

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024

	Note	30 September 2024 RM'000	31 December 2023 RM'000
ASSETS			
Cash and balances with banks		474,657	247,627
Financial assets at fair value through profit or loss	A8	248,256	1,893,292
Derivative financial assets		18,179	24,596
Financial investments at fair value through other comprehensive income	A9	14,233,407	12,949,519
Financial investments at amortised cost	A10	5,642,004	5,374,376
Financing and advances	A11	77,400,195	72,760,746
Other assets	A12	295,623	231,231
Statutory deposits with Bank Negara Malaysia		1,867,700	1,710,590
Deferred tax assets		90,317	112,223
Collective investment		625,115	609,709
Investment in an associated company		67,500	67,500
Right-of-use assets		20,668	21,708
Property and equipment		4,163	3,186
TOTAL ASSETS		100,987,784	96,006,303
LIABILITIES			
Deposits from customers	A13	85,292,589	82,325,264
Deposits from banks and other financial institutions	A14	3,525,111	2,287,243
Bills and acceptances payable		1,968	2,386
Recourse obligations on financing sold to Cagamas		1,100,001	1,100,000
Derivative financial liabilities		18,784	24,817
Senior Sukuk Murabahah		1,000,000	1,000,000
Subordinated Sukuk Murabahah		1,000,000	1,000,000
Lease liabilities		21,518	22,295
Other liabilities	A15	1,002,794	831,024
Provision for zakat and taxation		40,714	-
TOTAL LIABILITIES		93,003,479	88,593,029

The Condensed Interim Financial Statements should be read in conjunction with the annual audited financial statements of the Bank for the year ended 31 December 2023.

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UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024

	Note	30 September 2024 RM'000	31 December 2023 RM'000
EQUITY			
Share capital		3,032,717	3,032,717
Regulatory reserve		64,155	-
Other reserves		2,902	(59,638)
Retained profits		4,884,531	4,440,195
TOTAL EQUITY		7,984,305	7,413,274
TOTAL LIABILITIES AND EQUITY		100,987,784	96,006,303
COMMITMENTS AND CONTINGENCIES	A29	14,484,084	13,649,791
CAPITAL ADEQUACY	A28		
<u>Before deducting dividend</u> *			
Common Equity Tier I Capital Ratio		13.193%	13.232%
Tier I Capital Ratio		13.193%	13.232%
Total Capital Ratio		16.112%	16.245%
<u>After deducting dividend</u> *			
Common Equity Tier I Capital Ratio		13.193%	13.232%
Tier I Capital Ratio		13.193%	13.232%
Total Capital Ratio		16.112%	16.245%
Net assets per share attributable to ordinary equity holder of the Bank (RM)		32.83	30.48

* Refer to dividend declared subsequent to the financial period / year end.

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PUBLIC ISLAMIC BANK BERHAD
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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF PROFIT OR LOSS
FOR THE 3RD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2024

	Note	3rd Quarter Ended		Nine Months Ended	
		30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Income derived from investment of depositors' funds and others	A16	985,184	929,188	2,902,144	2,658,226
Income derived from investment of shareholder's funds	A17	88,156	79,490	255,914	229,736
Writeback of allowance / (Allowance) for impairment on financing and advances	A18	4,216	3,622	7,301	(9,561)
(Allowance) / Writeback of allowance for impairment on other assets	A19	(1,409)	105	(2,391)	(408)
Total distributable income		1,076,147	1,012,405	3,162,968	2,877,993
Income attributable to depositors and others	A20	(668,372)	(640,947)	(1,985,726)	(1,816,029)
Total net income		407,775	371,458	1,177,242	1,061,964
Personnel expenses	A21	(11,843)	(9,453)	(33,298)	(26,411)
Other overheads and expenditures	A22	(162,148)	(154,066)	(476,612)	(438,878)
Profit before zakat and taxation		233,784	207,939	667,332	596,675
Zakat		-	(1,064)	(2,221)	(2,359)
Taxation		(55,182)	(48,543)	(156,620)	(140,130)
Profit for the period		178,602	158,332	508,491	454,186
Earnings per share - basic / diluted (sen)	A23	73.4	65.1	209.1	186.7

The Condensed Interim Financial Statements should be read in conjunction with the annual audited financial statements of the Bank for the year ended 31 December 2023.

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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 3RD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2024

	3rd Quarter Ended		Nine Months Ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Profit for the period	178,602	158,332	508,491	454,186
Other comprehensive income / (loss):				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Revaluation reserves:				
- Net change in revaluation of financial investments at fair value through other comprehensive income	53,388	(4,315)	82,620	98,941
Hedging reserves:				
- Net change in cash flow hedges	(5,783)	10,241	(330)	2,192
	47,605	5,926	82,290	101,133
Income tax relating to components of other comprehensive income / (loss):				
- Revaluation reserves	(12,813)	1,036	(19,829)	(23,746)
- Hedging reserves	1,388	(2,458)	79	(526)
	(11,425)	(1,422)	(19,750)	(24,272)
Other comprehensive income for the period, net of tax	36,180	4,504	62,540	76,861
Total comprehensive income for the period	214,782	162,836	571,031	531,047

The Condensed Interim Financial Statements should be read in conjunction with the annual audited financial statements of the Bank for the year ended 31 December 2023.

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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	<----- Non-distributable ----->				Distributable		Total Equity RM'000
	Share Capital RM'000	Revaluation Reserves RM'000	Hedging Reserves RM'000	Defined Benefit Reserves RM'000	Regulatory Reserve RM'000	Retained Profits RM'000	
At 1 January 2024	3,032,717	(64,335)	(121)	4,818	-	4,440,195	7,413,274
Profit for the period	-	-	-	-	-	508,491	508,491
Other comprehensive income / (loss) for the period	-	62,791	(251)	-	-	-	62,540
Total comprehensive income / (loss) for the period	-	62,791	(251)	-	-	508,491	571,031
Transactions with owner / other equity movements:							
Transfer to regulatory reserve	-	-	-	-	64,155	(64,155)	-
	-	-	-	-	64,155	(64,155)	-
At 30 September 2024	3,032,717	(1,544)	(372)	4,818	64,155	4,884,531	7,984,305

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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	<----- Non-distributable ----->					Distributable	Total Equity RM'000
	Share Capital RM'000	Revaluation Reserves RM'000	Hedging Reserves RM'000	Defined Benefit Reserves RM'000	Regulatory Reserve RM'000	Retained Profits RM'000	
At 1 January 2023	3,032,717	(185,007)	14,567	6,828	-	3,874,316	6,743,421
Profit for the period	-	-	-	-	-	454,186	454,186
Other comprehensive income for the period	-	75,195	1,666	-	-	-	76,861
Total comprehensive income for the period	-	75,195	1,666	-	-	454,186	531,047
At 30 September 2023	3,032,717	(109,812)	16,233	6,828	-	4,328,502	7,274,468

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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	30 September 2024 RM'000	30 September 2023 RM'000
Profit before zakat and taxation	667,332	596,675
Adjustments for non-cash items	(8,436)	9,639
Operating profit before working capital changes	658,896	606,314
Changes in working capital:		
Net changes in operating assets	(3,227,116)	(6,673,042)
Net changes in operating liabilities	4,377,766	6,499,380
Cash generated from operations	1,809,546	432,652
Zakat and tax paid	(115,558)	(261,844)
Tax refunded	-	7,206
Net cash generated from operating activities	1,693,988	178,014
Net cash used in investing activities	(1,466,010)	(2,824,433)
Net cash used in financing activities	(948)	(1,028)
Net change in cash and cash equivalents	227,030	(2,647,447)
Cash and cash equivalents at beginning of the year	247,627	3,065,329
Cash and cash equivalents at end of the period	474,657	417,882
Note:		
Cash and balances with banks	474,657	417,882
Less: Balances with banks with original maturity more than three months	-	-
Cash and cash equivalents at end of the period	474,657	417,882

The Condensed Interim Financial Statements should be read in conjunction with the annual audited financial statements of the Bank for the year ended 31 December 2023.

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Part A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting for Islamic Banking Institutions Issued by Bank Negara Malaysia

A1. Basis of Preparation

The unaudited condensed interim financial statements for the 3rd quarter and nine months ended 30 September 2024 have been prepared under the historical cost convention except for the following assets and liabilities which are stated at fair values: financial assets at fair value through profit or loss ("FVTPL"), financial investments at fair value through other comprehensive income ("FVOCI") and derivative financial instruments.

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"). The unaudited condensed interim financial statements should be read in conjunction with the annual audited financial statements of the Bank for the financial year ended 31 December 2023. The explanatory notes attached to the unaudited condensed 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 financial year ended 31 December 2023.

The material accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent annual financial statements for the financial year ended 31 December 2023.

The following amendments to MFRSs and MFRSs have been issued by MASB but are not yet effective to the Bank:

Effective for annual periods commencing on or after 1 January 2025

- Lack of Exchangeability (Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates)

Effective for annual periods commencing on or after 1 January 2026

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures)
- Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRS Accounting Standards - Volume 11"

Effective for annual periods commencing on or after 1 January 2027

- MFRS 18 Presentation and Disclosure in Financial Statements
- MFRS 19 Subsidiaries without Public Accountability: Disclosures

Effective date of these Amendments to Standards has been deferred, pending further announcement

- Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Other than as disclosed below, the adoption of the above amendments to MFRSs and MFRSs did not have any impact on the financial statements of the Bank.

Lack of Exchangeability (Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates) -

The amendments provide guidance on the spot exchange rate to use when a currency is not exchangeable into another currency and the disclosures entities need to provide to enable users of financial statements to understand the impact of a currency not being exchangeable.

Amendments to the Classification and Measurement of Financial Instruments (Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures) - The amendments provided clarification on the classification of financial assets with environmental, social and corporate governance ("ESG") linked features via additional guidance on the assessment of contingent features. The amendments also clarify the date on which a financial asset or financial liability is derecognised. In addition, the amendments permit a company to derecognise a financial liability before it delivers cash on the settlement date if specified criteria are met.

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A1. Basis of Preparation (continued)

Other than as disclosed below, the adoption of the above amendments to MFRSs and MFRSs did not have any impact on the financial statements of the Bank. (continued)

New disclosure requirements are also introduced for financial instruments with contingent features and equity instruments classified at fair value through other comprehensive income.

Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRS Accounting Standards - Volume 11" - The annual improvements include clarifications, simplifications, corrections and changes aimed at improving the consistency of the following MFRS accounting standards:

- Hedge accounting by a first-time adopter (Amendments to MFRS 1)
- Gain or loss on derecognition (Amendments to MFRS 7)
- Lessee derecognition of lease liabilities and transaction price (Amendments to MFRS 9)
- Determination of a 'de facto agent' (Amendments to MFRS 10)
- Cost method (Amendments to MFRS 107)

MFRS 18 Presentation and Disclosure in Financial Statements - The new standard introduces new requirements on presentation within the statement of profit or loss. It also requires disclosure of management-defined performance measures and includes enhanced principles on aggregation and disaggregation of financial information which apply to the primary financial statements and the notes.

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - The amendments clarify that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not), as defined in MFRS 3 Business Combinations. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

A2. Auditors' Report on Preceding Annual Audited Financial Statements

The auditors' report on the annual audited financial statements for the financial year ended 31 December 2023 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 current financial period.

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 current financial period.

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 current financial period.

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A6. Debt and Equity Securities

Saved as disclosed below, there were no issuances of shares, share buy-backs and repayment of debt and equity securities by the Bank in the current financial period.

Subsequent to the financial period ended 30 September 2024 which has not been reflected in the financial statements for the current period:

On 23 October 2024, the Bank issued the fifth (5th) tranche of RM500 million in aggregate nominal amount of Subordinated Sukuk Murabahah due in 2034 callable in 2029. The Subordinated Sukuk Murabahah bear profit at the rate of 3.90% per annum payable semi-annually.

On 30 October 2024, the Bank had early redeemed the third (3rd) tranche of Subordinated Sukuk Murabahah of RM500 million in nominal value together with accrued profit.

A7. Dividends Paid, Distributed and Declared

No dividend has been paid nor declared during the financial period ended 30 September 2024.

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A8. Financial Assets at Fair Value through Profit or Loss ("FVTPL")

	30 September 2024	31 December 2023
	RM'000	RM'000
At fair value		
Money market instruments:		
Negotiable Islamic Debt Certificates	248,256	1,893,292
Total financial assets at FVTPL	248,256	1,893,292

A9. Financial Investments at Fair Value through Other Comprehensive Income ("FVOCI")

	30 September 2024	31 December 2023
	RM'000	RM'000
At fair value		
Government securities and treasury bills:		
Malaysian Government Investment Issues	14,233,407	12,949,519
Total financial investments at FVOCI	14,233,407	12,949,519

The following expected credit losses ("ECL") for debt instruments are recognised in other comprehensive income. Such ECL do not reduce the carrying amount in the statement of financial position as the carrying amount of debt instruments at FVOCI is equivalent to their fair value:

	Lifetime ECL			Total RM'000
	12-Month ECL (Stage 1) RM'000	Not Credit- Impaired (Stage 2) RM'000	Credit- Impaired (Stage 3) RM'000	
At 1 January 2024	2,217	-	-	2,217
New financial investments purchased	753	-	-	753
Net allowance written back	(248)	-	-	(248)
Amount derecognised	(300)	-	-	(300)
At 30 September 2024	2,422	-	-	2,422
At 1 January 2023	2,096	-	-	2,096
New financial investments purchased	689	-	-	689
Net allowance written back	(7)	-	-	(7)
Amount derecognised	(561)	-	-	(561)
At 31 December 2023	2,217	-	-	2,217

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A10. Financial Investments at Amortised Cost

	30 September 2024 RM'000	31 December 2023 RM'000
At amortised cost		
Government securities and treasury bills:		
Malaysian Government Investment Issues	4,481,163	4,271,900
Non-money market instruments:		
Debt securities		
- Cagamas sukuk	1,161,801	1,103,390
Allowance for impairment	(960)	(914)
Total financial investments at amortised cost	<u><u>5,642,004</u></u>	<u><u>5,374,376</u></u>

Movements in allowances for impairment on debt instruments which reflect the ECL model on impairment are as follows:

	Lifetime ECL			Total RM'000
	12-Month ECL (Stage 1) RM'000	Not Credit- Impaired (Stage 2) RM'000	Credit- Impaired (Stage 3) RM'000	
At 1 January 2024	914	-	-	914
New financial investments purchased	125	-	-	125
Net allowance written back	(43)	-	-	(43)
Amount derecognised	(36)	-	-	(36)
At 30 September 2024	<u>960</u>	<u>-</u>	<u>-</u>	<u>960</u>
At 1 January 2023	958	-	-	958
New financial investments purchased	230	-	-	230
Net allowance made	2	-	-	2
Amount derecognised	(276)	-	-	(276)
At 31 December 2023	<u>914</u>	<u>-</u>	<u>-</u>	<u>914</u>

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A11. Financing and Advances

a. By type and Shariah contract

30 September 2024	Bai' Bithaman Ajil RM'000	Ijarah ^ Thumma Al-Bai' RM'000	Bai' Inah RM'000	Musharakah Mutanaqisah RM'000	Murabahah RM'000	Others RM'000	Total Financing and Advances RM'000
At amortised cost							
Cash line	1,198,629	-	445,406	-	-	-	1,644,035
Term financing							
- House financing	4,439,147	-	-	32,664,513	-	-	37,103,660
- Syndicated financing	-	-	-	-	1,011,748	357,781	1,369,529
- Hire purchase receivables	-	13,890,179	-	-	-	-	13,890,179
- Other term financing	1,034,697	-	3,460,689	15,065,391	2,612,368	938,608	23,111,753
Credit card receivables	-	-	-	-	-	141,509	141,509
Bills receivables	-	-	-	-	2,466	-	2,466
Trust receipts	-	-	-	-	552	-	552
Claims on customers under acceptance credits	-	-	-	-	252,943	-	252,943
Revolving credits	-	-	255,789	-	321,014	-	576,803
Staff financing	-	18,690	-	127,573	-	-	146,263
Gross financing and advances	6,672,473	13,908,869	4,161,884	47,857,477	4,201,091	1,437,898	78,239,692
Less : Allowance for impairment on financing and advances							
- Expected credit losses							(839,497)
- Stage 1: 12-Month ECL							(144,615)
- Stage 2: Lifetime ECL not credit-impaired							(617,007)
- Stage 3: Lifetime ECL credit-impaired							(77,875)
Net financing and advances							77,400,195

^ The Bank is the owner of the asset throughout the tenure of the Ijarah financing. The ownership of the asset will be transferred to the customer via sale at the end of the Ijarah financing.

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A11. Financing and Advances (continued)

a. By type and Shariah contract (continued)

31 December 2023	Bai' Bithaman Ajil RM'000	Ijarah ^ Thumma Al-Bai' RM'000	Bai' Inah RM'000	Musharakah Mutanaqisah RM'000	Murabahah RM'000	Others RM'000	Total Financing and Advances RM'000
At amortised cost							
Cash line	1,376,638	-	245,083	-	-	-	1,621,721
Term financing							
- House financing	4,786,610	-	-	30,194,425	-	-	34,981,035
- Syndicated financing	-	-	-	-	1,000,857	359,663	1,360,520
- Hire purchase receivables	-	11,796,649	-	-	-	-	11,796,649
- Other term financing	1,157,910	-	2,937,700	14,840,037	2,869,350	1,025,448	22,830,445
Credit card receivables	-	-	-	-	-	113,250	113,250
Bills receivables	-	-	-	-	826	-	826
Trust receipts	-	-	-	-	902	-	902
Claims on customers under acceptance credits	-	-	-	-	222,629	-	222,629
Revolving credits	-	-	250,735	-	333,659	-	584,394
Staff financing	-	16,735	-	117,832	-	-	134,567
Gross financing and advances	7,321,158	11,813,384	3,433,518	45,152,294	4,428,223	1,498,361	73,646,938
Less : Allowance for impairment on financing and advances							
- Expected credit losses							(886,192)
- Stage 1: 12-Month ECL							(178,079)
- Stage 2: Lifetime ECL not credit-impaired							(635,085)
- Stage 3: Lifetime ECL credit-impaired							(73,028)
Net financing and advances							<u>72,760,746</u>

All the financing and advances are located in Malaysia.

^ The Bank is the owner of the asset throughout the tenure of the Ijarah financing. The ownership of the asset will be transferred to the customer via sale at the end of the Ijarah financing.

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A11. Financing and Advances (continued)

b. Gross financing and advances analysed by class of financial instruments

	30 September 2024 RM'000	31 December 2023 RM'000
Retail financing *		
- House financing	37,103,660	34,981,035
- Hire purchase	13,890,179	11,796,649
- Credit cards	141,509	113,250
- Other financing ^	19,286,144	19,145,069
	70,421,492	66,036,003
Corporate financing	7,818,200	7,610,935
	78,239,692	73,646,938

* Included in retail financing are financing granted to individual customers and mid-market commercial enterprises.

^ Included in other financing are term financing, trade financing, cash line and revolving credits.

c. Gross financing and advances analysed by type of customer

	30 September 2024 RM'000	31 December 2023 RM'000
Domestic non-bank financial institutions		
- Others	2,793,496	2,447,251
Domestic business enterprises		
- Small and medium enterprises	10,245,158	10,078,377
- Others	3,694,013	3,915,422
Government and statutory bodies	2,018,715	2,017,833
Individuals	58,934,154	54,771,359
Other domestic entities	2,907	3,428
Foreign entities	551,249	413,268
	78,239,692	73,646,938

d. Gross financing and advances analysed by rate of return sensitivity

	30 September 2024 RM'000	31 December 2023 RM'000
Fixed rate		
- House financing	140,205	157,167
- Hire purchase receivables	13,889,946	11,796,386
- Other fixed rate financing	4,726,345	4,753,742
Variable rate		
- Base rate / base financing rate plus	54,288,172	52,003,599
- Cost plus	5,195,024	4,936,044
	78,239,692	73,646,938

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A11. Financing and Advances (continued)

e. Gross financing and advances analysed by residual contractual maturity

	30 September 2024 RM'000	31 December 2023 RM'000
Maturity within one year	4,436,398	2,877,371
More than one year to three years	2,894,066	4,517,826
More than three years to five years	3,496,466	3,022,237
More than five years	67,412,762	63,229,504
	78,239,692	73,646,938

f. Gross financing and advances analysed by economic purpose

	30 September 2024 RM'000	31 December 2023 RM'000
Purchase of transport vehicles	13,908,869	11,813,386
Purchase of properties	51,728,441	49,307,334
(of which: - residential	37,869,459	35,742,147
- non-residential)	13,858,982	13,565,187
Purchase of fixed assets (excluding properties)	11,189	4,056
Personal use	2,647,533	2,852,338
Credit card	141,509	113,250
Purchase of consumer durables	468	472
Construction	991,934	1,120,168
Working capital	8,318,333	7,821,885
Other purpose	491,416	614,049
	78,239,692	73,646,938

g. Gross financing and advances analysed by sector

	30 September 2024 RM'000	31 December 2023 RM'000
Agriculture, hunting, forestry and fishing	400,114	451,805
Mining and quarrying	44,688	41,218
Manufacturing	1,795,991	1,789,668
Electricity, gas and water	3,991	3,026
Construction	2,512,376	2,779,735
Wholesale & retail trade and restaurants & hotels	3,653,387	3,558,179
Transport, storage and communication	1,501,812	1,393,965
Finance, insurance and business services	3,215,246	2,858,265
Real estate	3,269,007	3,276,295
Community, social and personal services	2,357,677	2,323,209
Households	59,485,403	55,171,573
	78,239,692	73,646,938

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A11. Financing and Advances (continued)

h. Movements in credit-impaired financing and advances ("impaired financing") are as follows:

	30 September 2024 RM'000	31 December 2023 RM'000
At 1 January	251,402	154,367
Impaired during the period / year	480,591	607,682
Reclassified as non-credit impaired	(314,186)	(319,597)
Recoveries	(44,894)	(146,513)
Amount written off	(54,465)	(35,851)
Financing converted to foreclosed properties	(6,871)	(8,686)
Closing balance	<u>311,577</u>	<u>251,402</u>
Gross impaired financing as a percentage of gross financing and advances	<u>0.40%</u>	<u>0.34%</u>

i. Impaired financing and advances analysed by economic purpose

	30 September 2024 RM'000	31 December 2023 RM'000
Purchase of transport vehicles	35,382	41,027
Purchase of properties	233,513	179,178
(of which: - residential	<u>178,658</u>	<u>144,148</u>
- non-residential)	<u>54,855</u>	<u>35,030</u>
Personal use	25,525	24,249
Credit card	635	1,034
Working capital	16,503	5,892
Other purpose	19	22
	<u>311,577</u>	<u>251,402</u>

j. Impaired financing and advances analysed by sector

	30 September 2024 RM'000	31 December 2023 RM'000
Agriculture, hunting, forestry and fishing	35	25
Mining and quarrying	4,837	176
Manufacturing	2,670	231
Construction	6,811	3,802
Wholesale & retail trade and restaurants & hotels	17,655	7,361
Transport, storage and communication	1,722	487
Finance, insurance and business services	12,267	14,430
Real estate	1,340	4,755
Community, social and personal services	191	197
Households	264,049	219,938
	<u>311,577</u>	<u>251,402</u>

All the impaired financing and advances are located in Malaysia.

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A11. Financing and Advances (continued)

k. Movements in loss allowance for financing which reflect the ECL model on impairment are as follows:

	Lifetime ECL			Total RM'000
	12-Month ECL (Stage 1) RM'000	Not Credit- Impaired (Stage 2) RM'000	Credit- Impaired (Stage 3) RM'000	
At 1 January 2024	178,079	635,085	73,028	886,192
Changes due to financing and advances recognised as at 1 January 2024:	52,117	(44,591)	(7,526)	-
- Transfer to Stage 1: 12-Month ECL	54,978	(49,779)	(5,199)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(2,735)	11,932	(9,197)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(126)	(6,744)	6,870	-
New financing and advances originated	12,006	4,814	731	17,551
Net remeasurement due to changes in credit risk	(93,625)	22,519	51,401	(19,705)
Financing and advances derecognised (other than write-off)	(3,726)	(3,778)	(3,701)	(11,205)
Modifications to contractual cash flows of financing and advances	(236)	2,958	18,415	21,137
Changes in models / risk parameters	-	-	-	-
Amount written off	-	-	(54,465)	(54,465)
Amount transferred to allowance for impairment loss on foreclosed properties	-	-	(8)	(8)
At 30 September 2024	144,615	617,007	77,875	839,497
At 1 January 2023	455,527	376,749	50,172	882,448
Changes due to financing and advances recognised as at 1 January 2023:	70,857	(71,712)	855	-
- Transfer to Stage 1: 12-Month ECL	77,971	(74,724)	(3,247)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(6,964)	11,533	(4,569)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(150)	(8,521)	8,671	-
New financing and advances originated	14,509	11,741	1,533	27,783
Net remeasurement due to changes in credit risk	(352,688)	345,718	51,139	44,169
Financing and advances derecognised (other than write-off)	(5,686)	(8,536)	(4,397)	(18,619)
Modifications to contractual cash flows of financing and advances	(605)	(8,669)	9,997	723
Changes in models / risk parameters	(3,711)	(10,206)	(420)	(14,337)
Amount written off	(124)	-	(35,851)	(35,975)
Amount transferred to allowance for impairment loss on foreclosed properties	-	-	-	-
At 31 December 2023	178,079	635,085	73,028	886,192

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A12. Other Assets

	30 September 2024 RM'000	31 December 2023 RM'000
Deferred handling fees	81,529	65,524
Other receivables, deposits and prepayments	177,761	132,857
Tax recoverable	-	413
Employee benefits	146	203
Foreclosed properties	36,187	32,234
	295,623	231,231

A13. Deposits from Customers

a. By type of deposit and Shariah contract

	30 September 2024 RM'000	31 December 2023 RM'000
<u>At amortised cost</u>		
Savings deposits		
- Qard	9,717,775	9,556,033
Demand deposits		
- Qard	8,796,136	8,538,785
Term deposits		
- Term deposits		
- Commodity Murabahah	54,324,478	50,412,429
- Special term deposit accounts		
- Commodity Murabahah	12,454,200	13,818,017
	85,292,589	82,325,264

b. By type of customer

	30 September 2024 RM'000	31 December 2023 RM'000
Federal and state governments	5,566,105	6,993,662
Local government and statutory authorities	2,377,422	1,866,677
Business enterprises	18,076,508	15,042,626
Individuals	35,500,776	36,719,481
Foreign customers	937,858	870,362
Others	22,833,920	20,832,456
	85,292,589	82,325,264

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A13. Deposits from Customers (continued)

c. The maturity structure of term deposits are as follows:

	30 September 2024 RM'000	31 December 2023 RM'000
Due within six months	54,947,499	49,418,551
More than six months to one year	11,543,296	13,575,070
More than one year to three years	287,130	1,236,312
More than three years to five years	753	513
	<u>66,778,678</u>	<u>64,230,446</u>

A14. Deposits from Banks and Other Financial Institutions

	30 September 2024 RM'000	31 December 2023 RM'000
At amortised cost		
<u>Non-Mudharabah Fund</u>		
Licensed banks	2,326,545	1,986,969
Licensed Islamic banks	680,000	83,900
Licensed investment banks	182,062	86,409
Bank Negara Malaysia	66,357	64,016
Other financial institutions	270,147	65,949
	<u>3,525,111</u>	<u>2,287,243</u>

A15. Other Liabilities

	30 September 2024 RM'000	31 December 2023 RM'000
Income payable	777,916	725,566
Other payables and accruals	213,699	93,059
Accrued restoration costs	1,094	1,094
Allowance for impairment on financing commitments and financial guarantees	10,085	11,305
	<u>1,002,794</u>	<u>831,024</u>

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A15. Other Liabilities (continued)

Movements in allowance for impairment on financing commitments and financial guarantees are as follows:

	Lifetime ECL			Total RM'000
	12-Month ECL (Stage 1) RM'000	Not Credit- Impaired (Stage 2) RM'000	Credit- Impaired (Stage 3) RM'000	
At 1 January 2024	6,511	4,390	404	11,305
Changes due to financing commitments and financial guarantees recognised as at 1 January 2024:	1,352	(1,313)	(39)	-
- Transfer to Stage 1: 12-Month ECL	1,554	(1,526)	(28)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(201)	325	(124)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(1)	(112)	113	-
New financing commitments and financial guarantees originated	602	149	24	775
Net remeasurement due to changes in credit risk	(1,970)	145	32	(1,793)
Financing commitments and financial guarantees derecognised	(149)	(105)	(4)	(258)
Modifications to contractual cash flows of financing commitments and financial guarantees	(3)	(39)	98	56
Changes in models / risk parameters	-	-	-	-
At 30 September 2024	6,343	3,227	515	10,085
At 1 January 2023	7,152	5,254	172	12,578
Changes due to financing commitments and financial guarantees recognised as at 1 January 2023:	1,701	(1,748)	47	-
- Transfer to Stage 1: 12-Month ECL	2,023	(2,006)	(17)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(321)	369	(48)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(1)	(111)	112	-
New financing commitments and financial guarantees originated	803	992	10	1,805
Net remeasurement due to changes in credit risk	(2,608)	73	92	(2,443)
Financing commitments and financial guarantees derecognised	(273)	(133)	(3)	(409)
Modifications to contractual cash flows of financing commitments and financial guarantees	(30)	125	85	180
Changes in models / risk parameters	(234)	(173)	1	(406)
At 31 December 2023	6,511	4,390	404	11,305

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A16. Income Derived from Investment of Depositors' Funds and Others

	3rd Quarter Ended		Nine Months Ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Income derived from investment of:				
(a) Term deposits	747,895	687,427	2,223,822	2,000,880
(b) Other deposits	237,289	241,761	678,322	657,346
	985,184	929,188	2,902,144	2,658,226
a. Income derived from investment of term deposits:				
<u>Finance income and Hibah</u>				
Financing and advances	615,615	558,954	1,824,308	1,618,815
Financial investments at fair value through other comprehensive income	74,836	70,516	224,699	201,197
Financial investments at amortised cost	34,470	35,068	98,752	103,636
Balances with banks	173	17	1,160	3,139
	725,094	664,555	2,148,919	1,926,787
Financial assets at fair value through profit or loss	1,157	4,294	14,521	16,045
Total finance income and Hibah	726,251	668,849	2,163,440	1,942,832
<u>Other operating income</u>				
Fee and commission income:				
- Commissions	6,982	8,599	24,562	25,509
- Service charges and fees	3,859	3,554	10,710	9,757
- Other fee income	1,179	1,169	2,902	4,397
Net gains and losses on financial instruments:				
- Net gain arising from sale of financial investments at fair value through other comprehensive income	1,465	324	2,787	2,444
- Net loss representing ineffective portions of hedging derivatives	(16)	(15)	(38)	(67)
- Others	(51)	(13)	310	346
Gross distribution income from collective investment	3,602	3,446	10,834	10,391
Other income	4,624	1,514	8,315	5,271
Total other operating income	21,644	18,578	60,382	58,048
	747,895	687,427	2,223,822	2,000,880
Of which:				
Financing income earned on impaired financing	2,206	1,665	6,237	4,403

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A16. Income Derived from Investment of Depositors' Funds and Others (continued)

	3rd Quarter Ended		Nine Months Ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
b. Income derived from investment of other deposits:				
<u>Finance income and Hibah</u>				
Financing and advances	195,281	196,480	556,460	531,827
Financial investments at fair value through other comprehensive income	23,757	24,751	68,539	66,099
Financial investments at amortised cost	10,913	12,352	30,122	34,047
Balances with banks	59	43	354	1,031
	230,010	233,626	655,475	633,004
Financial assets at fair value through profit or loss	436	1,553	4,429	5,271
Total finance income and Hibah	230,446	235,179	659,904	638,275
<u>Other operating income</u>				
Fee and commission income:				
- Commissions	2,239	3,030	7,492	8,380
- Service charges and fees	1,220	1,243	3,267	3,206
- Other fee income	370	422	885	1,444
Net gains and losses on financial instruments:				
- Net gain arising from sale of financial investments at fair value through other comprehensive income	455	132	850	803
- Net loss representing ineffective portions of hedging derivatives	(5)	(5)	(12)	(21)
- Others	(13)	-	95	113
Gross distribution income from collective investment	1,144	1,216	3,305	3,414
Other income	1,433	544	2,536	1,732
Total other operating income	6,843	6,582	18,418	19,071
	237,289	241,761	678,322	657,346
Of which:				
Financing income earned on impaired financing	699	580	1,903	1,447

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A17. Income Derived from Investment of Shareholder's Funds

	3rd Quarter Ended		Nine Months Ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
<u>Finance income and Hibah</u>				
Financing and advances	72,556	64,631	209,939	185,868
Financial investments at fair value through other comprehensive income	8,824	8,152	25,858	23,101
Financial investments at amortised cost	4,058	4,055	11,364	11,899
Balances with banks	22	4	134	361
	<u>85,460</u>	<u>76,842</u>	<u>247,295</u>	<u>221,229</u>
Financial assets at fair value through profit or loss	152	498	1,671	1,842
Total finance income and Hibah	<u>85,612</u>	<u>77,340</u>	<u>248,966</u>	<u>223,071</u>
<u>Other operating income</u>				
Fee and commission income:				
- Commissions	829	995	2,827	2,929
- Service charges and fees	453	410	1,232	1,120
- Other fee income	138	136	334	505
Net gains and losses on financial instruments:				
- Net gain arising from sale of financial investments at fair value through other comprehensive income	169	38	320	281
- Net loss representing ineffective portions of hedging derivatives	(2)	(2)	(4)	(8)
- Others	(5)	(1)	35	40
Gross distribution income from collective investment	425	399	1,247	1,193
Other income	537	175	957	605
Total other operating income	<u>2,544</u>	<u>2,150</u>	<u>6,948</u>	<u>6,665</u>
	<u>88,156</u>	<u>79,490</u>	<u>255,914</u>	<u>229,736</u>
Of which:				
Financing income earned on impaired financing	260	193	718	506

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A18. (Writeback of allowance) / Allowance for Impairment on Financing and Advances

	3rd Quarter Ended		Nine Months Ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	RM'000	RM'000	RM'000	RM'000
Expected credit losses made	1,728	3,101	6,558	25,876
Impaired financing written off	2	1	5	2
Impaired financing recovered	(5,946)	(6,724)	(13,864)	(16,317)
	(4,216)	(3,622)	(7,301)	9,561

A19. Allowance / (Writeback of allowance) for Impairment on Other Assets

	3rd Quarter Ended		Nine Months Ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	RM'000	RM'000	RM'000	RM'000
Expected credit losses made on:				
- Financial investments at fair value through other comprehensive income	61	6	205	340
- Financial investments at amortised cost	11	68	46	142
Allowance / (Writeback of allowance) for impairment on foreclosed properties	1,337	(179)	2,140	(74)
	1,409	(105)	2,391	408

A20. Income Attributable to Depositors and Others

	3rd Quarter Ended		Nine Months Ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	RM'000	RM'000	RM'000	RM'000
Deposits from customers				
- Non-Mudharabah fund	591,229	554,587	1,778,615	1,586,394
Deposits from banks and other financial institutions				
- Non-Mudharabah fund	46,516	55,763	115,888	138,695
Financing sold to Cagamas	8,789	8,789	26,174	26,212
Sukuk Murabahah	21,614	21,614	64,371	64,136
Lease liabilities	224	194	678	592
	668,372	640,947	1,985,726	1,816,029

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A21. Personnel expenses

	3rd Quarter Ended		Nine Months Ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Salaries, allowances and bonuses	9,666	7,384	27,479	21,050
Pension costs	1,385	1,076	3,975	3,042
Others	792	993	1,844	2,319
	11,843	9,453	33,298	26,411

A22. Other Overheads and Expenditures

	3rd Quarter Ended		Nine Months Ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Establishment costs				
- Depreciation	659	651	1,925	1,937
- Insurance	267	365	890	1,024
- Water and electricity	91	97	280	275
- General repairs and maintenance	284	285	642	759
- Information technology expenses	1,213	1,258	3,807	3,328
- Others	942	781	2,135	2,058
	3,456	3,437	9,679	9,381
Marketing expenses				
- Advertisement and publicity	390	303	1,085	861
- Others	1,346	1,322	3,539	2,609
	1,736	1,625	4,624	3,470
Administration and general expenses				
- Communication expenses	4,509	3,891	14,631	11,874
- Legal and professional fees	2,173	2,203	6,094	7,258
- Others	9,135	8,713	28,044	25,553
	15,817	14,807	48,769	44,685
Cost of resource sharing charged by Public Bank Berhad *	146,774	138,805	430,604	395,390
Recovery of expenses	(5,635)	(4,608)	(17,064)	(14,048)
	162,148	154,066	476,612	438,878

* The type of resource sharing rendered by Public Bank Berhad to the Bank in Malaysia are as follows:

	3rd Quarter Ended		Nine Months Ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Credit related	59,976	59,608	177,612	172,529
Non-credit branch support	55,114	51,945	162,389	149,628
Other administration function	31,684	27,252	90,603	73,233
	146,774	138,805	430,604	395,390

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A23. Earnings Per Share ("EPS")

a) Basic EPS

The calculation of the basic EPS is based on the net profit attributable to the equity holder of the Bank divided by the weighted average number of ordinary shares in issue during the 3rd quarter and nine months ended 30 September 2024.

	3rd Quarter Ended		Nine Months Ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Net profit attributable to equity holder of the Bank (RM'000)	<u>178,602</u>	<u>158,332</u>	<u>508,491</u>	<u>454,186</u>
Weighted average number of shares in issue ('000)	<u>243,217</u>	<u>243,217</u>	<u>243,217</u>	<u>243,217</u>
Basic EPS (sen)	<u>73.4</u>	<u>65.1</u>	<u>209.1</u>	<u>186.7</u>

b) Diluted EPS

The Bank has no dilution in its EPS in the current and the preceding financial period as there are no dilutive potential ordinary shares.

A24. Performance Review

The Bank reported a higher pre-tax profit of RM667.3 million for the financial period ended 30 September 2024, which was 11.8% or RM70.6 million higher as compared to pre-tax profit of RM596.7 million for the financial period ended 30 September 2023. The higher profit was due to the higher net finance income of RM98.4 million, lower impairment allowance on financing and advances of RM16.9 million and higher other operating income of RM1.9 million offset by higher other operating expenses of RM44.6 million and higher allowance for impairment on other assets of RM2.0 million.

A25. Prospects for 2024

The global economy in 2024 is supported by moderating inflation and accommodative policies. However, the outlook remains subject to downside risks owing to the protracted geopolitical tension(s). In the United States ("US"), the Federal Reserve acknowledges the uncertain outlook, following its decision to lower the benchmark interest rate by 50 basis points during its monetary policy meeting in September 2024. Regional economies are expected to improve, partly supported by the stimulus packages and anticipated growth in China. The Euro area economy is also expected to grow, despite challenges amid global uncertainties.

The Malaysian economic growth is expected to be backed by firm fundamentals, stable labour market conditions and its diversified economic structure. Steady domestic demand, services sector growth including tourism activities as well as further progress of investment and infrastructure projects will remain supportive of growth. Meanwhile, downside risks mainly stem from weaker-than-expected external demand. Domestic financial conditions also remain conducive for financial intermediation with the resilience in the Malaysian banking system underpinned by ample liquidity and healthy capital buffers.

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A25. Prospects for 2024 (continued)

The Bank is fully committed in its role as a financial intermediary as well as contributing towards national development and economic growth. The Bank continues to preserve sound corporate governance and prudent credit risk management.

The Bank embraces sustainability in its business strategy and operations. The Bank's efforts encompass a wide array of initiatives in the areas of environmental, social and governance. In addressing climate change risk, the Bank continues to promote the national transition to a low carbon economy by supporting green financing and embedding environmental considerations into its business strategies. The Bank and several property developers are collaborating on property financing of green and sustainable development projects in Malaysia. The Bank's offerings of attractive financing packages for the purchase of energy efficient vehicles and solar panel, among others, continue to support a green and lower carbon emission environment.

On digitalisation and technological innovation, the Bank continues to stay the course of its roadmap and strategies for the development of digital initiatives. This includes ongoing upgrades and enhancement of information and communication technology infrastructure as well as exploration and adoption of new technologies to cater to the evolving customers' needs. The Bank continues to enhance features of its digital channels, such as revamp versions of its online banking website and the MyPB app.

For long term sustainability, the Bank continues to leverage on the advancement of technology to enhance its service delivery standards and infrastructure. The Bank continues to improve its digital delivery channels and enrich customers experience by providing seamless banking services across its extensive network of physical and digital channels. The Bank continues to sustain its market position in both the domestic retail and consumer segments through its multi-delivery channels and efficient customer service.

The Bank will continue to support financing of residential properties, in tandem with the Government's initiatives to promote home ownership, especially for first time home buyers. The Bank will also continue to support financing for purchase of passenger vehicles. Similarly, the Bank will remain supportive of its small and medium enterprises ("SME") financing businesses by leveraging on its strong franchise and relationship with customers.

The Bank's treasury operations will remain vigilant in its business approach and will maintain a prudent risk profile, while further strengthening its risk management capabilities to weather ongoing market risks.

The Bank continues to ensure that it remains well-capitalised at all times to support its business growth, while optimising return to its stakeholders. The Bank's healthy capital and liquidity position coupled with its resilient asset quality and prudent financing loss reserves will enable the Bank to generate sustainable profit through challenging times and business cycles.

A26. Subsequent Events

There were no material events subsequent to the end of the reporting date that require disclosure or adjustments to the unaudited condensed interim financial statements.

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A27. Segment Information

	Operating Segments						
3rd Quarter Ended 30 September 2024	Hire Purchase RM'000	Retail Operations RM'000	Corporate Banking RM'000	Treasury and Capital Market Operations RM'000	Head Office and Funding Center RM'000	Inter- segment Elimination RM'000	Total RM'000
External revenue	176,481	642,925	85,220	65,580	103,108	-	1,073,314
Revenue from other segments	932	132,077	314	88,939	52,885	(275,147)	-
	177,413	775,002	85,534	154,519	155,993	(275,147)	1,073,314
Net finance income / (expense)	57,562	244,487	13,618	(4,655)	62,925	-	373,937
Other operating income	590	23,836	251	365	5,989	-	31,031
Net income / (loss)	58,152	268,323	13,869	(4,290)	68,914	-	404,968
Other operating expenses	(15,241)	(121,837)	(452)	(2,609)	(33,852)	-	(173,991)
(Allowance) / Writeback of allowance for impairment on financing and advances	(5,189)	7,573	1,832	-	-	-	4,216
(Allowance) / Writeback of allowance for impairment on other assets	-	(1,338)	-	(126)	55	-	(1,409)
Profit / (Loss) by segments	37,722	152,721	15,249	(7,025)	35,117	-	233,784

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A27. Segment Information (continued)

	<----- Operating Segments ----->						
3rd Quarter Ended 30 September 2023	Hire Purchase RM'000	Retail Operations RM'000	Corporate Banking RM'000	Treasury and Capital Market Operations RM'000	Head Office and Funding Center RM'000	Inter- segment Elimination RM'000	Total RM'000
External revenue	139,435	615,510	75,681	66,371	111,658	-	1,008,655
Revenue from other segments	641	92,977	265	87,235	54,835	(235,953)	-
	140,076	708,487	75,946	153,606	166,493	(235,953)	1,008,655
Net finance income / (expense)	43,566	213,196	13,591	(13,618)	83,686	-	340,421
Other operating income	424	21,323	178	40	5,345	-	27,310
Net income / (loss)	43,990	234,519	13,769	(13,578)	89,031	-	367,731
Other operating expenses	(14,125)	(114,710)	(1,153)	(2,193)	(31,338)	-	(163,519)
Writeback of allowance / (Allowance) for impairment on financing and advances	5,911	(2,547)	258	-	-	-	3,622
Writeback of allowance / (Allowance) for impairment on other assets	-	180	-	7	(82)	-	105
Profit / (Loss) by segments	35,776	117,442	12,874	(15,764)	57,611	-	207,939

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A27. Segment Information (continued)

Nine Months Ended 30 September 2024	←----- Operating Segments ----->						Total RM'000
	Hire Purchase RM'000	Retail Operations RM'000	Corporate Banking RM'000	Treasury and Capital Market Operations RM'000	Head Office and Funding Center RM'000	Inter- segment Elimination RM'000	
External revenue	501,314	1,894,409	250,882	208,707	302,676	-	3,157,988
Revenue from other segments	1,726	391,962	578	290,604	181,855	(866,725)	-
	503,040	2,286,371	251,460	499,311	484,531	(866,725)	3,157,988
Net finance income / (expense)	167,338	724,584	41,335	(14,285)	167,612	-	1,086,584
Other operating income	1,504	64,340	248	3,439	16,217	-	85,748
Net income / (loss)	168,842	788,924	41,583	(10,846)	183,829	-	1,172,332
Other operating expenses	(44,946)	(360,515)	(1,773)	(7,913)	(94,763)	-	(509,910)
(Allowance) / Writeback of allowance for impairment on financing and advances	(15,829)	18,914	4,216	-	-	-	7,301
(Allowance) / Writeback of allowance for impairment on other assets	-	(2,141)	-	(251)	1	-	(2,391)
Profit / (Loss) by segments	108,067	445,182	44,026	(19,010)	89,067	-	667,332
Cost income ratio	26.6%	45.7%	4.3%	-73.0%	51.5%	-	43.5%
Gross financing and advances	13,892,556	56,528,936	7,818,200	-	-	-	78,239,692
Financing growth	17.8%	4.2%	2.7%	-	-	-	6.2%
Impaired financing and advances	35,382	276,065	130	-	-	-	311,577
Impaired financing ratio	0.25%	0.49%	-	-	-	-	0.40%
Deposits from customers	-	72,828,666	7,135	12,456,788	-	-	85,292,589
Deposit growth	-	6.3%	13.2%	-9.9%	-	-	3.6%
Segment assets	13,749,977	74,354,647	7,717,212	14,084,128	12,013,320	(21,211,751)	100,707,533
Reconciliation of segment assets to total assets:							
Investment in an associated company							67,500
Unallocated assets							212,751
Total assets							100,987,784

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A27. Segment Information (continued)

	←----- Operating Segments ----->						Total RM'000
	Hire Purchase RM'000	Retail Operations RM'000	Corporate Banking RM'000	Treasury and Capital Market Operations RM'000	Head Office and Funding Center RM'000	Inter- segment Elimination RM'000	
Nine Months Ended 30 September 2023							
External revenue	402,968	1,751,919	196,599	202,705	333,725	-	2,887,916
Revenue from other segments	1,134	273,195	471	261,009	180,096	(715,905)	-
	<u>404,102</u>	<u>2,025,114</u>	<u>197,070</u>	<u>463,714</u>	<u>513,821</u>	<u>(715,905)</u>	<u>2,887,916</u>
Net finance income / (expense)	128,068	647,075	38,346	(51,825)	226,485	-	988,149
Other operating income	1,010	60,596	1,744	4,440	15,994	-	83,784
Net income / (loss)	129,078	707,671	40,090	(47,385)	242,479	-	1,071,933
Other operating expenses	(42,171)	(330,431)	(3,091)	(5,774)	(83,822)	-	(465,289)
Writeback of allowance / (Allowance) for impairment on financing and advances	9,938	(20,051)	552	-	-	-	(9,561)
Writeback of allowance / (Allowance) for impairment on other assets	-	74	-	(174)	(308)	-	(408)
Profit / (Loss) by segments	<u>96,845</u>	<u>357,263</u>	<u>37,551</u>	<u>(53,333)</u>	<u>158,349</u>	<u>-</u>	<u>596,675</u>
Cost income ratio	32.7%	46.7%	7.7%	-12.2%	34.6%	-	43.4%
Gross financing and advances	11,449,173	53,491,346	7,700,511	-	-	-	72,641,030
Financing growth	9.0%	5.8%	41.7%	-	-	-	9.2%
Impaired financing and advances	40,014	209,078	132	-	-	-	249,224
Impaired financing ratio	0.35%	0.39%	-	-	-	-	0.34%
Deposits from customers	-	68,418,988	5,894	11,674,536	-	-	80,099,418
Deposit growth	-	15.1%	-48.7%	-29.8%	-	-	5.3%
Segment assets	<u>11,292,919</u>	<u>69,393,052</u>	<u>7,600,807</u>	<u>16,441,338</u>	<u>13,262,283</u>	<u>(22,143,700)</u>	<u>95,846,699</u>
Reconciliation of segment assets to total assets:							
Investment in an associated company							67,500
Unallocated assets							264,288
Total assets							<u>96,178,487</u>

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A28. Capital Adequacy

- (a) The capital adequacy ratios of the Bank below are disclosed pursuant to the requirements of BNM's Capital Adequacy Framework for Islamic Banks (CAFIB) - Disclosure Requirements (Pillar 3):

	30 September 2024	31 December 2023
<u>Before deducting dividend *</u>		
Common Equity Tier I ("CET I") capital ratio	13.193%	13.232%
Tier I capital ratio	13.193%	13.232%
Total capital ratio	16.112%	16.245%
<u>After deducting dividend *</u>		
CET I capital ratio	13.193%	13.232%
Tier I capital ratio	13.193%	13.232%
Total capital ratio	16.112%	16.245%

* Refer to dividend declared subsequent to the financial period / year end.

	30 September 2024 RM'000	31 December 2023 RM'000
Components of CET I, Tier I and Tier II capital:		
<u>CET I capital / Tier I capital</u>		
Share capital	3,032,717	3,032,717
Other reserves	3,274	(59,517)
Retained profits	4,738,636	4,440,195
Less: Deferred tax assets, net	(90,317)	(112,223)
Less: Defined benefit pension fund assets	(146)	(203)
Less: Investment in an associated company deducted from CET I capital	(67,500)	(67,500)
Total CET I capital / Tier I capital	7,616,664	7,233,469
<u>Tier II capital</u>		
Stage 1 and Stage 2 expected credit loss allowances #	685,513	647,294
Subordinated Sukuk Murabahah	1,000,000	1,000,000
Total Tier II capital	1,685,513	1,647,294
Total capital	9,302,177	8,880,763

Excludes expected credit loss allowances restricted from Tier II capital of the Bank of RM89,061,000 (31 December 2023 : RM179,902,000) at the reporting date.

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A28. Capital Adequacy (continued)

(a) The capital adequacy ratios of the Bank (continued):

The total risk-weighted assets of the Bank are computed based on the following approaches:

- (i) Standardised Approach for Credit Risk;
- (ii) Standardised Approach for Market Risk; and
- (iii) Basic Indicator Approach for Operational Risk.

Regulatory capital requirements

The capital adequacy ratios of the Bank are computed in accordance with BNM's Capital Adequacy Frameworks for Islamic Banks on Capital Components and Risk-Weighted Assets. The minimum regulatory capital adequacy ratios before including capital conservation buffer ("CCB") and countercyclical capital buffer ("CCyB") for CET I capital ratio, Tier I capital ratio and total capital ratio are 4.5%, 6.0% and 8.0% respectively.

Banking institutions are also required to maintain a CCB of 2.5% and a CCyB above the minimum regulatory capital adequacy ratios. A CCyB is required to be maintained if this buffer is applied by regulators in countries which the Bank has exposures to, determined based on the weighted average of prevailing CCyB rates applied in those jurisdictions. The Bank has applied CCyB on its private sector credit exposures outside Malaysia in line with the respective jurisdictions' requirement to maintain their CCyB. The CCyB is not a requirement for exposures in Malaysia yet but may be applied by regulators in the future.

(b) The breakdown of risk-weighted assets by each major risk category of the Bank is as follows:

	30 September 2024 RM'000	31 December 2023 RM'000
Credit risk	54,841,009	51,783,538
Market risk	13,967	79,037
Operational risk	2,878,774	2,803,809
	<u>57,733,750</u>	<u>54,666,384</u>

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A29. Commitments and Contingencies

The notional amount of the commitments and contingencies of the Bank are as follows:

	30 September 2024 RM'000	31 December 2023 RM'000
<u>Contingent Liabilities</u>		
Direct credit substitutes	34,473	34,065
Transaction-related contingent items	77,534	82,663
Short term self-liquidating trade-related contingencies	4,286	2,939
	<u>116,293</u>	<u>119,667</u>
<u>Commitments</u>		
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:		
- exceeding one year	6,935,098	7,018,268
- not exceeding one year	2,634,200	2,702,746
Unutilised credit card lines	534,621	409,078
Forward asset purchases	263,872	-
	<u>10,367,791</u>	<u>10,130,092</u>
<u>Derivative Financial Instruments</u>		
Foreign exchange related contracts:		
- up to one year	-	32
Profit rate related contracts:		
- up to one year	1,100,000	-
- more than one year to five years	2,700,000	3,200,000
- more than five years	200,000	200,000
	<u>4,000,000</u>	<u>3,400,032</u>
	<u>14,484,084</u>	<u>13,649,791</u>

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A30. Fair Value Measurements

Determination of Fair Value and Fair Value Hierarchy

For financial instruments measured at fair value, where available, quoted and observable market prices in an active market or dealer price quotations are used to measure fair value. These include listed equity securities, price quotations from Bond Pricing Agency Malaysia and broker quotes on Bloomberg/Reuters.

Where such quoted and observable market prices are not available, fair values are determined using appropriate valuation techniques, which include the use of mathematical models, such as discounted cash flow models and option pricing models, comparison to similar instruments for which market observable prices exist and other valuation techniques. The valuation techniques used incorporate assumptions regarding discount rates, profit rate yield curves, estimates of future cash flows and other factors, as applicable. Changes in these assumptions could materially affect the fair values derived. The Bank generally uses widely recognised valuation techniques with market observable inputs, if available, for the determination of fair value, which require minimal management judgment and estimation, due to the low complexity of the financial instruments held.

The Bank classifies its financial instruments which are measured at fair value according to the following hierarchy, reflecting the significance of inputs used in making the fair value measurements:

Level 1 - Quoted market prices: quoted prices (unadjusted) in active markets for identical instruments;

Level 2 - Fair values based on observable inputs: inputs other than quoted prices included within Level 1 that are observable for the instrument, whether directly (i.e. prices) or indirectly (i.e. derived from prices), are used; and

Level 3 - Fair values derived using unobservable inputs: inputs used are not based on observable market data and the unobservable inputs may have a significant impact on the valuation of the financial instruments.

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A30. Fair Value Measurements (continued)

Determination of Fair Value and Fair Value Hierarchy (continued)

The following tables show the Bank's financial instruments which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy:

30 September 2024	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets				
Financial assets at fair value through profit or loss				
- Money market instruments	-	248,256	-	248,256
Financial investments at fair value through other comprehensive income				
- Government securities and treasury bills	-	14,233,407	-	14,233,407
Derivative financial assets	-	18,179	-	18,179
Total financial assets measured at fair value	-	14,499,842	-	14,499,842
Financial liabilities				
Derivative financial liabilities	-	18,784	-	18,784
Total financial liabilities measured at fair value	-	18,784	-	18,784

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A30. Fair Value Measurements (continued)

Determination of Fair Value and Fair Value Hierarchy (continued)

The following tables show the Bank's financial instruments which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy (continued):

31 December 2023	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets				
Financial assets at fair value through profit or loss				
- Money market instruments	-	1,893,292	-	1,893,292
Financial investments at fair value through other comprehensive income				
- Government securities and treasury bills	-	12,949,519	-	12,949,519
Derivative financial assets	-	24,596	-	24,596
Total financial assets measured at fair value	-	14,867,407	-	14,867,407
Financial liabilities				
Derivative financial liabilities	-	24,817	-	24,817
Total financial liabilities measured at fair value	-	24,817	-	24,817

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the financial period / year (2023 : None).