive branch network, wide array of innovative products and packages, multiple delivery channels, strong corporate image and the PB brand, strong sales and marketing force and superior delivery standards.

In its pursuit of business expansion, the Bank will continue to remain prudent, uphold strong corporate governance and implement sound risk management policies. Despite the current challenging operating environment, the Bank is expected to record satisfactory performance in 2009.

**A24. Subsequent Events**

There were no material events subsequent to the balance sheet date that require disclosure or adjustments to the unaudited interim financial statements.

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**A25. Segment Information on Operating Revenue, Profit Before Zakat and Taxation and Assets**

<b>Three Months Ended 31 March 2009</b>	<----- Operating Segments ----->					
	<b>Hire Purchase RM'000</b>	<b>Retail Operations RM'000</b>	<b>Corporate Banking RM'000</b>	<b>Treasury and Head Office RM'000</b>	<b>Inter- segment Elimination RM'000</b>	<b>Total RM'000</b>
External revenue	111,917	92,024	979	17,560	-	222,480
Revenue from other segments	-	30,306	-	60,925	(91,231)	-
	<b>111,917</b>	<b>122,330</b>	<b>979</b>	<b>78,485</b>	<b>(91,231)</b>	<b>222,480</b>
Net financing income	50,617	81,803	301	4,667	-	137,388
Other operating income	(36)	3,781	-	1,112	-	4,857
Net income	<b>50,581</b>	<b>85,584</b>	<b>301</b>	<b>5,779</b>	<b>-</b>	<b>142,245</b>
Other operating expenses	(9,827)	(22,976)	-	(6,663)	-	(39,466)
Allowance for losses on financing and advances excluding general allowance	(5,944)	(2,739)	-	-	-	(8,683)
Profit by segments	<b>34,810</b>	<b>59,869</b>	<b>301</b>	<b>(884)</b>	<b>-</b>	<b>94,096</b>
Reconciliation of segment profits to consolidated profits:						
General allowance						(1,012)
Profit before zakat and taxation						<b>93,084</b>
Cost income ratio	19.4%	26.8%	0.0%	115.3%	0.0%	27.7%
Gross loans	7,904,272	4,311,039	91,171	-	-	12,306,482
Net non-performing financing and advances	42,390	65,815	-	-	-	108,205
Deposits from customers	-	9,536,184	20,710	5,627,506	-	15,184,400
Segment assets	<b>7,818,874</b>	<b>9,728,865</b>	<b>89,961</b>	<b>6,543,222</b>	<b>(7,831,478)</b>	<b>16,349,444</b>
Reconciliation of segment assets to consolidated assets:						
Unallocated assets						77,883
Total assets						<b>16,427,327</b>

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**A25. Segment Information on Operating Revenue, Profit Before Zakat and Taxation and Assets (continued)**

	<----- Operating Segments ----->					Total RM'000
	Hire Purchase RM'000	Retail Operations RM'000	Corporate Banking RM'000	Treasury and Head Office RM'000	Inter- segment Elimination RM'000	
<b>Three Months Ended 31 March 2008</b>						
External revenue	-	-	-	931	-	931
	-	-	-	931	-	931
Net financing income	-	-	-	931	-	931
Other operating income	-	-	-	1	-	1
Net income	-	-	-	932	-	932
Other operating expenses	-	-	-	(5)	-	(5)
Profit by segments / Profit before zakat and taxation	-	-	-	927	-	927
Cost income ratio				0.5%		0.5%
Segment assets	-	-	-	132,456	-	132,456
Recociliation of segment assets to consolidated assets:						
Unallocated assets						-
Total assets						132,456

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**A26. Off-Balance Sheet Exposures**

Off-balance sheet exposures of the Bank consists of various commitments made and contingent liabilities incurred in the normal course of business with legal recourse to its customers. No material losses are anticipated as a result of these transactions. These off-balance sheet exposures are not secured against the Bank's assets.

The risk-weighted exposures of the Bank as at the following dates are as follows:

	As at 31 March 2009			As at 31 December 2008		
	Principal Amount RM'000	Credit Equivalent Amount RM'000	Risk Weighted Amount RM'000	Principal Amount RM'000	Credit Equivalent Amount RM'000	Risk Weighted Amount RM'000
<u>Credit-related Exposures</u>						
Assets sold with recourse	194,660	194,660	92,500	341,988	341,988	163,769
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:						
- exceeding one year	732,803	324,306	252,693	569,495	284,748	219,674
- not exceeding one year	133,266	-	-	120,405	24,081	19,693
	<u>1,060,729</u>	<u>518,966</u>	<u>345,193</u>	<u>1,031,888</u>	<u>650,817</u>	<u>403,136</u>

\* The credit equivalent amount and risk weighted amount are arrived at using the credit conversion factors and risk weights as defined in Bank Negara Malaysia's Capital Adequacy Framework for Islamic Banks.

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**A27. Capital Adequacy**

The capital adequacy ratios of the Bank as at the following date:

	<b>31 March 2009</b>	<b>31 December 2008</b>
Core capital ratio	8.8%	9.1%
Risk-weighted capital ratio	<u>10.6%</u>	<u>11.0%</u>

Components of Tier I and Tier II capital:

Tier I capital

Paid-up share capital	159,217	159,217
Share premium	773,500	773,500
Other reserves	25,819	25,819
Retained profits	25,555	25,555
Less: Deferred tax assets, net	(72,418)	(72,418)
Total Tier I capital	<u>911,673</u>	<u>911,673</u>

Tier II capital

General allowance for bad and doubtful financing	189,504	188,492
Total Tier II capital	<u>189,504</u>	<u>188,492</u>
Capital base	<u>1,101,177</u>	<u>1,100,165</u>

The capital adequacy ratios of the Bank is computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework for Islamic Bank Standardised Approach for Credit Risk and Market Risk, and Basic Indicator Approach for Operational Risk (Basel II).

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**A28. Profit Rate Risk**

As at 31 March 2009	Non trading book										Effective profit rate %	
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	> 1 - 2 years RM'000	> 2 - 3 years RM'000	> 3 - 4 years RM'000	> 4 - 5 years RM'000	over 5 years RM'000	Non-profit sensitive RM'000	Trading book RM'000		Total RM'000
<b>ASSETS</b>												
Cash and short-term funds	3,238,013	-	-	-	-	-	-	-	105,754	-	3,343,767	2.02
Securities held-for-trading	-	-	-	-	-	-	-	-	-	341,952	341,952	2.40
Securities available-for-sale	-	-	-	-	-	-	-	-	402,549	-	402,549	-
Financing and advances												
- performing	1,139,873	350,139	1,543,702	1,794,264	1,546,689	1,322,706	1,071,033	3,606,601	-	-	12,375,007	6.45
- non-performing *	-	-	-	-	-	-	-	-	(81,299)	-	(81,299)	-
- Islamic house financing sold to Cagamas	(200,001)	-	-	-	-	-	-	-	-	-	(200,001)	3.57
Other non-profit sensitive balances	-	-	-	-	-	-	-	-	245,352	-	245,352	-
<b>TOTAL ASSETS</b>	<b>4,177,885</b>	<b>350,139</b>	<b>1,543,702</b>	<b>1,794,264</b>	<b>1,546,689</b>	<b>1,322,706</b>	<b>1,071,033</b>	<b>3,606,601</b>	<b>672,356</b>	<b>341,952</b>	<b>16,427,327</b>	
<b>LIABILITIES AND EQUITY</b>												
Deposits from customers	7,165,623	1,393,192	2,222,186	2,071,705	236,562	402,183	1,146	-	1,691,803	-	15,184,400	2.12
Deposits and placements of banks and other financial institutions	92,000	-	-	-	-	-	-	-	878	-	92,878	1.92
Other non-profit sensitive balances	-	-	-	-	-	-	-	-	95,422	-	95,422	-
<b>Total Liabilities</b>	<b>7,257,623</b>	<b>1,393,192</b>	<b>2,222,186</b>	<b>2,071,705</b>	<b>236,562</b>	<b>402,183</b>	<b>1,146</b>	<b>-</b>	<b>1,788,103</b>	<b>-</b>	<b>15,372,700</b>	
Equity attributable to equity holder of the Bank	-	-	-	-	-	-	-	-	1,054,627	-	1,054,627	
<b>Total Liabilities and Equity</b>	<b>7,257,623</b>	<b>1,393,192</b>	<b>2,222,186</b>	<b>2,071,705</b>	<b>236,562</b>	<b>402,183</b>	<b>1,146</b>	<b>-</b>	<b>2,842,730</b>	<b>-</b>	<b>16,427,327</b>	
On-balance sheet profit sensitivity gap	(3,079,738)	(1,043,053)	(678,484)	(277,441)	1,310,127	920,523	1,069,887	3,606,601	(2,170,374)	341,952	-	
Off-balance sheet profit sensitivity gap	-	-	-	-	-	-	-	-	-	-	-	
<b>Total profit sensitivity gap</b>	<b>(3,079,738)</b>	<b>(1,043,053)</b>	<b>(678,484)</b>	<b>(277,441)</b>	<b>1,310,127</b>	<b>920,523</b>	<b>1,069,887</b>	<b>3,606,601</b>	<b>(2,170,374)</b>	<b>341,952</b>	<b>-</b>	

\* This is arrived at after deducting the general allowance and specific allowance from the outstanding gross non-performing financing and advances.

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**A28. Profit Rate Risk (continued)**

As at 31 December 2008	Non trading book									Trading book RM'000	Total RM'000	Effective profit rate %
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	> 1 - 2 years RM'000	> 2 - 3 years RM'000	> 3 - 4 years RM'000	> 4 - 5 years RM'000	over 5 years RM'000	Non-profit sensitive RM'000			
<b>ASSETS</b>												
Cash and short-term funds	3,308,820	-	-	-	-	-	-	-	14,760	-	3,323,580	3.21
Securities held-for-trading	-	-	-	-	-	-	-	-	-	382,296	382,296	3.47
Securities available-for-sale	-	-	-	-	-	-	-	-	400,454	-	400,454	-
Financing and advances												
- performing	986,503	357,101	1,585,981	1,839,616	1,579,331	1,364,283	1,097,610	3,489,627	-	-	12,300,052	5.77
- non-performing *	-	-	-	-	-	-	-	-	(72,634)	-	(72,634)	-
- Islamic house financing sold to Cagamas	(200,008)	(150,001)	-	-	-	-	-	-	-	-	(350,009)	3.74
Other non-profit sensitive balances	-	-	-	-	-	-	-	-	466,854	-	466,854	-
<b>TOTAL ASSETS</b>	<b>4,095,315</b>	<b>207,100</b>	<b>1,585,981</b>	<b>1,839,616</b>	<b>1,579,331</b>	<b>1,364,283</b>	<b>1,097,610</b>	<b>3,489,627</b>	<b>809,434</b>	<b>382,296</b>	<b>16,450,593</b>	
<b>LIABILITIES AND EQUITY</b>												
Deposits from customers	7,963,440	860,940	975,313	2,030,536	220,956	592	582	-	1,734,215	-	13,786,574	2.68
Deposits and placements of banks and other financial institutions	-	-	-	-	-	-	-	-	700,576	-	700,576	-
Other non-profit sensitive balances	-	-	-	-	-	-	-	-	979,011	-	979,011	-
<b>Total Liabilities</b>	<b>7,963,440</b>	<b>860,940</b>	<b>975,313</b>	<b>2,030,536</b>	<b>220,956</b>	<b>592</b>	<b>582</b>	<b>-</b>	<b>3,413,802</b>	<b>-</b>	<b>15,466,161</b>	
Equity attributable to equity holder of the Bank	-	-	-	-	-	-	-	-	984,432	-	984,432	
<b>Total Liabilities and Equity</b>	<b>7,963,440</b>	<b>860,940</b>	<b>975,313</b>	<b>2,030,536</b>	<b>220,956</b>	<b>592</b>	<b>582</b>	<b>-</b>	<b>4,398,234</b>	<b>-</b>	<b>16,450,593</b>	
On-balance sheet profit sensitivity gap	(3,868,125)	(653,840)	610,668	(190,920)	1,358,375	1,363,691	1,097,028	3,489,627	(3,588,800)	382,296	-	
Off-balance sheet profit sensitivity gap	-	-	-	-	-	-	-	-	-	-	-	
<b>Total profit sensitivity gap</b>	<b>(3,868,125)</b>	<b>(653,840)</b>	<b>610,668</b>	<b>(190,920)</b>	<b>1,358,375</b>	<b>1,363,691</b>	<b>1,097,028</b>	<b>3,489,627</b>	<b>(3,588,800)</b>	<b>382,296</b>	<b>-</b>	

\* This is arrived at after deducting the general allowance and specific allowance from the outstanding gross non-performing financing and advances.