

**PUBLIC ISLAMIC BANK BERHAD**  
**(14328 - V)**  
**(Incorporated in Malaysia)**  
**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2015**

	Note	30 September 2015 RM'000	31 December 2014 RM'000
<b>ASSETS</b>			
Cash and balances with banks		3,573,691	2,652,849
Financial assets held-for-trading	A8	297,534	2,571,794
Derivative financial assets		129,963	60,835
Financial investments available-for-sale	A9	5,397,165	4,546,283
Financial investments held-to-maturity	A10	2,752,534	1,651,516
Financing and advances	A11	30,310,994	25,434,279
Other assets	A12	85,117	73,106
Statutory deposits with Bank Negara Malaysia		1,448,750	1,140,200
Investment in an associated company		20,000	20,000
Property and equipment		1,106	1,303
<b>TOTAL ASSETS</b>		<b>44,016,854</b>	<b>38,152,165</b>
<b>LIABILITIES</b>			
Deposits from customers	A13	37,369,328	30,727,614
Deposits from banks	A14	2,501,147	3,620,104
Bills and acceptances payable		1,374	550
Recourse obligations on financing sold to Cagamas		500,016	500,016
Derivative financial liabilities		-	89
Subordinated Sukuk Murabahah		499,052	498,860
Other liabilities	A15	191,018	98,041
Provision for zakat and taxation		30,329	39,847
Deferred tax liabilities		31,124	15,445
<b>TOTAL LIABILITIES</b>		<b>41,123,388</b>	<b>35,500,566</b>
<b>EQUITY</b>			
Share capital		207,217	200,217
Reserves		2,686,249	2,451,382
<b>TOTAL EQUITY</b>		<b>2,893,466</b>	<b>2,651,599</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>44,016,854</b>	<b>38,152,165</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	A28	<b>9,843,634</b>	<b>6,822,999</b>
<b>CAPITAL ADEQUACY</b>			
<b><u>Before deducting interim dividend *</u></b>			
Common Equity Tier I Capital Ratio	A27	10.559%	11.730%
Tier I Capital Ratio	A27	10.559%	11.730%
Total Capital Ratio	A27	13.198%	14.580%
<b><u>After deducting interim dividend *</u></b>			
Common Equity Tier I Capital Ratio	A27	10.559%	11.007%
Tier I Capital Ratio	A27	10.559%	11.007%
Total Capital Ratio	A27	13.198%	13.857%
<b>Net assets per share attributable to ordinary equity holder of the Bank (RM)</b>		<b>13.96</b>	<b>13.24</b>

\* Refers to interim dividend declared subsequent to the financial period / year end.

**PUBLIC ISLAMIC BANK BERHAD**  
**(14328 - V)**  
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**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF PROFIT OR LOSS**  
**FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2015**

	Note	3rd Quarter Ended		Nine Months Ended	
		30 September 2015 RM'000	30 September 2014 RM'000	30 September 2015 RM'000	30 September 2014 RM'000
Income derived from investment of depositors' funds and others	A16	<b>465,099</b>	401,698	<b>1,340,436</b>	1,142,039
Income derived from investment of shareholder's funds	A17	<b>34,938</b>	32,311	<b>98,801</b>	95,262
Allowance for impairment on financing and advances	A18	<b>(34,103)</b>	(27,732)	<b>(77,783)</b>	(73,233)
Impairment on other assets		-	(22)	<b>(12)</b>	(47)
Profit Equalisation Reserves		-	(101)	<b>(23)</b>	(286)
Total distributable income		<b>465,934</b>	406,154	<b>1,361,419</b>	1,163,735
Income attributable to depositors and others	A19	<b>(289,056)</b>	(217,800)	<b>(814,971)</b>	(611,705)
Total net income		<b>176,878</b>	188,354	<b>546,448</b>	552,030
Personnel expenses	A20	<b>(4,021)</b>	(3,317)	<b>(12,151)</b>	(11,065)
Other overheads and expenditures	A21	<b>(80,540)</b>	(67,554)	<b>(218,475)</b>	(192,763)
Profit before zakat and taxation		<b>92,317</b>	117,483	<b>315,822</b>	348,202
Zakat		<b>(55)</b>	(57)	<b>(165)</b>	(172)
Taxation		<b>(22,618)</b>	(27,376)	<b>(76,289)</b>	(84,406)
Profit for the period		<b>69,644</b>	90,050	<b>239,368</b>	263,624
Earnings per RM1.00 share (sen)					
- basic /diluted (sen)	A22	<b>34.3</b>	45.0	<b>119.0</b>	131.7

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**PUBLIC ISLAMIC BANK BERHAD**  
**(14328 - V)**  
**(Incorporated in Malaysia)**  
**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2015**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30 September 2015 RM'000</b>	<b>30 September 2014 RM'000</b>	<b>30 September 2015 RM'000</b>	<b>30 September 2014 RM'000</b>
Profit for the period	<u>69,644</u>	90,050	<u>239,368</u>	<u>263,624</u>
Other comprehensive (loss) / income:				
<u>Items that may be reclassified to profit or loss:</u>				
Revaluation reserves:				
- Net loss on revaluation of financial investments available-for-sale	<b>(24,959)</b>	(2,402)	<b>(6,508)</b>	(127)
Hedging reserves:				
- Net change in cash flow hedges	<b>64,883</b>	(26,454)	<b>69,341</b>	(65,852)
	<u>39,924</u>	<u>(28,856)</u>	<u>62,833</u>	<u>(65,979)</u>
Income tax relating to components of other comprehensive (loss) / income:				
- Revaluation reserves	<b>5,992</b>	601	<b>1,547</b>	32
- Hedging reserves	<b>(15,572)</b>	6,613	<b>(16,642)</b>	16,463
	<u>(9,580)</u>	<u>7,214</u>	<u>(15,095)</u>	<u>16,495</u>
Other comprehensive income / (loss) for the period, net of tax	<u>30,344</u>	<u>(21,642)</u>	<u>47,738</u>	<u>(49,484)</u>
Total comprehensive income for the period	<u><b>99,988</b></u>	<u>68,408</u>	<u><b>287,106</b></u>	<u>214,140</u>

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**PUBLIC ISLAMIC BANK BERHAD**  
**(14328 - V)**  
**(Incorporated in Malaysia)**  
**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2015**

	<----- Non-distributable ----->							Distributable	Total	
	Share Capital RM'000	Share Premium RM'000	Statutory Reserves RM'000	Revaluation Reserves RM'000	Reserves Profit Equalisation Reserves RM'000	Hedging Reserves RM'000	Defined Benefit Reserves RM'000	Regulatory Reserves RM'000		Retained Profit RM'000
<b>At 1 January 2015</b>	<b>200,217</b>	<b>1,757,500</b>	<b>207,546</b>	<b>1,483</b>	<b>54</b>	<b>45,889</b>	<b>7,610</b>	<b>-</b>	<b>431,300</b>	<b>2,651,599</b>
Profit for the period	-	-	-	-	-	-	-	-	<b>239,368</b>	<b>239,368</b>
Other comprehensive (loss) / income for the period	-	-	-	<b>(4,961)</b>	-	<b>52,699</b>	-	-	-	<b>47,738</b>
Total comprehensive (loss) / income for the period	-	-	-	<b>(4,961)</b>	-	<b>52,699</b>	-	-	<b>239,368</b>	<b>287,106</b>
Transactions with owner / other equity movements:										
Transfer from Profit Equalisation Reserves of the Bank	-	-	-	-	<b>(44)</b>	-	-	-	<b>44</b>	-
Transfer to regulatory reserves	-	-	-	-	-	-	<b>18,742</b>	-	<b>(18,742)</b>	-
Increase in share capital	<b>7,000</b>	<b>168,000</b>	-	-	-	-	-	-	-	<b>175,000</b>
Dividends paid	-	-	-	-	-	-	-	-	<b>(220,239)</b>	<b>(220,239)</b>
	<b>7,000</b>	<b>168,000</b>	-	-	<b>(44)</b>	-	-	<b>18,742</b>	<b>(238,937)</b>	<b>(45,239)</b>
<b>At 30 September 2015</b>	<b>207,217</b>	<b>1,925,500</b>	<b>207,546</b>	<b>(3,478)</b>	<b>10</b>	<b>98,588</b>	<b>7,610</b>	<b>18,742</b>	<b>431,731</b>	<b>2,893,466</b>

The Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 December 2014 .

**PUBLIC ISLAMIC BANK BERHAD**  
**(14328 - V)**  
**(Incorporated in Malaysia)**  
**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2015**

	<----- Non-distributable ----->						Distributable	Total
	Share Capital RM'000	Share Premium RM'000	Statutory Reserves RM'000	Revaluation Reserves RM'000	Hedging Reserves RM'000	Defined Benefit Reserves RM'000	Reserve  Retained Profit RM'000	
At 1 January 2014	200,217	1,757,500	207,546	2,881	98,058	7,410	317,834	2,591,446
Profit for the period	-	-	-	-	-	-	263,624	263,624
Other comprehensive loss for the period	-	-	-	(95)	(49,389)	-	-	(49,484)
Total comprehensive (loss) / income for the period	-	-	-	(95)	(49,389)	-	263,624	214,140
Transactions with owner / other equity movements:								
Dividends paid	-	-	-	-	-	-	(240,260)	(240,260)
	-	-	-	-	-	-	(240,260)	(240,260)
At 30 September 2014	200,217	1,757,500	207,546	2,786	48,669	7,410	341,198	2,565,326

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**PUBLIC ISLAMIC BANK BERHAD**  
**(14328 - V)**  
**(Incorporated in Malaysia)**  
**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2015**

	<b>30 September 2015 RM'000</b>	<b>30 September 2014 RM'000</b>
Profit before zakat and taxation	315,822	348,202
Adjustments for non-cash items	78,256	72,981
Operating profit before working capital changes	<u>394,078</u>	421,183
Changes in working capital:		
Net changes in operating assets	(3,016,507)	(2,086,580)
Net changes in operating liabilities	5,616,535	1,836,400
Cash generated from operations	<u>2,994,106</u>	171,003
Zakat and tax paid	(85,388)	(85,768)
Net cash generated from operating activities	<u>2,908,718</u>	85,235
Net cash used in investing activities	(1,942,637)	(4,042,857)
Net cash (used in) / generated from financing activities	(45,239)	258,455
Net change in cash and cash equivalents	<u>920,842</u>	(3,699,167)
Cash and cash equivalents at beginning of the period	<u>2,652,849</u>	6,744,111
Cash and cash equivalents at end of the period	<u><u>3,573,691</u></u>	<u><u>3,044,944</u></u>

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**(Incorporated in Malaysia)**

**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 interim financial statements for the 3rd quarter and nine months ended 30 September 2015 have been prepared under the historical cost convention except for the following assets and liabilities which are stated at fair values: financial assets held-for-trading, financial investments available-for-sale and derivative financial instruments.

The unaudited interim financial statements have been prepared in accordance with MFRS 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 financial year ended 31 December 2014. The explanatory notes attached to the unaudited 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 2014.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent annual financial statements for the year ended 31 December 2014.

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

Effective for annual periods commencing on or after 1 January 2016

- Equity Method in Separate Financial Statements (Amendments to MFRS 127)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)
- Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRSs 2012–2014 Cycle"
- Disclosure Initiative (Amendments to MFRS 101)
- Investment Entities: Applying the Consolidation Exception (Amendments to MFRS 10, MFRS 12 and MFRS 128)

Effective for annual periods commencing on or after 1 January 2018

- MFRS 15 Revenue from Contracts with Customers
- MFRS 9 Financial Instruments (2014)

The amendments to MFRS 127 allow an entity to use the equity method in its separate financial statement to account for investments in subsidiary companies, joint ventures and associated companies, in addition to the existing cost method. The adoption of these amendments is not expected to have any impact on the financial statement of the Bank as the Bank will continue to use its existing cost method to account for its investment in an associated company.

The amendments to MFRS 10 and MFRS 128 address the inconsistency between the requirements of MFRS 10 and MFRS 128 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The adoption of these amendments is not expected to have any material impact on the financial statements of the Bank.

**PUBLIC ISLAMIC BANK BERHAD**  
**(14328-V)**  
**(Incorporated in Malaysia)**

**A1. Basis of Preparation** (continued)

The Annual Improvements to MFRSs 2012 – 2014 Cycle consist of the following amendments:

(a) MFRS 5 Non-current Assets Held-for-Sale and Discontinued Operations

The amendment introduces specific guidance in MFRS 5 for cases in which an entity reclassifies an asset from held-for-sale to held-for-distribution or vice versa and cases in which held-for-distribution is discontinued. The amendment clarifies that changing from one of these disposal methods to the other should not be considered to be a new plan of disposal and that changing the disposal method does not change the date of classification.

(b) MFRS 7 Financial Instruments: Disclosures

MFRS 7 requires an entity to provide disclosures for any continuing involvement in a transferred asset that is derecognised in its entirety. The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset and an entity must assess the nature of the fee and arrangement in order to assess whether the disclosures are required.

The amendments also clarify the applicability of the amendments to MFRS 7 on offsetting disclosures to condensed interim financial statements.

(c) MFRS 119 Employee Benefits

The amendment clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability. When there is no deep market for high quality corporate bonds, government bonds denominated in similar currency must be used.

(d) MFRS 134 Interim Financial Reporting

The amendment clarifies the meaning of 'elsewhere in the interim financial report' as used in MFRS 134 and states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and some other statement that is available to users of the financial statements on the same terms and at the same time.

The adoption of the Annual Improvements to MFRSs 2012 – 2014 Cycle is not expected to have any material impact on the financial statements of the Bank.

The amendments to MFRS 101 aim to improve the presentation and disclosure in the financial statements and are designed to encourage companies to apply professional judgement in determining what information to disclose and how to structure it in their financial statements. Since the amendments only affect disclosures, the adoption of these amendments is not expected to have any financial impact on the Bank.

The amendments to MFRS 10, MFRS 12 and MFRS 128 address issues that have arisen in the application of the consolidation exception for investment entities and provide relief in certain circumstances. The amendments clarify the exemption from preparing consolidated financial statements for an intermediate parent entity, a subsidiary providing services that support parent's investment activities, application of the equity method by a non-investment entity that has an interest in an associate or joint venture that is an investment entity, and the disclosures required. The adoption of these amendments is not expected to have any impact on the financial statements of the Bank.



**PUBLIC ISLAMIC BANK BERHAD**  
**(14328-V)**  
**(Incorporated in Malaysia)**

**A1. Basis of Preparation** (continued)

MFRS 15 establishes principles that an entity shall apply to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with customers. The core principle of MFRS 15 is that an entity recognises revenue in a manner which reflects the consideration an entity expects to be entitled in exchange for goods or services. The adoption of MFRS 15 is not expected to have any material impact on the financial statements of the Bank.

MFRS 9 Financial Instruments (2014)

This final version of MFRS 9 replaces all previous versions of MFRS 9. Retrospective application is required, but comparative information is not compulsory. The standard introduces new requirements for classification and measurement of financial instruments, impairment of financial assets and hedge accounting. The approach for classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held with two measurement categories – amortised cost and fair value. For impairment, MFRS 9 introduces an expected-loss impairment model which will require more timely recognition of expected credit losses to reflect changes of credit risk of financial instruments. For hedge accounting, MFRS 9 establishes a more principle-based approach that aligns the accounting treatment with risk management activities so that entities can reflect these activities in their financial statements. The standard does not explicitly address macro hedge accounting, which is being considered in a separate project.

MFRS 9 introduces significant changes in the way the Bank accounts for financial instruments. Due to the complexity of the standard and its requirements, the financial effects of its adoption are still being assessed by the Bank.

Revised Bank Negara Malaysia's ("BNM") Policy Document on Classification and Impairment Provisions for Loans/Financing ("revised BNM Policy Document")

On 6 April 2015, BNM issued a revised Policy Document on Classification and Impairment Provisions for Loans/Financing which is applicable to licensed banks, licensed Islamic banks and licensed investment banks (collectively referred to as "banking institutions") in Malaysia. The revised BNM Policy Document replaces two previous guidelines issued by BNM namely Classification and Impairment Provisions for Loans/Financing dated 9 November 2011 and Classification and Impairment Provisions for Loans/Financing - Maintenance of Regulatory Reserves dated 4 February 2014. Some of the key changes introduced in the revised BNM Policy Document include classification of a loan/financing as impaired when the loan/financing is classified as rescheduled and restructured ("R&R") in BNM's Central Credit Reference Information System ("CCRIS") and reclassification of a R&R loan/financing from impaired to non-impaired when repayments based on revised and restructured terms have been observed continuously for a period of at least 6 months.

The requirements in the revised BNM Policy Document are effective on 1 January 2015, except for the following:

- i) The requirements to classify a loan/financing described in Paragraph 9 of the revised BNM Policy Document as R&R in the CCRIS, which will be effective on or after 1 April 2015; and
- ii) The requirement for a banking institution to maintain, in aggregate, collective impairment provisions and regulatory reserves of not less than 1.2% of total outstanding loans/financing, net of individual impairment provisions, which will be effective beginning 31 December 2015.

**PUBLIC ISLAMIC BANK BERHAD**  
**(14328-V)**  
**(Incorporated in Malaysia)**

**A1. Basis of Preparation** (continued)

The Bank has early adopted the classification of a financing as impaired when the financing is classified as R&R and the requirement to maintain, in aggregate, collective impairment provisions and regulatory reserves of no less than 1.2% of total outstanding financing, net of individual impairment provisions in the previous financial year ended 31 December 2014. The adoption of the remaining requirements of the revised BNM Policy Document has resulted in a change in the reclassification policy of R&R financing from impaired to non-impaired. Previously, where a financing is in arrears for less than ninety (90) days and has been R&R, the financing will be reclassified from impaired to non-impaired when repayments based on the revised and/or restructured terms have been observed continuously for a period of ninety (90) days. With effect from April 2015, the observation period for such financing will be extended to six (6) months in line with the requirements of the revised BNM Policy Document.

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

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2014 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 3rd quarter and nine months ended 30 September 2015 .

**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 3rd quarter and nine months ended 30 September 2015 .

**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 3rd quarter and nine months ended 30 September 2015 .

**A6. Debt and Equity Securities**

On 27 August 2015, the issued and paid up share capital of the Bank was increased from RM200,217,000 to RM207,217,000 via the issuance of 7,000,000 ordinary shares of RM1.00 each to its holding company, Public Bank Berhad, with a related share premium of RM168,000,000.

There were no share buy-back and repayment of debt and equity securities by the Bank in the 3rd quarter and nine months ended 30 September 2015.

**A7. Dividends Paid, Distributed and Declared**

During the nine months ended 30 September 2015, the second interim single tier dividend of 80%, in respect of the financial year ended 31 December 2014, amounting to RM160,173,600 was paid on 9 February 2015.

A first interim single tier dividend of 30% or RM0.30 per ordinary share for the financial year ending 31 December 2015, amounting to RM60,065,100 was paid on 27 August 2015.

**PUBLIC ISLAMIC BANK BERHAD**  
**(14328-V)**  
**(Incorporated in Malaysia)**

**A8. Financial Assets Held-for-Trading**

	<b>30 September 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
<b>At fair value</b>		
<b>Money market instruments:</b>		
Negotiable Islamic Debt Certificates	<u>297,534</u>	<u>2,571,794</u>

**A9. Financial Investments Available-for-Sale**

	<b>30 September 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
<b>At fair value</b>		
<b>Government securities and treasury bills:</b>		
Malaysian Government Investment Certificates	4,578,969	2,036,423
Malaysian Government Treasury Bills	103,975	258,716
Bank Negara Malaysia Monetary Notes	-	1,782,922
	<u>4,682,944</u>	<u>4,078,061</u>
<b>Money market instruments:</b>		
Negotiable Islamic Debt Certificates	234,279	-
<b>Non-money market instruments:</b>		
Unit trust funds	479,942	468,222
	<u>5,397,165</u>	<u>4,546,283</u>

**A10. Financial Investments Held-to-Maturity**

	<b>30 September 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
<b>At amortised cost</b>		
<b>Government securities and treasury bills:</b>		
Malaysian Government Investment Certificates	2,182,924	997,213
Malaysian Government Treasury Bills	-	128,127
	<u>2,182,924</u>	<u>1,125,340</u>
<b>Non-money market instruments:</b>		
Debt securities		
- Unquoted private debt securities	569,610	526,176
	<u>2,752,534</u>	<u>1,651,516</u>

**PUBLIC ISLAMIC BANK BERHAD**  
(14328-V)  
(Incorporated in Malaysia)

**A11. Financing and Advances**

a. By type and contract

30 September 2015	Bai' Bithaman Ajil RM'000	Ijarah Thumma Al-Bai' RM'000	Bai' Inah RM'000	Musharakah Mutanaqisah RM'000	Murabahah RM'000	Ujrah RM'000	Total Financing and Advances RM'000
<b>At amortised cost</b>							
Cash line	931,097	-	-	-	-	-	931,097
Term financing							
- House financing	4,426,358	-	-	3,339,519	-	-	7,765,877
- Syndicated financing	1,325,676	-	-	-	-	-	1,325,676
- Hire purchase receivables	-	11,897,281	-	-	-	-	11,897,281
- Other term financing	2,743,677	-	2,085,347	3,641,424	-	-	8,470,448
Credit card receivables	-	-	-	-	-	3,575	3,575
Bills receivables	-	-	-	-	368	-	368
Trust receipts	-	-	-	-	2,036	-	2,036
Claims on customers under acceptance credits	-	-	-	-	75,763	-	75,763
Revolving credits	184,461	-	-	-	-	-	184,461
Staff financing	-	740	-	2,853	-	-	3,593
Gross financing and advances	<b>9,611,269</b>	<b>11,898,021</b>	<b>2,085,347</b>	<b>6,983,796</b>	<b>78,167</b>	<b>3,575</b>	<b>30,660,175</b>
Allowance for impaired financing and advances:							
- collective assessment allowance							(349,181)
- individual assessment allowance							-
Net financing and advances							<b>30,310,994</b>

**PUBLIC ISLAMIC BANK BERHAD**  
**(14328-V)**  
**(Incorporated in Malaysia)**

**A11. Financing and Advances (continued)**

**a. By type and contract (continued)**

<b>31 December 2014</b>	<b>Bai' Bithaman Ajil RM'000</b>	<b>Ijarah Thumma Al-Bai' RM'000</b>	<b>Bai' Inah RM'000</b>	<b>Musharakah Mutanaqisah RM'000</b>	<b>Murabahah RM'000</b>	<b>Total Financing and Advances RM'000</b>
<b>At amortised cost</b>						
Cash line	708,440	-	-	-	-	708,440
Term financing						
- House financing	4,630,044	-	-	1,960,877	-	6,590,921
- Syndicated financing	300,688	-	-	-	-	300,688
- Hire purchase receivables	-	10,987,471	-	-	-	10,987,471
- Other term financing	2,458,312	-	2,242,559	2,293,855	-	6,994,726
Trust receipts	-	-	-	-	46	46
Claims on customers under acceptance credits	-	-	-	-	42,755	42,755
Revolving credits	131,083	-	-	-	-	131,083
Gross financing and advances	8,228,567	10,987,471	2,242,559	4,254,732	42,801	25,756,130
Allowance for impaired financing and advances:						
- collective assessment allowance						(321,851)
- individual assessment allowance						-
Net financing and advances						<u>25,434,279</u>

All the financing and advances are located in Malaysia.

**PUBLIC ISLAMIC BANK BERHAD**  
**(14328-V)**  
**(Incorporated in Malaysia)**

**A11. Financing and Advances (continued)**

**b. By class**

	<b>30 September 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
Retail financing *		
- House financing	7,765,877	6,590,921
- Hire purchase	11,897,281	10,987,471
- Credit cards	3,575	-
- Other financing ^	8,667,712	7,293,450
	<b>28,334,445</b>	<b>24,871,842</b>
Corporate financing	<b>2,325,730</b>	<b>884,288</b>
Gross financing and advances	<b>30,660,175</b>	<b>25,756,130</b>

\* *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. By type of customer**

	<b>30 September 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
Domestic non-bank financial institutions		
- Others	231,522	119,576
Domestic business enterprises		
- Small and medium enterprises	5,090,574	3,751,411
- Others	643,364	616,101
Government and statutory bodies	1,330,627	317,583
Individuals	23,290,787	20,886,337
Other domestic entities	3,512	2,833
Foreign entities	69,789	62,289
Gross financing and advances	<b>30,660,175</b>	<b>25,756,130</b>

**d. By profit rate sensitivity**

	<b>30 September 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
Fixed rate		
- House financing	489,096	526,520
- Hire purchase receivables	11,897,281	10,987,471
- Other fixed rate financing	3,527,055	2,676,984
Variable rate		
- Base rate / base financing rate plus	13,802,303	11,008,473
- Cost plus	944,440	556,682
Gross financing and advances	<b>30,660,175</b>	<b>25,756,130</b>

**PUBLIC ISLAMIC BANK BERHAD**  
**(14328-V)**  
**(Incorporated in Malaysia)**

**A11. Financing and Advances (continued)**

**e. By residual contractual maturity**

	<b>30 September 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
Maturity within one year	1,432,453	1,133,656
More than one year to three years	2,586,916	2,002,504
More than three years to five years	3,661,669	3,541,449
More than five years	22,979,137	19,078,521
Gross financing and advances	<b>30,660,175</b>	<b>25,756,130</b>

**f. By economic purpose**

	<b>30 September 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
Purchase of transport vehicles	11,897,927	10,987,180
Purchase of landed properties	13,116,164	10,491,682
(of which: - residential	7,797,656	6,567,043
- non-residential)	5,318,508	3,924,639
Purchase of fixed assets (excluding landed properties)	13,979	12,028
Personal use	2,433,533	2,528,675
Credit card	3,575	-
Purchase of consumer durables	1,975	2,154
Construction	93,263	66,788
Working capital	3,039,725	1,485,300
Other purpose	60,034	182,323
Gross financing and advances	<b>30,660,175</b>	<b>25,756,130</b>

**g. By sectors**

	<b>30 September 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
Agriculture, hunting, forestry and fishing	487,927	486,036
Mining and quarrying	32,543	31,189
Manufacturing	439,672	340,700
Electricity, gas and water	1,176	1,855
Construction	640,129	519,689
Wholesale & retail trade and restaurants & hotels	1,221,645	884,077
Transport, storage and communication	229,330	178,284
Finance, insurance and business services	598,923	409,403
Real estate	2,126,772	1,487,830
Community, social and personal services	1,517,729	465,064
Households	23,360,576	20,948,626
Others	3,753	3,377
Gross financing and advances	<b>30,660,175</b>	<b>25,756,130</b>

**PUBLIC ISLAMIC BANK BERHAD**  
**(14328-V)**  
**(Incorporated in Malaysia)**

**A11. Financing and Advances (continued)**

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

	<b>30 September 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
At 1 January	232,348	208,074
Impaired during the period / year	416,814	574,124
Reclassified as non-impaired	(328,493)	(428,963)
Recoveries	(34,170)	(36,222)
Amount written off	(66,143)	(84,483)
Financing converted to foreclosed properties	(213)	(182)
Closing balance	<u>220,143</u>	<u>232,348</u>
Gross impaired financing as a percentage of gross financing and advances	<u>0.72%</u>	<u>0.90%</u>

**i. Impaired financing and advances by economic purpose**

	<b>30 September 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
Purchase of transport vehicles	111,946	112,140
Purchase of landed properties	70,519	71,886
(of which: - residential	63,989	61,353
- non-residential)	6,530	10,533
Personal use	37,006	47,072
Credit card	11	-
Purchase of consumer durables	-	75
Working capital	640	1,117
Other purpose	21	58
	<u>220,143</u>	<u>232,348</u>



**PUBLIC ISLAMIC BANK BERHAD**  
**(14328-V)**  
**(Incorporated in Malaysia)**

**A11. Financing and Advances (continued)**

**j. Impaired financing and advances by sectors**

	<b>30 September 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
Agriculture, hunting, forestry and fishing	827	1,234
Mining and quarrying	43	48
Manufacturing	479	1,402
Construction	933	1,122
Wholesale & retail trade and restaurants & hotels	2,014	3,261
Transport, storage and communication	114	1,444
Finance, insurance and business services	1,661	1,247
Real estate	-	205
Community, social and personal services	896	693
Households	213,157	221,440
Others	19	252
	<b>220,143</b>	<b>232,348</b>

All the impaired financing and advances are located in Malaysia.

**k. Movements in the allowance for impaired financing and advances accounts are as follows:**

	<b>30 September 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
<u>Collective Assessment Allowance</u>		
At 1 January	321,851	300,488
Allowance made during the period / year	93,473	105,846
Amount written off	(66,143)	(84,483)
Closing balance	<b>349,181</b>	<b>321,851</b>

	<b>30 September 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
<u>Individual Assessment Allowance</u>		
At 1 January / Closing balance	-	-

**PUBLIC ISLAMIC BANK BERHAD**  
**(14328-V)**  
**(Incorporated in Malaysia)**

**A12. Other Assets**

	<b>30 September 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
Deferred handling fees	70,291	63,597
Income receivable	732	1,436
Other receivables, deposits and prepayments	9,423	2,742
Employee benefits	4,009	4,452
Foreclosed properties	662	879
	<b>85,117</b>	<b>73,106</b>

**A13. Deposits from Customers**

**a. By type of deposit and contract**

	<b>30 September 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
<b>At amortised cost</b>		
Savings deposit		
- Wadiah	5,454,231	5,136,085
Demand deposit		
- Wadiah	3,673,948	3,259,675
Term deposit		
- Negotiable Islamic Debt Certificate		
- Bai' Inah	1,502,492	3,516,265
- Commodity Murabahah	20,799,712	12,788,111
- General investment account		
- Mudharabah	118,488	321,692
- Wakalah	174,561	705,502
	<b>293,049</b>	<b>1,027,194</b>
- Special term deposit account		
- Wadiah	5,645,896	-
- Wakalah	-	5,000,284
	<b>5,645,896</b>	<b>5,000,284</b>
	<b>37,369,328</b>	<b>30,727,614</b>

**PUBLIC ISLAMIC BANK BERHAD**  
**(14328-V)**  
**(Incorporated in Malaysia)**

**A13. Deposits from Customers** (continued)

**b. By type of customer**

	<b>30 September 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
Federal and state governments	6,379,888	2,680,274
Local government and statutory authorities	1,440,677	1,613,058
Business enterprises	5,515,473	6,622,117
Individuals	11,986,361	6,231,966
Foreign customers	380,856	345,420
Others	11,666,073	13,234,779
	<b>37,369,328</b>	<b>30,727,614</b>

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

	<b>30 September 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
Due within six months	26,961,797	19,042,353
More than six months to one year	1,277,732	3,287,988
More than one year to three years	806	717
More than three years to five years	814	796
	<b>28,241,149</b>	<b>22,331,854</b>

**d. By class**

	<b>30 September 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
Core deposits	30,220,940	22,211,065
Wholesale deposits	7,148,388	8,516,549
	<b>37,369,328</b>	<b>30,727,614</b>

**PUBLIC ISLAMIC BANK BERHAD**  
**(14328-V)**  
**(Incorporated in Malaysia)**

**A14. Deposits from Banks**

	<b>30 September 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
<b>At amortised cost</b>		
<u>Non-Mudharabah Fund</u>		
Licensed banks	1,631,899	1,586,876
Licensed investment banks	130	343
Bank Negara Malaysia	7,403	3,968
Other financial institutions	861,715	1,088,917
	<u>2,501,147</u>	<u>2,680,104</u>
 <u>Mudharabah Fund</u>		
Licensed Islamic banks	-	940,000
	<u>2,501,147</u>	<u>3,620,104</u>

**A15. Other Liabilities**

	<b>30 September 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
Income payable	174,159	89,835
Other payables and accruals	16,835	8,151
Profit Equalisation Reserves	24	55
	<u>191,018</u>	<u>98,041</u>

**PUBLIC ISLAMIC BANK BERHAD**  
(14328-V)  
(Incorporated in Malaysia)

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

	3rd Quarter Ended		Nine Months Ended	
	30 September 2015 RM'000	30 September 2014 RM'000	30 September 2015 RM'000	30 September 2014 RM'000
Income derived from investment of:				
(a) Term deposits	353,745	292,677	1,007,967	822,455
(b) Other deposits	111,354	109,021	332,469	319,584
	<b>465,099</b>	<b>401,698</b>	<b>1,340,436</b>	<b>1,142,039</b>
<b>a. Income derived from investment of term deposits:</b>				
<u>Finance income and Hibah</u>				
Financing and advances	281,092	229,383	782,058	656,555
Financial investments available-for-sale	32,114	16,316	96,534	30,053
Financial investments held-to-maturity	18,713	7,533	45,718	10,083
Balances with banks	5,394	19,774	20,055	74,377
	<b>337,313</b>	<b>273,006</b>	<b>944,365</b>	<b>771,068</b>
Financial assets held-for-trading	6,560	9,095	33,013	29,923
Total finance income and Hibah	<b>343,873</b>	<b>282,101</b>	<b>977,378</b>	<b>800,991</b>
<u>Other operating income</u>				
Fee and commission income:				
- Commissions	2,919	1,525	5,137	3,724
- Service charges and fees	3,543	2,847	9,472	7,792
- Other fee income	1,885	473	4,633	1,187
Net gains and losses on financial instruments:				
- Gross dividend income from financial investments available-for-sale	1,458	5,566	9,282	7,905
- Net gain arising from sale of financial investments available-for-sale	32	19	1,860	151
- Others	15	109	115	469
Other income	20	37	90	236
Total other operating income	<b>9,872</b>	<b>10,576</b>	<b>30,589</b>	<b>21,464</b>
	<b>353,745</b>	<b>292,677</b>	<b>1,007,967</b>	<b>822,455</b>
Of which:				
Financing income earned on impaired financing	<b>2,184</b>	<b>2,182</b>	<b>6,609</b>	<b>6,225</b>

**PUBLIC ISLAMIC BANK BERHAD**  
**(14328-V)**  
**(Incorporated in Malaysia)**

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

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30 September 2015 RM'000</b>	<b>30 September 2014 RM'000</b>	<b>30 September 2015 RM'000</b>	<b>30 September 2014 RM'000</b>
<b>b. Income derived from investment of other deposits:</b>				
<u>Finance income and Hibah</u>				
Financing and advances	<b>88,637</b>	85,338	<b>257,954</b>	255,120
Financial investments available-for-sale	<b>10,068</b>	6,218	<b>31,841</b>	11,678
Financial investments held-to-maturity	<b>5,953</b>	2,905	<b>15,080</b>	3,918
Balances with banks	<b>1,660</b>	7,199	<b>6,615</b>	28,901
	<b>106,318</b>	101,660	<b>311,490</b>	299,617
Financial assets held-for-trading	<b>1,948</b>	3,348	<b>10,889</b>	11,627
Total finance income and Hibah	<b>108,266</b>	105,008	<b>322,379</b>	311,244
<u>Other operating income</u>				
Fee and commission income:				
- Commissions	<b>945</b>	573	<b>1,694</b>	1,447
- Service charges and fees	<b>1,120</b>	1,063	<b>3,124</b>	3,028
- Other fee income	<b>600</b>	177	<b>1,529</b>	461
Net gains and losses on financial instruments:				
- Gross dividend income from financial investments available-for-sale	<b>417</b>	2,142	<b>3,061</b>	3,072
- Net (loss) /gain arising from sale of financial investments available-for-sale	<b>(4)</b>	7	<b>614</b>	59
- Others	<b>4</b>	39	<b>38</b>	182
Other income	<b>6</b>	12	<b>30</b>	91
Total other operating income	<b>3,088</b>	4,013	<b>10,090</b>	8,340
	<b>111,354</b>	109,021	<b>332,469</b>	319,584
Of which:				
Financing income earned on impaired financing	<b>684</b>	812	<b>2,180</b>	2,419

**PUBLIC ISLAMIC BANK BERHAD**  
(14328-V)  
(Incorporated in Malaysia)

**A17. Income Derived from Investment of Shareholder's Funds**

	3rd Quarter Ended		Nine Months Ended	
	30 September 2015 RM'000	30 September 2014 RM'000	30 September 2015 RM'000	30 September 2014 RM'000
<u>Finance income and Hibah</u>				
Financing and advances	27,756	25,287	76,658	76,046
Financial investments available-for-sale	3,174	1,849	9,462	3,481
Financial investments held-to-maturity	1,845	865	4,481	1,168
Balances with banks	535	2,127	1,966	8,615
	<b>33,310</b>	30,128	<b>92,567</b>	89,310
Financial assets held-for-trading	654	991	3,236	3,466
Total finance income and Hibah	<b>33,964</b>	31,119	<b>95,803</b>	92,776
<u>Other operating income</u>				
Fee and commission income:				
- Commissions	286	170	503	431
- Service charges and fees	349	315	928	903
- Other fee income	187	52	455	137
Net gains and losses on financial instruments:				
- Gross dividend income from financial investments available-for-sale	145	638	910	916
- Net gain arising from sale of financial investments available-for-sale	3	2	182	18
- Others	2	12	11	54
Other income	2	3	9	27
Total other operating income	<b>974</b>	1,192	<b>2,998</b>	2,486
	<b>34,938</b>	32,311	<b>98,801</b>	95,262
Of which:				
Financing income earned on impaired financing	<b>216</b>	241	<b>648</b>	721

**A18. Allowance for Impairment on Financing and Advances**

	3rd Quarter Ended		Nine Months Ended	
	30 September 2015 RM'000	30 September 2014 RM'000	30 September 2015 RM'000	30 September 2014 RM'000
Allowance for impaired financing:				
- Collective assessment allowance	38,825	31,716	93,473	85,023
Impaired financing written off	-	-	-	5
Impaired financing recovered	(4,722)	(3,984)	(15,690)	(11,795)
	<b>34,103</b>	27,732	<b>77,783</b>	73,233

**PUBLIC ISLAMIC BANK BERHAD**  
**(14328-V)**  
**(Incorporated in Malaysia)**

**A19. Income Attributable to Depositors and Others**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30 September 2015 RM'000</b>	<b>30 September 2014 RM'000</b>	<b>30 September 2015 RM'000</b>	<b>30 September 2014 RM'000</b>
Deposits from customers				
- Mudharabah fund	<b>919</b>	19,651	<b>4,232</b>	67,753
- Non-Mudharabah fund	<b>252,001</b>	161,099	<b>697,780</b>	447,169
Deposits from banks				
- Mudharabah fund	-	4,832	<b>5,935</b>	10,972
- Non-Mudharabah fund	<b>25,612</b>	21,695	<b>75,761</b>	64,869
Financing sold to Cagamas	<b>4,538</b>	4,537	<b>13,500</b>	13,524
Subordinated Sukuk Murabahah	<b>5,986</b>	5,986	<b>17,763</b>	7,418
	<b>289,056</b>	217,800	<b>814,971</b>	611,705

Included in the income attributable to Mudharabah fund depositors is the utilisation of Profit Equalisation Reserves for distribution of profits to investment account holders of RM54,000 in the current period (30 September 2014 : RM286,000).

**A20. Personnel expenses**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30 September 2015 RM'000</b>	<b>30 September 2014 RM'000</b>	<b>30 September 2015 RM'000</b>	<b>30 September 2014 RM'000</b>
Salaries, allowances and bonuses	<b>3,010</b>	2,635	<b>9,265</b>	8,791
Pension costs	<b>491</b>	456	<b>1,496</b>	1,496
Others	<b>520</b>	226	<b>1,390</b>	778
	<b>4,021</b>	3,317	<b>12,151</b>	11,065



**PUBLIC ISLAMIC BANK BERHAD**  
**(14328-V)**  
**(Incorporated in Malaysia)**

**A21. Other Overheads and Expenditures**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30 September 2015 RM'000</b>	<b>30 September 2014 RM'000</b>	<b>30 September 2015 RM'000</b>	<b>30 September 2014 RM'000</b>
Establishment costs				
- Depreciation	<b>106</b>	118	<b>337</b>	350
- Rental	<b>460</b>	289	<b>923</b>	866
- Insurance	<b>175</b>	160	<b>566</b>	659
- Water and electricity	<b>64</b>	52	<b>150</b>	145
- General repairs and maintenance	<b>77</b>	46	<b>261</b>	195
- Others	<b>106</b>	95	<b>308</b>	311
	<b>988</b>	760	<b>2,545</b>	2,526
Marketing expenses				
- Advertisement and publicity	<b>442</b>	263	<b>1,901</b>	750
- Others	<b>1,935</b>	1,018	<b>3,750</b>	2,796
	<b>2,377</b>	1,281	<b>5,651</b>	3,546
Administration and general expenses				
- Communication expenses	<b>742</b>	542	<b>1,983</b>	1,445
- Legal and professional fees	<b>2,044</b>	1,654	<b>5,530</b>	4,892
- Others	<b>3,229</b>	826	<b>7,622</b>	2,627
	<b>6,015</b>	3,022	<b>15,135</b>	8,964
Shared service costs paid/payable to Public Bank Berhad	<b>75,341</b>	65,549	<b>206,733</b>	185,823
Recovery of expenses	<b>(4,181)</b>	(3,058)	<b>(11,589)</b>	(8,096)
	<b>80,540</b>	67,554	<b>218,475</b>	192,763

**PUBLIC ISLAMIC BANK BERHAD**  
**(14328-V)**  
**(Incorporated in Malaysia)**

**A22. 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 3rd quarter and nine months ended 30 September 2015.

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30 September 2015 RM'000</b>	<b>30 September 2014 RM'000</b>	<b>30 September 2015 RM'000</b>	<b>30 September 2014 RM'000</b>
Net profit attributable to equity holder of the Bank (RM'000)	<b>69,644</b>	90,050	<b>239,368</b>	263,624
Number of ordinary shares at beginning of the period ('000)	<b>200,217</b>	200,217	<b>200,217</b>	200,217
Effect of the issuance of shares ('000)	<b>2,663</b>	-	<b>897</b>	-
Weighted average number of PIBB shares ('000)	<b>202,880</b>	200,217	<b>201,114</b>	200,217
Basic earnings per share (sen)	<b>34.3</b>	45.0	<b>119.0</b>	131.7

There were no dilutive potential ordinary shares in the 3rd quarter ended 30 September 2015 and 30 September 2014.

**A23. Performance Review**

The Bank reported a lower pre-tax profit of RM315.8 million for the nine months ended 30 September 2015, which was 9.3% or RM32.4 million lower as compared to pre-tax profit of RM348.2 million for the nine months ended 30 September 2014. The lower profit was primarily due to higher other operating expenses of RM26.8 million, lower net finance income of RM12.5 million and higher allowance for impairment on financing and advances of RM4.5 million partially offset by higher other operating income of RM11.4 million.

**PUBLIC ISLAMIC BANK BERHAD**  
**(14328-V)**  
**(Incorporated in Malaysia)**

**A24. Prospects for 2015**

The global economic growth remained moderate in the first half of the year due to slower growth in emerging economies and a weaker recovery in advanced economies. The pace of global economic recovery is expected to remain moderate and uneven in the second half of the year as prospects of rising interest rates in the US and China's economic slowdown are contributing to uncertainty and higher market volatility.

After moderating to a growth of 5.3% year-on-year in the first half of 2015 (1H14: 6.4%), the Malaysian economy is expected to continue growing at a more moderate pace in the second half of the year given the increasingly challenging economic environment as a result of increased uncertainty on both the global and domestic fronts. The Government expects the economy to grow between 4.5% and 5.5% in 2015 (2014: 6%), with domestic demand projected to ease on expectation of slower growth in both consumer spending and investment activities. While the weaker ringgit is expected to contribute positively to exports, in particular manufactured exports, falling commodity prices remain a drag to overall export growth.

The banking sector is expected to remain strong and supportive of economic activities for the remaining part of this year. With adequate capitalisation and stable funding, the banking sector will continue to function as an effective financial intermediary in providing steady access to credit for households and businesses. The banking sector is well positioned to withstand the current market uncertainty despite the cautious business and consumer sentiment, falling commodity prices, weakening ringgit and uneven global growth.

Notwithstanding an increasingly competitive credit market, the Bank will continue to expand its core business of retail-based financing including home mortgages, vehicle financing and small and medium enterprises ("SME") financing. The Bank will continue to adopt a considered approach in its financing directions to support prudent and responsible financing practices, while upholding its strong corporate governance and risk management policies.

The Bank will continue to provide strong support to the SME segment by enhancing its product and service delivery. The Bank will continue to penetrate the mid-market SMEs in encouraged sectors of the economy. In 2015, the SMEs will continue to benefit from the implementation of key Government initiatives as well as the recently announced new economic measures to support business activities of SMEs.

The Bank will continue to expand its vehicle hire purchase business by leveraging on Public Bank's large network of hire purchase centres and branches, comprehensive product packages and efficient financing delivery. While rising cost of living and the implementation of Goods and Services Tax continue to impact consumer spending, demand for vehicle hire purchase will remain supported by new launches of car models and attractive product packages by car dealers.

The Bank will continue to work closely with its bancassurance partner, AIA PUBLIC Takaful Bhd, to develop innovative products to meet customer's protection and savings needs. The Bank will also continue to accelerate its fee generating income activities such as transactional banking services.

**A25. Subsequent Events**

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

**PUBLIC ISLAMIC BANK BERHAD**  
**(14328-V)**  
**(Incorporated in Malaysia)**

**A26. Segment Information**

	<----- 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 RM'000	Inter- segment Elimination RM'000	
<b>3rd Quarter Ended 30 September 2015</b>							
External revenue	154,754	229,510	25,964	54,052	35,757	-	500,037
Revenue from other segments	-	114,660	-	3,177	112,949	(230,786)	-
Total revenue	<u>154,754</u>	<u>344,170</u>	<u>25,964</u>	<u>57,229</u>	<u>148,706</u>	<u>(230,786)</u>	<u>500,037</u>
Net finance income	43,618	125,672	3,484	356	23,917	-	197,047
Other operating income	203	10,671	966	10	2,084	-	13,934
Net income	<u>43,821</u>	<u>136,343</u>	<u>4,450</u>	<u>366</u>	<u>26,001</u>	<u>-</u>	<u>210,981</u>
Other operating expenses	(15,603)	(53,180)	(1,099)	(382)	(14,297)	-	(84,561)
Allowance for impairment on financing and advances	(18,070)	(14,216)	(1,817)	-	-	-	(34,103)
Profit before zakat and taxation	<u>10,148</u>	<u>68,947</u>	<u>1,534</u>	<u>(16)</u>	<u>11,704</u>	<u>-</u>	<u>92,317</u>

**PUBLIC ISLAMIC BANK BERHAD**  
**(14328-V)**  
**(Incorporated in Malaysia)**

**A26. 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 RM'000	Inter- segment Elimination RM'000	
<b>3rd Quarter Ended 30 September 2014</b>							
External revenue	144,692	193,854	10,118	65,591	19,754	-	434,009
Revenue from other segments	-	97,250	-	-	113,627	(210,877)	-
Total revenue	144,692	291,104	10,118	65,591	133,381	(210,877)	434,009
Net finance income	48,535	133,697	2,553	2,090	13,452	-	200,327
Other operating income	(80)	7,276	3	130	8,452	-	15,781
Net income	48,455	140,973	2,556	2,220	21,904	-	216,108
Other operating expenses	(15,935)	(42,836)	(222)	(449)	(11,429)	-	(70,871)
Allowance for impairment on financing and advances	(18,111)	(9,459)	(162)	-	-	-	(27,732)
Impairment on other assets	-	(22)	-	-	-	-	(22)
Profit before zakat and taxation	14,409	88,656	2,172	1,771	10,475	-	117,483

**PUBLIC ISLAMIC BANK BERHAD**  
(14328-V)  
(Incorporated in Malaysia)

**A26. Segment Information (continued)**

<b>Nine Months Ended 30 September 2015</b>	<----- Operating Segments ----->						<b>Total RM'000</b>
	<b>Hire Purchase RM'000</b>	<b>Retail Operations RM'000</b>	<b>Corporate Banking RM'000</b>	<b>Treasury and Capital Market Operations RM'000</b>	<b>Head Office RM'000</b>	<b>Inter- segment Elimination RM'000</b>	
External revenue	449,842	646,822	50,691	200,726	91,156	-	1,439,237
Revenue from other segments	-	286,862	-	23,144	317,562	(627,568)	-
<b>Total revenue</b>	<b>449,842</b>	<b>933,684</b>	<b>50,691</b>	<b>223,870</b>	<b>408,718</b>	<b>(627,568)</b>	<b>1,439,237</b>
Net finance income	134,248	371,496	8,961	11,676	54,185	-	580,566
Other operating income	64	25,212	2,213	2,850	13,338	-	43,677
<b>Net income</b>	<b>134,312</b>	<b>396,708</b>	<b>11,174</b>	<b>14,526</b>	<b>67,523</b>	<b>-</b>	<b>624,243</b>
Other operating expenses	(46,735)	(143,891)	(1,941)	(1,424)	(36,635)	-	(230,626)
Allowance for impairment on financing and advances	(44,324)	(31,427)	(2,032)	-	-	-	(77,783)
Impairment on other assets	-	(12)	-	-	-	-	(12)
<b>Profit before zakat and taxation</b>	<b>43,253</b>	<b>221,378</b>	<b>7,201</b>	<b>13,102</b>	<b>30,888</b>	<b>-</b>	<b>315,822</b>
Cost income ratio	34.8%	36.3%	17.4%	9.8%	54.3%	-	36.9%
Gross financing and advances	11,897,281	16,437,164	2,325,730	-	-	-	30,660,175
Financing growth	8.3%	18.4%	163.0%	-	-	-	19.0%
Impaired financing and advances	111,946	108,197	-	-	-	-	220,143
Impaired financing ratio	0.9%	0.7%	-	-	-	-	0.7%
Deposits from customers	-	30,188,369	32,572	7,148,387	-	-	37,369,328
Deposit growth	-	36.1%	-7.9%	-16.1%	-	-	21.6%
<b>Segment assets</b>	<b>11,777,460</b>	<b>31,380,112</b>	<b>2,323,497</b>	<b>9,377,721</b>	<b>4,067,513</b>	<b>(15,036,086)</b>	<b>43,890,217</b>
Reconciliation of segment assets to consolidated assets:							
Investment in an associated company							20,000
Unallocated assets							106,637
<b>Total assets</b>							<b>44,016,854</b>

**PUBLIC ISLAMIC BANK BERHAD**  
**(14328-V)**  
**(Incorporated in Malaysia)**

**A26. Segment Information (continued)**

<b>Nine Months Ended 30 September 2014</b>	<----- Operating Segments ----->						<b>Total RM'000</b>
	<b>Hire Purchase RM'000</b>	<b>Retail Operations RM'000</b>	<b>Corporate Banking RM'000</b>	<b>Treasury and Capital Market Operations RM'000</b>	<b>Head Office RM'000</b>	<b>Inter- segment Elimination RM'000</b>	
External revenue	437,879	544,674	28,587	198,856	27,305	-	1,237,301
Revenue from other segments	-	279,686	-	-	348,512	(628,198)	-
<b>Total revenue</b>	<b>437,879</b>	<b>824,360</b>	<b>28,587</b>	<b>198,856</b>	<b>375,817</b>	<b>(628,198)</b>	<b>1,237,301</b>
Net finance income	157,059	374,898	7,117	6,369	47,577	-	593,020
Other operating income	(312)	19,456	4	1,006	12,136	-	32,290
<b>Net income</b>	<b>156,747</b>	<b>394,354</b>	<b>7,121</b>	<b>7,375</b>	<b>59,713</b>	<b>-</b>	<b>625,310</b>
Other operating expenses	(46,464)	(123,579)	(667)	(1,402)	(31,716)	-	(203,828)
(Allowance) / writeback of allowance for impairment on financing and advances	(42,429)	(30,851)	47	-	-	-	(73,233)
Impairment on other assets	-	(47)	-	-	-	-	(47)
<b>Profit before zakat and taxation</b>	<b>67,854</b>	<b>239,877</b>	<b>6,501</b>	<b>5,973</b>	<b>27,997</b>	<b>-</b>	<b>348,202</b>
Cost income ratio	29.6%	31.3%	9.4%	19.0%	53.1%	-	32.6%
Gross financing and advances	10,897,931	13,356,503	858,241	-	-	-	25,112,675
Financing growth	-2.4%	18.7%	9.6%	-	-	-	8.2%
Impaired financing and advances	120,011	117,953	-	-	-	-	237,964
Impaired financing ratio	1.1%	0.9%	-	-	-	-	0.9%
Deposits from customers	-	24,919,863	8,743	5,428,641	-	-	30,357,247
Deposit growth	-	3.6%	-69.6%	26.0%	-	-	6.9%
<b>Segment assets</b>	<b>10,773,999</b>	<b>26,327,855</b>	<b>857,232</b>	<b>8,969,720</b>	<b>2,762,452</b>	<b>(12,998,223)</b>	<b>36,693,035</b>
Reconciliation of segment assets to consolidated assets:							
Investment in an associated company							20,000
Unallocated assets							51,531
<b>Total assets</b>							<b>36,764,566</b>

**PUBLIC ISLAMIC BANK BERHAD**  
(14328-V)  
(Incorporated in Malaysia)

**A27. Capital Adequacy**

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

	<b>30 September 2015</b>	<b>31 December 2014</b>
<u>Before deducting interim dividend *</u>		
Common Equity Tier I ("CET I") capital ratio	<b>10.559%</b>	11.730%
Tier I capital ratio	<b>10.559%</b>	11.730%
Total capital ratio	<b>13.198%</b>	<u>14.580%</u>
<u>After deducting interim dividend *</u>		
CET I capital ratio	<b>10.559%</b>	11.007%
Tier I capital ratio	<b>10.559%</b>	11.007%
Total capital ratio	<b>13.198%</b>	<u>13.857%</u>

\* Refers to interim dividend declared subsequent to the financial period / year end.

	<b>30 September 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
Components of CET I, Tier I and Tier II capital:		
<u>CET I capital / Tier I capital</u>		
Paid-up share capital	<b>207,217</b>	200,217
Share premium	<b>1,925,500</b>	1,757,500
Other reserves	<b>211,678</b>	215,823
Retained profits	<b>374,648</b>	431,300
Less: Defined benefit pension fund assets	<b>(3,047)</b>	(3,384)
Less: Investment in an associated company deducted from CET I capital	<b>(8,000)</b>	(4,000)
Total CET I capital / Tier I capital	<b>2,707,996</b>	<u>2,597,456</u>
<u>Tier II capital</u>		
Collective assessment allowance and regulatory reserves #	<b>189,774</b>	148,356
Subordinated Sukuk Murabahah	<b>499,052</b>	498,860
Less: Investment in an associated company deducted from Tier II capital	<b>(12,000)</b>	(16,000)
Total Tier II capital	<b>676,826</b>	<u>631,216</u>
Total capital	<b>3,384,822</b>	<u>3,228,672</u>

# Excludes collective assessment allowance on impaired financing restricted from Tier II capital of the Bank of RM165,562,000 (2014 : RM173,495,000). Includes the qualifying regulatory reserves for non-impaired financing of RM6,155,000 (2014 : Nil).

The Bank has adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk. The total capital and capital adequacy ratios of the Bank are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework for Islamic Banks (Capital Components and Basel II - Risk-weighted Assets) dated 28 November 2012. In line with the transitional arrangements under the Bank Negara Malaysia's Capital Adequacy Framework for Islamic Banks (Capital Components), the minimum capital adequacy requirement for common equity Tier I capital ratio and Tier I capital ratio are 4.5% and 6.0% respectively for year 2015 (2014 - 4.0% and 5.5% respectively). The minimum regulatory capital adequacy requirement remains at 8.0% (2014 - 8.0%) for total capital ratio.



**PUBLIC ISLAMIC BANK BERHAD**  
**(14328-V)**  
**(Incorporated in Malaysia)**

**A27. Capital Adequacy (continued)**

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

	<b>30 September 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
Credit risk	24,077,017	20,402,877
Market risk	16,736	178,375
Operational risk	1,551,993	1,562,715
	<b><u>25,645,746</u></b>	<b><u>22,143,967</u></b>

**A28. Commitments and Contingencies**

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

	<b>30 September 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
<u>Contingent Liabilities</u>		
Direct credit substitutes	115,403	265,965
Transaction-related contingent items	20,896	12,050
Short term self-liquidating trade-related contingencies	1,006	2,736
	<b><u>137,305</u></b>	<b><u>280,751</u></b>
<u>Commitments</u>		
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:		
- exceeding one year	4,320,356	2,514,464
- not exceeding one year	1,038,780	927,784
Unutilised credit card lines	17,193	-
	<b><u>5,376,329</u></b>	<b><u>3,442,248</u></b>
<u>Derivative Financial Instruments</u>		
Profit rate related contracts:		
- one year to less than five years	1,830,000	1,600,000
- five years and above	2,500,000	1,500,000
	<b><u>4,330,000</u></b>	<b><u>3,100,000</u></b>
	<b><u>9,843,634</u></b>	<b><u>6,822,999</u></b>

**PUBLIC ISLAMIC BANK BERHAD**  
**(14328-V)**  
**(Incorporated in Malaysia)**

**A29. 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 objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date, that would have been determined by market participants acting at arm's length. 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 judgement and estimation, due to the low complexity of the financial instruments held.

MFRS 13 Fair Value Measurement requires each class of assets and liabilities measured at fair value in the statement of financial position after initial recognition to be categorised according to a hierarchy that reflects the significance of inputs used in making the measurements, in particular, whether the inputs used are observable or unobservable. The following levels of hierarchy are used for determining and disclosing the fair value of those financial instruments:

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.

The Bank's control framework in respect of the measurement of Level 3 fair values enables that the fair values are determined and validated by a function independent of the business unit undertaking the risks. Finance Division establishes the accounting policies and procedures governing valuation and is responsible for ensuring compliance with all relevant accounting standards. The team within Finance Division which oversees the fair value measurements, including Level 3 fair values, reports directly to the Chief Financial Officer of Public Bank Berhad. Independent verification on financial instruments is performed by Compliance Division.

**PUBLIC ISLAMIC BANK BERHAD**  
**(14328-V)**  
**(Incorporated in Malaysia)**

**A29. 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:

<b>30 September 2015</b>	<b>Level 1 RM'000</b>	<b>Level 2 RM'000</b>	<b>Level 3 RM'000</b>	<b>Total RM'000</b>
<b>Financial assets</b>				
Financial assets held-for-trading				
- Money market instruments	-	297,534	-	297,534
Financial investments available-for-sale				
- Government securities and treasury bills	-	4,682,944	-	4,682,944
- Money market instruments	-	234,279	-	234,279
- Non-money market instruments	479,942	-	-	479,942
	479,942	4,917,223	-	5,397,165
Derivative financial assets	-	129,963	-	129,963
Total financial assets measured at fair value	479,942	5,344,720	-	5,824,662
<b>Financial liabilities</b>				
Derivative financial liabilities	-	-	-	-
Total financial liabilities measured at fair value	-	-	-	-

**PUBLIC ISLAMIC BANK BERHAD**  
**(14328-V)**  
**(Incorporated in Malaysia)**

**A29. 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):

<b>31 December 2014</b>	<b>Level 1 RM'000</b>	<b>Level 2 RM'000</b>	<b>Level 3 RM'000</b>	<b>Total RM'000</b>
<b>Financial assets</b>				
Financial assets held-for-trading				
- Money market instruments	-	2,571,794	-	2,571,794
Financial investments available-for-sale				
- Government securities and treasury bills	-	4,078,061	-	4,078,061
- Non-money market instruments	468,222	-	-	468,222
	468,222	4,078,061	-	4,546,283
Derivative financial assets	-	60,835	-	60,835
Total financial assets measured at fair value	468,222	6,710,690	-	7,178,912
<b>Financial liabilities</b>				
Derivative financial liabilities	-	89	-	89
Total financial liabilities measured at fair value	-	89	-	89

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the financial period / year.