

PUBLIC ISLAMIC BANK BERHAD
(14328 - V)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
AUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	Note	31 December 2015 RM'000	31 December 2014 RM'000
ASSETS			
Cash and balances with banks		3,225,149	2,652,849
Financial assets held-for-trading	A8	1,588,380	2,571,794
Derivative financial assets		56,019	60,835
Financial investments available-for-sale	A9	4,780,808	4,546,283
Financial investments held-to-maturity	A10	2,741,792	1,651,516
Financing and advances	A11	31,736,855	25,434,279
Other assets	A12	82,895	73,106
Statutory deposits with Bank Negara Malaysia		1,423,800	1,140,200
Investment in an associated company		20,000	20,000
Property and equipment		1,267	1,303
TOTAL ASSETS		45,656,965	38,152,165
LIABILITIES			
Deposits from customers	A13	39,097,445	30,727,614
Deposits from banks	A14	2,318,814	3,620,104
Bills and acceptances payable		849	550
Recourse obligations on financing sold to Cagamas		500,016	500,016
Derivative financial liabilities		1,636	89
Subordinated Sukuk Murabahah		499,117	498,860
Other liabilities	A15	212,673	98,041
Provision for zakat and taxation		40,680	39,847
Deferred tax liabilities		22,029	15,445
TOTAL LIABILITIES		42,693,259	35,500,566
EQUITY			
Share capital		207,217	200,217
Reserves		2,756,489	2,451,382
TOTAL EQUITY		2,963,706	2,651,599
TOTAL LIABILITIES AND EQUITY		45,656,965	38,152,165
COMMITMENTS AND CONTINGENCIES	A28	10,194,763	6,822,999
CAPITAL ADEQUACY			
<u>Before deducting interim dividend *</u>			
Common Equity Tier I Capital Ratio	A27	10.771%	11.730%
Tier I Capital Ratio	A27	10.771%	11.730%
Total Capital Ratio	A27	13.481%	14.580%
<u>After deducting interim dividend *</u>			
Common Equity Tier I Capital Ratio	A27	10.771%	11.007%
Tier I Capital Ratio	A27	10.771%	11.007%
Total Capital Ratio	A27	13.481%	13.857%
Net assets per share attributable to ordinary equity holder of the Bank (RM)		14.30	13.24

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

PUBLIC ISLAMIC BANK BERHAD
(14328 - V)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
AUDITED STATEMENT OF PROFIT OR LOSS
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2015

	Note	4th Quarter Ended		Financial Year Ended	
		31 December 2015 RM'000	31 December 2014 RM'000	31 December 2015 RM'000	31 December 2014 RM'000
Income derived from investment of depositors' funds and others	A16	475,888	412,432	1,816,324	1,554,471
Income derived from investment of shareholder's funds	A17	35,543	32,562	134,344	127,824
Writeback of allowance / (Allowance) for impairment on financing and advances	A18	8,977	(16,812)	(68,806)	(90,045)
Impairment on other assets		(16)	(46)	(28)	(93)
Profit Equalisation Reserves		(53)	(54)	(76)	(340)
Total distributable income		520,339	428,082	1,881,758	1,591,817
Income attributable to depositors and others	A19	(306,983)	(239,054)	(1,121,954)	(850,759)
Total net income		213,356	189,028	759,804	741,058
Personnel expenses	A20	(746)	(3,641)	(12,897)	(14,706)
Other overheads and expenditures	A21	(78,310)	(65,401)	(296,785)	(258,164)
Profit before zakat and taxation		134,300	119,986	450,122	468,188
Zakat		(55)	(58)	(220)	(230)
Taxation		(33,166)	(29,772)	(109,455)	(114,178)
Profit for the period / year		101,079	90,156	340,447	353,780
Earnings per RM1.00 share (sen)					
- basic /diluted (sen)	A22	48.8	45.0	168.0	176.7

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
AUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2015

	4th Quarter Ended		Financial Year Ended	
	31 December 2015 RM'000	31 December 2014 RM'000	31 December 2015 RM'000	31 December 2014 RM'000
Profit for the period / year	<u>101,079</u>	<u>90,156</u>	<u>340,447</u>	<u>353,780</u>
Other comprehensive (loss) / income:				
<u>Items that will not be reclassified to profit or loss:</u>				
Defined benefit reserves:				
- (Loss) / Gain on remeasurements of defined benefit plans	(4,364)	133	(4,364)	133
<u>Items that may be reclassified to profit or loss:</u>				
Revaluation reserves:				
- Net gain / (loss) on revaluation of financial investments available-for-sale	33,364	(1,782)	26,856	(1,909)
Hedging reserves:				
- Net change in cash flow hedges	(69,578)	(4,512)	(237)	(70,364)
	<u>(36,214)</u>	<u>(6,294)</u>	<u>26,619</u>	<u>(72,273)</u>
Income tax relating to components of other comprehensive (loss) / income:				
- Defined benefit reserves	1,047	67	1,047	67
- Revaluation reserves	(8,007)	479	(6,460)	511
- Hedging reserves	16,699	1,732	57	18,195
	<u>9,739</u>	<u>2,278</u>	<u>(5,356)</u>	<u>18,773</u>
Other comprehensive (loss) / income for the period / year, net of tax	<u>(30,839)</u>	<u>(3,883)</u>	<u>16,899</u>	<u>(53,367)</u>
Total comprehensive income for the period / year	<u>70,240</u>	<u>86,273</u>	<u>357,346</u>	<u>300,413</u>

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
AUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	<----- Non-distributable ----->							Distributable		Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Statutory Reserves RM'000	Revaluation Reserves RM'000	<u>Reserves</u> Profit Equalisation Reserves RM'000	Hedging Reserves RM'000	Defined Benefit Reserves RM'000	Regulatory Reserves RM'000	<u>Reserve</u> Retained Profit RM'000	
At 1 January 2015	200,217	1,757,500	207,546	1,483	54	45,889	7,610	-	431,300	2,651,599
Profit for the year	-	-	-	-	-	-	-	-	340,447	340,447
Other comprehensive income / (loss) for the year	-	-	-	20,396	-	(180)	(3,317)	-	-	16,899
Total comprehensive income / (loss) for the year	-	-	-	20,396	-	(180)	(3,317)	-	340,447	357,346
Transactions with owner / other equity movements:										
Transfer to Profit Equalisation Reserves of the Bank	-	-	-	-	33	-	-	-	(33)	-
Transfer to statutory reserves	-	-	20,000	-	-	-	-	-	(20,000)	-
Transfer to regulatory reserves	-	-	-	-	-	-	-	68,739	(68,739)	-
Increase in share capital	7,000	168,000	-	-	-	-	-	-	-	175,000
Dividends paid	-	-	-	-	-	-	-	-	(220,239)	(220,239)
	7,000	168,000	20,000	-	33	-	-	68,739	(309,011)	(45,239)
At 31 December 2015	207,217	1,925,500	227,546	21,879	87	45,709	4,293	68,739	462,736	2,963,706

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
AUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	<----- Non-distributable ----->						Distributable		Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Statutory Reserves RM'000	Revaluation Reserves RM'000	Profit Equalisation Reserves RM'000	Hedging Reserves RM'000	Defined Benefit Reserves RM'000	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 year	-	-	-	-	-	-	-	353,780	353,780
Other comprehensive (loss) / income for the year	-	-	-	(1,398)	-	(52,169)	200	-	(53,367)
Total comprehensive (loss) / income for the year	-	-	-	(1,398)	-	(52,169)	200	353,780	300,413
Transactions with owner / other equity movements:									
Transfer to Profit Equalisation Reserves of the Bank	-	-	-	-	54	-	-	(54)	-
Dividends paid	-	-	-	-	-	-	-	(240,260)	(240,260)
	-	-	-	-	54	-	-	(240,314)	(240,260)
At 31 December 2014	200,217	1,757,500	207,546	1,483	54	45,889	7,610	431,300	2,651,599

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
AUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	31 December 2015 RM'000	31 December 2014 RM'000
Profit before zakat and taxation	450,122	468,188
Adjustments for non-cash items	75,804	91,904
Operating profit before working capital changes	<u>525,926</u>	<u>560,092</u>
Changes in working capital:		
Net changes in operating assets	(5,705,846)	(3,639,253)
Net changes in operating liabilities	7,183,396	3,135,161
Cash generated from operations	<u>2,003,476</u>	<u>56,000</u>
Zakat and tax paid	(107,615)	(110,649)
Net cash generated from / (used in) operating activities	<u>1,895,861</u>	<u>(54,649)</u>
Net cash used in investing activities	(1,278,322)	(4,295,068)
Net cash (used in) / generated from financing activities	(45,239)	258,455
Net change in cash and cash equivalents	<u>572,300</u>	<u>(4,091,262)</u>
Cash and cash equivalents at beginning of the year	<u>2,652,849</u>	<u>6,744,111</u>
Cash and cash equivalents at end of the year	<u><u>3,225,149</u></u>	<u><u>2,652,849</u></u>

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)

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 audited interim financial statements for the 4th quarter and financial year ended 31 December 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 audited interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"). The audited 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 audited 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 audited interim financial statements are consistent with those adopted in the most recent annual financial statements for the year ended 31 December 2014, except for the early adoption of the following Amendments to MFRSs during the current financial year:

(i) Amendments to MFRSs that were Early Adopted by the Bank

Effective for annual periods commencing on or after 1 January 2016 (Early adoption)

- Equity Method in Separate Financial Statements (Amendments to MFRS 127)
- Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRSs 2012–2014 Cycle"
- Investment Entities: Applying the Consolidation Exception (Amendments to MFRS 10, MFRS 12 and MFRS 128)

Effective date to be determined at a later date (Early adoption)

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)

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

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

A1. Basis of Preparation (continued)

(i) Amendments to MFRSs that were Early Adopted by the Bank (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 did not have any financial impact on the financial statements of 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 did not have any impact on the financial statements of the Bank.

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

A1. Basis of Preparation (continued)

(i) Amendments to MFRSs that were Early Adopted by the Bank (continued)

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 did not have any impact on the financial statements of the Bank.

(ii) Bank Negara Malaysia's ("BNM") Policy Document on Transition policy under Islamic Financial Services Act 2013 ("IFSA") ("BNM Policy Document")

On 14 February 2014, BNM issued a policy document on Transition policy under IFSA which is applicable to licensed Islamic banks, licensed banks and licensed investment banks which are approved under the Financial Services Act 2013 to carry on Islamic banking business (collectively referred to as Islamic financial institutions ("IFI")) in Malaysia. IFIs are required to distinguish and classify existing Islamic deposits into either Islamic deposits (which is principal guaranteed) or into investment accounts (which is non-principal guaranteed) as defined under the IFSA. The BNM Policy Document clarifies on the implementation of Islamic deposits and investment accounts during the period of transition as described below.

An IFI is allowed to continue offering and/or accepting Islamic deposits under any Shariah contract which is non-principal guaranteed (hereinafter referred to as "investment deposit products") until 30 June 2015, provided that such investment deposit products have been approved by BNM prior to 30 June 2013. These accounts are reported as Islamic deposits under the IFSA.

With effect from 1 July 2015, an IFI will have to classify all of its investment deposit products either into Islamic deposits or investment accounts except for the following investment deposit products which can continue to be reported as Islamic deposits:

- a) any term deposit accepted which has a maturity period beyond 30 June 2015; or
- b) any term deposit held as security against another financing facility until the settlement of the facility.

After the maturity period or settlement of the financing facility, the above investment deposit products will be classified as either Islamic deposits or investment accounts.

The Bank has adopted this BNM Policy Document during the current year. As at to date, all the Bank's investment deposit products are classified as Islamic deposits and none is classified as investment accounts as defined under the IFSA, as they either have maturity beyond 30 June 2015 or are held as security against financing facilities.

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

A1. Basis of Preparation (continued)

- (iii) Revised 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:

- (a) 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
- (b) 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.

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 have been extended to six (6) months in line with the requirements of the revised BNM Policy Document.

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

A1. Basis of Preparation (continued)

(iv) MFRSs and Amendments to MFRS that have been Issued but Not Yet Effective to the Bank

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

Effective for annual periods commencing on or after 1 January 2016

- Disclosure Initiative (Amendments to MFRS 101)

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 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.

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.

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

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 4th quarter and financial year ended 31 December 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 4th quarter and financial year ended 31 December 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 4th quarter and financial year ended 31 December 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 4th quarter and financial year ended 31 December 2015.

A7. Dividends Paid, Distributed and Declared

During the financial year ended 31 December 2015, the second interim 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 dividend of 30% or RM0.30 per ordinary share for the financial year ended 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

	31 December 2015 RM'000	31 December 2014 RM'000
At fair value		
Money market instruments:		
Negotiable Islamic Debt Certificates	<u>1,588,380</u>	<u>2,571,794</u>

A9. Financial Investments Available-for-Sale

	31 December 2015 RM'000	31 December 2014 RM'000
At fair value		
Government securities and treasury bills:		
Malaysian Government Investment Issues	4,607,572	2,036,423
Malaysian Government Treasury Bills	58,468	258,716
Bank Negara Malaysia Monetary Notes	-	1,782,922
	<u>4,666,040</u>	<u>4,078,061</u>
Non-money market instruments:		
Unit trust funds	114,768	468,222
	<u>4,780,808</u>	<u>4,546,283</u>

A10. Financial Investments Held-to-Maturity

	31 December 2015 RM'000	31 December 2014 RM'000
At amortised cost		
Government securities and treasury bills:		
Malaysian Government Investment Issues	2,170,549	997,213
Malaysian Government Treasury Bills	-	128,127
	<u>2,170,549</u>	<u>1,125,340</u>
Non-money market instruments:		
Debt securities		
- Unquoted private debt securities	571,243	526,176
	<u>2,741,792</u>	<u>1,651,516</u>

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

A11. Financing and Advances

a. By type and contract

31 December 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
At amortised cost							
Cash line	1,001,462	-	-	-	-	-	1,001,462
Term financing							
- House financing	4,357,798	-	-	4,044,663	-	-	8,402,461
- Syndicated financing	1,320,788	-	-	-	-	-	1,320,788
- Hire purchase receivables	-	12,048,635	-	-	-	-	12,048,635
- Other term financing	2,788,901	-	2,037,228	4,179,315	-	-	9,005,444
Credit card receivables	-	-	-	-	-	5,610	5,610
Bills receivables	-	-	-	-	511	-	511
Trust receipts	-	-	-	-	1,005	-	1,005
Claims on customers under acceptance credits	-	-	-	-	75,839	-	75,839
Revolving credits	181,994	-	-	-	-	-	181,994
Staff financing	-	1,712	-	7,289	-	-	9,001
Gross financing and advances	9,650,943	12,050,347	2,037,228	8,231,267	77,355	5,610	32,052,750
Allowance for impaired financing and advances:							
- collective assessment allowance							(315,895)
- individual assessment allowance							-
Net financing and advances							31,736,855

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

A11. Financing and Advances (continued)

a. By type and contract (continued)

31 December 2014	Bai' Bithaman Ajil RM'000	Ijarah Thumma Al-Bai' RM'000	Bai' Inah RM'000	Musharakah Mutanaqisah RM'000	Murabahah RM'000	Total Financing and Advances RM'000
At amortised cost						
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

	31 December 2015 RM'000	31 December 2014 RM'000
Retail financing *		
- House financing	8,402,461	6,590,921
- Hire purchase	12,048,635	10,987,471
- Credit cards	5,610	-
- Other financing ^	9,170,775	7,293,450
	29,627,481	24,871,842
Corporate financing	2,425,269	884,288
Gross financing and advances	32,052,750	25,756,130

* 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

	31 December 2015 RM'000	31 December 2014 RM'000
Domestic non-bank financial institutions		
- Others	230,965	119,576
Domestic business enterprises		
- Small and medium enterprises	5,530,622	3,751,411
- Others	678,085	616,101
Government and statutory bodies	1,316,438	317,583
Individuals	24,224,720	20,886,337
Other domestic entities	3,392	2,833
Foreign entities	68,528	62,289
Gross financing and advances	32,052,750	25,756,130

d. By profit rate sensitivity

	31 December 2015 RM'000	31 December 2014 RM'000
Fixed rate		
- House financing	481,805	526,520
- Hire purchase receivables	12,048,635	10,987,471
- Other fixed rate financing	3,468,374	2,676,984
Variable rate		
- Base rate / base financing rate plus	15,012,483	11,008,473
- Cost plus	1,041,453	556,682
Gross financing and advances	32,052,750	25,756,130

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

A11. Financing and Advances (continued)

e. By residual contractual maturity

	31 December 2015 RM'000	31 December 2014 RM'000
Maturity within one year	1,502,816	1,133,656
More than one year to three years	2,726,624	2,002,504
More than three years to five years	3,591,140	3,541,449
More than five years	24,232,170	19,078,521
Gross financing and advances	<u>32,052,750</u>	<u>25,756,130</u>

f. By economic purpose

	31 December 2015 RM'000	31 December 2014 RM'000
Purchase of transport vehicles	12,050,318	10,987,180
Purchase of landed properties	14,249,481	10,491,682
(of which: - residential	8,497,749	6,567,043
- non-residential)	5,751,732	3,924,639
Purchase of fixed assets (excluding landed properties)	13,213	12,028
Personal use	2,429,620	2,528,675
Credit card	5,610	-
Purchase of consumer durables	1,941	2,154
Construction	109,584	66,788
Working capital	3,124,576	1,485,300
Other purpose	68,407	182,323
Gross financing and advances	<u>32,052,750</u>	<u>25,756,130</u>

g. By sectors

	31 December 2015 RM'000	31 December 2014 RM'000
Agriculture, hunting, forestry and fishing	475,070	486,036
Mining and quarrying	34,962	31,189
Manufacturing	478,443	340,700
Electricity, gas and water	1,154	1,855
Construction	679,738	519,689
Wholesale & retail trade and restaurants & hotels	1,313,628	884,077
Transport, storage and communication	277,754	178,284
Finance, insurance and business services	620,903	409,403
Real estate	2,364,506	1,487,830
Community, social and personal services	1,509,692	465,064
Households	24,293,248	20,948,626
Others	3,652	3,377
Gross financing and advances	<u>32,052,750</u>	<u>25,756,130</u>

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:

	31 December 2015 RM'000	31 December 2014 RM'000
At 1 January	232,348	208,074
Impaired during the year	558,945	574,124
Reclassified as non-impaired	(437,925)	(428,963)
Recoveries	(45,881)	(36,222)
Amount written off	(95,412)	(84,483)
Financing converted to foreclosed properties	(271)	(182)
Closing balance	<u>211,804</u>	<u>232,348</u>
Gross impaired financing as a percentage of gross financing and advances	<u>0.66%</u>	<u>0.90%</u>

i. Impaired financing and advances by economic purpose

	31 December 2015 RM'000	31 December 2014 RM'000
Purchase of transport vehicles	104,061	112,140
Purchase of landed properties	71,470	71,886
(of which: - residential	64,435	61,353
- non-residential)	7,035	10,533
Purchase of fixed assets (excluding landed properties)	39	-
Personal use	35,317	47,072
Credit card	21	-
Purchase of consumer durables	57	75
Working capital	820	1,117
Other purpose	19	58
	<u>211,804</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

	31 December 2015 RM'000	31 December 2014 RM'000
Agriculture, hunting, forestry and fishing	918	1,234
Mining and quarrying	130	48
Manufacturing	378	1,402
Construction	1,283	1,122
Wholesale & retail trade and restaurants & hotels	1,508	3,261
Transport, storage and communication	467	1,444
Finance, insurance and business services	1,270	1,247
Real estate	653	205
Community, social and personal services	566	693
Households	204,611	221,440
Others	20	252
	211,804	232,348

All the impaired financing and advances are located in Malaysia.

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

	31 December 2015 RM'000	31 December 2014 RM'000
<u>Collective Assessment Allowance</u>		
At 1 January	321,851	300,488
Allowance made during the year	89,456	105,846
Amount written off	(95,412)	(84,483)
Closing balance	315,895	321,851
	31 December 2015 RM'000	31 December 2014 RM'000
<u>Individual Assessment Allowance</u>		
At 1 January / Closing balance	-	-

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

A12. Other Assets

	31 December 2015 RM'000	31 December 2014 RM'000
Deferred handling fees	71,396	63,597
Income receivable	771	1,436
Other receivables, deposits and prepayments	7,384	2,742
Employee benefits	2,838	4,452
Foreclosed properties	506	879
	<u>82,895</u>	<u>73,106</u>

A13. Deposits from Customers

a. By type of deposit and contract

	31 December 2015 RM'000	31 December 2014 RM'000
At amortised cost		
Savings deposit		
- Wadiah	5,494,154	5,136,085
Demand deposit		
- Wadiah	3,521,768	3,259,675
Term deposit		
- Negotiable Islamic Debt Certificate		
- Bai' Inah	974,136	3,516,265
- Commodity Murabahah	24,388,180	12,788,111
- General investment account		
- Mudharabah	113,594	321,692
- Wakalah	149,849	705,502
	<u>263,443</u>	<u>1,027,194</u>
- Special term deposit account		
- Wadiah	4,455,764	-
- Wakalah	-	5,000,284
	<u>4,455,764</u>	<u>5,000,284</u>
	<u>39,097,445</u>	<u>30,727,614</u>

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

A13. Deposits from Customers (continued)

b. By type of customer

	31 December 2015 RM'000	31 December 2014 RM'000
Federal and state governments	4,386,909	2,680,274
Local government and statutory authorities	985,263	1,613,058
Business enterprises	7,167,337	6,622,117
Individuals	12,328,522	6,231,966
Foreign customers	444,119	345,420
Others	13,785,295	13,234,779
	39,097,445	30,727,614

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

	31 December 2015 RM'000	31 December 2014 RM'000
Due within six months	26,964,221	19,042,353
More than six months to one year	3,116,082	3,287,988
More than one year to three years	406	717
More than three years to five years	814	796
	30,081,523	22,331,854

d. By class

	31 December 2015 RM'000	31 December 2014 RM'000
Core deposits	33,667,545	22,211,065
Wholesale deposits	5,429,900	8,516,549
	39,097,445	30,727,614

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

A14. Deposits from Banks

	31 December 2015 RM'000	31 December 2014 RM'000
At amortised cost		
<u>Non-Mudharabah Fund</u>		
Licensed banks	1,647,165	1,586,876
Licensed investment banks	264	343
Bank Negara Malaysia	7,997	3,968
Other financial institutions	663,388	1,088,917
	2,318,814	2,680,104
 <u>Mudharabah Fund</u>		
Licensed Islamic banks	-	940,000
	2,318,814	3,620,104

A15. Other Liabilities

	31 December 2015 RM'000	31 December 2014 RM'000
Income payable	191,355	89,835
Other payables and accruals	21,265	8,151
Profit Equalisation Reserves	53	55
	212,673	98,041

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

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

	4th Quarter Ended		Financial Year Ended	
	31 December 2015 RM'000	31 December 2014 RM'000	31 December 2015 RM'000	31 December 2014 RM'000
Income derived from investment of:				
(a) Term deposits	367,714	303,328	1,375,681	1,125,783
(b) Other deposits	108,174	109,104	440,643	428,688
	475,888	412,432	1,816,324	1,554,471
a. Income derived from investment of term deposits:				
<u>Finance income and Hibah</u>				
Financing and advances	299,188	237,867	1,081,246	894,422
Financial investments available-for-sale	30,581	23,126	127,115	53,179
Financial investments held-to-maturity	18,073	9,510	63,791	19,593
Balances with banks	10,449	12,236	30,504	86,613
	358,291	282,739	1,302,656	1,053,807
Financial assets held-for-trading	3,303	14,246	36,316	44,169
Total finance income and Hibah	361,594	296,985	1,338,972	1,097,976
<u>Other operating income</u>				
Fee and commission income:				
- Commissions	3,115	1,549	8,252	5,273
- Service charges and fees	2,471	2,449	11,943	10,241
- Other fee income	1,306	598	5,939	1,785
Net gains and losses on financial instruments:				
- Gross dividend income from financial investments available-for-sale	1,484	1,387	10,766	9,292
- Net gain arising from sale of financial investments available-for-sale	1,504	1	3,364	152
- (Loss) / gain representing ineffective portions of hedging derivatives	(4,234)	86	(4,320)	223
- Others	366	138	567	470
Other income	108	135	198	371
Total other operating income	6,120	6,343	36,709	27,807
	367,714	303,328	1,375,681	1,125,783
Of which:				
Financing income earned on impaired financing	2,091	2,096	8,700	8,321

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

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

	4th Quarter Ended		Financial Year Ended	
	31 December 2015 RM'000	31 December 2014 RM'000	31 December 2015 RM'000	31 December 2014 RM'000
b. Income derived from investment of other deposits:				
<u>Finance income and Hibah</u>				
Financing and advances	88,378	85,467	346,332	340,587
Financial investments available-for-sale	8,875	8,572	40,716	20,250
Financial investments held-to-maturity	5,353	3,543	20,433	7,461
Balances with banks	3,156	4,081	9,771	32,982
	105,762	101,663	417,252	401,280
Financial assets held-for-trading	743	5,192	11,632	16,819
Total finance income and Hibah	106,505	106,855	428,884	418,099
<u>Other operating income</u>				
Fee and commission income:				
- Commissions	949	561	2,643	2,008
- Service charges and fees	701	872	3,825	3,900
- Other fee income	374	219	1,903	680
Net gains and losses on financial instruments:				
- Gross dividend income from financial investments available-for-sale	388	466	3,449	3,538
- Net gain / (loss) arising from sale of financial investments available-for-sale	463	(1)	1,077	58
- (Loss) / gain representing ineffective portions of hedging derivatives	(1,356)	32	(1,384)	85
- Others	116	50	182	179
Other income	34	50	64	141
Total other operating income	1,669	2,249	11,759	10,589
	108,174	109,104	440,643	428,688
Of which:				
Financing income earned on impaired financing	607	749	2,787	3,168

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

A17. Income Derived from Investment of Shareholder's Funds

	4th Quarter Ended		Financial Year Ended	
	31 December 2015 RM'000	31 December 2014 RM'000	31 December 2015 RM'000	31 December 2014 RM'000
<u>Finance income and Hibah</u>				
Financing and advances	28,933	25,509	105,591	101,555
Financial investments available-for-sale	2,952	2,557	12,414	6,038
Financial investments held-to-maturity	1,749	1,057	6,230	2,225
Balances with banks	1,013	1,219	2,979	9,834
	34,647	30,342	127,214	119,652
Financial assets held-for-trading	310	1,549	3,546	5,015
Total finance income and Hibah	34,957	31,891	130,760	124,667
<u>Other operating income</u>				
Fee and commission income:				
- Commissions	303	168	806	599
- Service charges and fees	238	260	1,166	1,163
- Other fee income	125	66	580	203
Net gains and losses on financial instruments:				
- Gross dividend income from financial investments available-for-sale	141	139	1,051	1,055
- Net gain / (loss) arising from sale of financial investments available-for-sale	147	(1)	329	17
- (Loss) / gain representing ineffective portions of hedging derivatives	(414)	9	(422)	25
- Others	36	15	55	53
Other income	10	15	19	42
Total other operating income	586	671	3,584	3,157
	35,543	32,562	134,344	127,824
Of which:				
Financing income earned on impaired financing	202	224	850	945

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

	4th Quarter Ended		Financial Year Ended	
	31 December 2015 RM'000	31 December 2014 RM'000	31 December 2015 RM'000	31 December 2014 RM'000
(Writeback of allowance) / Allowance for impaired financing:				
- Collective assessment allowance	(4,017)	20,823	89,456	105,846
Impaired financing written off	-	-	-	4
Impaired financing recovered	(4,960)	(4,011)	(20,650)	(15,805)
	(8,977)	16,812	68,806	90,045

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

A19. Income Attributable to Depositors and Others

	4th Quarter Ended		Financial Year Ended	
	31 December 2015 RM'000	31 December 2014 RM'000	31 December 2015 RM'000	31 December 2014 RM'000
Deposits from customers				
- Mudharabah fund	892	8,329	5,124	76,082
- Non-Mudharabah fund	272,936	193,336	970,716	640,505
Deposits from banks				
- Mudharabah fund	-	3,192	5,935	14,164
- Non-Mudharabah fund	22,715	23,767	98,476	88,636
Financing sold to Cagamas	4,453	4,444	17,953	17,968
Subordinated Sukuk Murabahah	5,987	5,986	23,750	13,404
	306,983	239,054	1,121,954	850,759

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 RM78,000 in the current year (31 December 2014 : RM285,000).

A20. Personnel expenses

	4th Quarter Ended		Financial Year Ended	
	31 December 2015 RM'000	31 December 2014 RM'000	31 December 2015 RM'000	31 December 2014 RM'000
Salaries, allowances and bonuses	3,174	3,031	12,439	11,822
Pension costs	(2,829)	338	(1,333)	1,834
Others	401	272	1,791	1,050
	746	3,641	12,897	14,706

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

A21. Other Overheads and Expenditures

	4th Quarter Ended		Financial Year Ended	
	31 December 2015 RM'000	31 December 2014 RM'000	31 December 2015 RM'000	31 December 2014 RM'000
Establishment costs				
- Depreciation	114	117	451	467
- Rental	348	255	1,271	1,121
- Insurance	(104)	131	462	790
- Water and electricity	38	48	188	193
- General repairs and maintenance	66	56	327	251
- Others	94	109	402	420
	556	716	3,101	3,242
Marketing expenses				
- Advertisement and publicity	749	660	2,650	1,410
- Others	1,106	925	4,856	3,721
	1,855	1,585	7,506	5,131
Administration and general expenses				
- Communication expenses	880	760	2,863	2,205
- Legal and professional fees	2,291	2,028	7,821	6,920
- Others	3,089	834	10,711	3,461
	6,260	3,622	21,395	12,586
Shared service costs paid/payable to Public Bank Berhad	73,295	62,824	280,028	248,647
Recovery of expenses	(3,656)	(3,346)	(15,245)	(11,442)
	78,310	65,401	296,785	258,164

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 4th quarter and financial year ended 31 December 2015.

	4th Quarter Ended		Financial Year Ended	
	31 December 2015 RM'000	31 December 2014 RM'000	31 December 2015 RM'000	31 December 2014 RM'000
Net profit attributable to equity holder of the Bank (RM'000)	101,079	90,156	340,447	353,780
Number of ordinary shares at beginning of the period / year ('000)	207,217	200,217	200,217	200,217
Effect of the issuance of shares ('000)	-	-	2,436	-
Weighted average number of PIBB shares ('000)	207,217	200,217	202,653	200,217
Basic earnings per share (sen)	48.8	45.0	168.0	176.7

There were no dilutive potential ordinary shares in the current year and preceding year.

A23. Performance Review

The Bank reported a lower pre-tax profit of RM450.1 million for the financial year ended 31 December 2015, which was 3.9% or RM18.1 million lower as compared to pre-tax profit of RM468.2 million for the financial year ended 31 December 2014. The lower profit was primarily due to higher other operating expenses of RM36.8 million and lower net finance income of RM13.0 million partially offset by lower allowance for impairment on financing and advances of RM21.2 million and higher other operating income of RM10.5 million.

A24. Prospects for 2016

The global economy is expected to pick up and register modest pace in 2016, with growth across regions and main economies to remain uneven. In the advanced economies, the higher growth reflects a continuation of recovery in the US, Japan and the euro area amid narrowing output gaps. In the emerging markets and developing economies, economic growth is projected to continue to be moderate, underpinned by sustained domestic demand in the region.

The economic environment remains increasingly challenging for Malaysia as weak external demand and weak commodity prices are likely to persist into 2016. Malaysia's real GDP is expected to record growth of between 4.0% and 4.5% in 2016, with domestic demand to remain the main growth driver, albeit at a more moderate pace, and supported by sustained private sector activities. The accommodative monetary policy, strong economic fundamentals such as high savings and stable employment and people-friendly 2016 Budget measures should provide some support for private consumption. Growth in investment activity will be sustained by continued implementation of projects under the national transformation programmes and the Eleventh Malaysia Plan 2016-2020. The export sector is likely to benefit from modest improvement in the global economy while inflationary pressure is expected to be on the upside but remain manageable.

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

A24. Prospects for 2016 (continued)

Malaysia's banking sector will remain challenging as well in 2016 as moderate economic prospects and pressure to maintain high levels of capital will continue to weigh on growth of the sector. Loans growth will continue to be weighed down by low consumer and business sentiments as well as stringent lending rules, while competition in deposit-taking business will further intensify. However, the sector will benefit from the opportunities arising from the country's economic transformation to boost growth in 2016. Backed by high capitalisation, ample liquidity and high asset quality, the banking sector is expected to be well positioned to withstand the global financial markets' vulnerability.

In view of the increasingly competitive banking landscape, the Bank will leverage on its strong internal strength as well as capitalise on its excellent customer service and efficient service delivery to maintain 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 prudent and responsible financing practices, while upholding its strong corporate governance and risk management policies.

In the SME market segment, the Bank will further penetrate the mid-market SMEs and micro enterprises in encouraged sectors. In 2016, SMEs are expected to benefit from continued implementation of key Government initiatives under the national transformation programmes, Eleventh Malaysia Plan as well as existing projects under the Tenth Malaysia Plan.

The Bank remains committed to sustain its market presence in the vehicle hire purchase business. The Bank will also continue to leverage on Public Bank's large network of hire purchase centres, branches, comprehensive product packages, efficient financing delivery and extensive marketing staff force.

To remain competitive in the bancassurance industry, the Bank will continue to work closely with AIA PUBLIC Takaful Bhd to further develop the Bank's bancassurance products as well as improve its customer service experience. The Bank will also continue to accelerate its fee income generating activity through transactional banking services.

A25. Subsequent Events

Subsequent to the financial year end, the Bank increased its paid-up capital by 12,000,000 ordinary shares of RM1.00 each issued at RM25.00 per share on 28 January 2016. Upon completion, the issued and paid-up share capital of the Bank increased from RM207,217,000 to RM219,217,000.

There were no any other material events subsequent to the end of the reporting year that require disclosure or adjustments to the audited 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	
4th Quarter Ended 31 December 2015							
External revenue	158,067	240,448	28,468	53,900	30,548	-	511,431
Revenue from other segments	-	115,319	-	5,686	117,752	(238,757)	-
Total revenue	<u>158,067</u>	<u>355,767</u>	<u>28,468</u>	<u>59,586</u>	<u>148,300</u>	<u>(238,757)</u>	<u>511,431</u>
Net finance income	42,282	122,014	4,281	171	27,272	-	196,020
Other operating income	168	9,224	196	587	(1,800)	-	8,375
Net income	<u>42,450</u>	<u>131,238</u>	<u>4,477</u>	<u>758</u>	<u>25,472</u>	<u>-</u>	<u>204,395</u>
Other operating expenses	(16,049)	(52,539)	619	(454)	(10,633)	-	(79,056)
(Allowance) / Writeback of allowance for impairment on financing and advances	(8,448)	17,837	(412)	-	-	-	8,977
Impairment on other assets	-	(16)	-	-	-	-	(16)
Profit before zakat and taxation	<u>17,953</u>	<u>96,520</u>	<u>4,684</u>	<u>304</u>	<u>14,839</u>	<u>-</u>	<u>134,300</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	
4th Quarter Ended 31 December 2014							
External revenue	144,653	201,830	11,456	70,832	16,223	-	444,994
Revenue from other segments	-	82,199	-	-	93,033	(175,232)	-
Total revenue	144,653	284,029	11,456	70,832	109,256	(175,232)	444,994
Net finance income	46,511	131,396	3,163	3,459	12,094	-	196,623
Other operating income	(153)	6,901	-	402	2,113	-	9,263
Net income	46,358	138,297	3,163	3,861	14,207	-	205,886
Other operating expenses	(14,722)	(42,775)	(158)	(477)	(10,910)	-	(69,042)
Allowance for impairment on financing and advances	(13,984)	(2,745)	(83)	-	-	-	(16,812)
Impairment on other assets	-	(46)	-	-	-	-	(46)
Profit before zakat and taxation	17,652	92,731	2,922	3,384	3,297	-	119,986

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

A26. Segment Information (continued)

Financial Year Ended	<----- Operating Segments ----->						Total
	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	
31 December 2015							
External revenue	607,909	887,270	79,159	254,626	121,704	-	1,950,668
Revenue from other segments	-	402,181	-	28,830	435,314	(866,325)	-
Total revenue	<u>607,909</u>	<u>1,289,451</u>	<u>79,159</u>	<u>283,456</u>	<u>557,018</u>	<u>(866,325)</u>	<u>1,950,668</u>
Net finance income	176,530	493,510	13,242	11,847	81,457	-	776,586
Other operating income	232	34,436	2,409	3,437	11,538	-	52,052
Net income	<u>176,762</u>	<u>527,946</u>	<u>15,651</u>	<u>15,284</u>	<u>92,995</u>	<u>-</u>	<u>828,638</u>
Other operating expenses	(62,784)	(196,430)	(1,322)	(1,878)	(47,268)	-	(309,682)
Allowance for impairment on financing and advances	(52,772)	(13,590)	(2,444)	-	-	-	(68,806)
Impairment on other assets	-	(28)	-	-	-	-	(28)
Profit before zakat and taxation	<u>61,206</u>	<u>317,898</u>	<u>11,885</u>	<u>13,406</u>	<u>45,727</u>	<u>-</u>	<u>450,122</u>
Cost income ratio	35.5%	37.2%	8.4%	12.3%	50.8%	-	37.4%
Gross financing and advances	12,048,754	17,578,727	2,425,269	-	-	-	32,052,750
Financing growth	9.7%	26.6%	174.3%	-	-	-	24.4%
Impaired financing and advances	104,061	107,743	-	-	-	-	211,804
Impaired financing ratio	0.9%	0.6%	-	-	-	-	0.7%
Deposits from customers	-	33,637,757	30,217	5,429,471	-	-	39,097,445
Deposit growth	-	51.7%	-14.6%	-36.2%	-	-	27.2%
Segment assets	<u>11,939,690</u>	<u>34,846,291</u>	<u>2,422,479</u>	<u>8,923,294</u>	<u>3,681,332</u>	<u>(16,217,044)</u>	<u>45,596,042</u>
Reconciliation of segment assets to total assets:							
Investment in an associated company							20,000
Unallocated assets							40,923
Total assets							<u>45,656,965</u>

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

A26. Segment Information (continued)

Financial Year Ended 31 December 2014	<----- 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	
External revenue	582,532	746,504	40,043	269,688	43,528	-	1,682,295
Revenue from other segments	-	361,885	-	-	441,545	(803,430)	-
Total revenue	582,532	1,108,389	40,043	269,688	485,073	(803,430)	1,682,295
Net finance income	203,570	506,294	10,280	9,828	59,671	-	789,643
Other operating income	(465)	26,357	4	1,408	14,249	-	41,553
Net income	203,105	532,651	10,284	11,236	73,920	-	831,196
Other operating expenses	(61,186)	(166,354)	(825)	(1,879)	(42,626)	-	(272,870)
Allowance for impairment on financing and advances	(56,413)	(33,596)	(36)	-	-	-	(90,045)
Impairment on other assets	-	(93)	-	-	-	-	(93)
Profit before zakat and taxation	85,506	332,608	9,423	9,357	31,294	-	468,188
Cost income ratio	30.1%	31.2%	8.0%	16.7%	57.7%	-	32.8%
Gross financing and advances	10,987,471	13,884,371	884,288	-	-	-	25,756,130
Financing growth	-1.6%	23.4%	12.9%	-	-	-	11.0%
Impaired financing and advances	112,139	120,209	-	-	-	-	232,348
Impaired financing ratio	1.0%	0.9%	-	-	-	-	0.9%
Deposits from customers	-	22,175,695	35,370	8,516,549	-	-	30,727,614
Deposit growth	-	-7.8%	22.9%	97.6%	-	-	8.2%
Segment assets	10,874,903	23,707,380	884,078	11,554,720	2,693,677	(11,631,014)	38,083,744
Reconciliation of segment assets to total assets:							
Investment in an associated company							20,000
Unallocated assets							48,421
Total assets							38,152,165

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):

	31 December 2015	31 December 2014
<u>Before deducting interim dividend *</u>		
Common Equity Tier I ("CET I") capital ratio	10.771%	11.730%
Tier I capital ratio	10.771%	11.730%
Total capital ratio	13.481%	14.580%
<u>After deducting interim dividend *</u>		
CET I capital ratio	10.771%	11.007%
Tier I capital ratio	10.771%	11.007%
Total capital ratio	13.481%	13.857%

* Refers to second interim dividend declared subsequent to the financial year end.

	31 December 2015 RM'000	31 December 2014 RM'000
Components of CET I, Tier I and Tier II capital:		
<u>CET I capital / Tier I capital</u>		
Paid-up share capital	207,217	200,217
Share premium	1,925,500	1,757,500
Other reserves	241,685	215,823
Retained profits	462,736	431,300
Less: Defined benefit pension fund assets	(2,157)	(3,384)
Less: Investment in an associated company deducted from CET I capital	(8,000)	(4,000)
Total CET I capital / Tier I capital	2,826,981	2,597,456
<u>Tier II capital</u>		
Collective assessment allowance and regulatory reserves #	224,109	148,356
Subordinated Sukuk Murabahah	499,117	498,860
Less: Investment in an associated company deducted from Tier II capital	(12,000)	(16,000)
Total Tier II capital	711,226	631,216
Total capital	3,538,207	3,228,672

Excludes collective assessment allowance on impaired financing restricted from Tier II capital of the Bank of RM160,525,000 (2014 : RM173,495,000). Includes the qualifying regulatory reserves for non-impaired financing of RM68,739,000 (2014 : Nil).

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

A27. Capital Adequacy (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.

The capital adequacy ratios are computed in accordance with BNM's Capital Adequacy Framework for Islamic Banks (Capital Components and Basel II - Risk-weighted Assets) (the "Framework") issued on 28 November 2012. The minimum regulatory capital adequacy ratios as required under BNM's Capital Adequacy Framework for Islamic Banks (Capital Components) are set out as follows:

Calendar Year	CET I Capital Ratio %	Tier I Capital Ratio %	Total Capital Ratio %
2015 onwards *	4.5	6.0	8.0

* Before including capital conservation buffer of 2.5% and countercyclical capital buffer.

Banking institutions are also required to maintain a capital conservation buffer of up to 2.5% and a countercyclical capital buffer above the minimum regulatory capital adequacy ratios above. Under the transition arrangements, capital conservation buffer will be phased-in as follows:

<u>Calendar Year</u>	<u>Capital Conservation Buffer</u>
2016	0.625%
2017	1.250%
2018	1.875%
2019 onwards	2.500%

On 13 October 2015, BNM issued the revised Capital Adequacy Framework for Islamic Banks (Capital Components and Basel II Risk-Weighted Assets) (the "Revised Framework") which is effective from 1 January 2016. Under the Revised Framework, a countercyclical capital buffer is required to be maintained if this buffer is applied by regulators in countries which the Group has exposures to, determined based on the weighted average of prevailing countercyclical capital buffer rates applied in those jurisdictions. The countercyclical capital buffer which is in a range of between 0% and 2.5% is not a requirement for exposures in Malaysia but may be applied by regulators in the future.

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:

	31 December 2015 RM'000	31 December 2014 RM'000
Credit risk	24,611,954	20,402,877
Market risk	85,600	178,375
Operational risk	1,549,041	1,562,715
	<u>26,246,595</u>	<u>22,143,967</u>

A28. Commitments and Contingencies

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

	31 December 2015 RM'000	31 December 2014 RM'000
<u>Contingent Liabilities</u>		
Direct credit substitutes	121,056	265,965
Transaction-related contingent items	22,297	12,050
Short term self-liquidating trade-related contingencies	3,652	2,736
	<u>147,005</u>	<u>280,751</u>
<u>Commitments</u>		
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:		
- exceeding one year	4,581,376	2,514,464
- not exceeding one year	1,111,758	927,784
Unutilised credit card lines	24,624	-
	<u>5,717,758</u>	<u>3,442,248</u>
<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
	<u>4,330,000</u>	<u>3,100,000</u>
	<u>10,194,763</u>	<u>6,822,999</u>

A29. Credit Exposures Arising From Credit Transactions With Connected Parties

	31 December 2015	31 December 2014
Outstanding credit exposures with connected parties (RM'000)	<u>73,125</u>	<u>44,322</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>0.21%</u>	<u>0.16%</u>
Percentage of outstanding credit exposures with connected parties which is impaired or in default	<u>0.04%</u>	<u>0.03%</u>

The credit exposures above are derived based on Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties, which are effective on 1 January 2008.

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

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 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)

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:

31 December 2015	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets				
Financial assets held-for-trading				
- Money market instruments	-	1,588,380	-	1,588,380
Financial investments available-for-sale				
- Government securities and treasury bills	-	4,666,040	-	4,666,040
- Non-money market instruments	114,768	-	-	114,768
	<u>114,768</u>	<u>4,666,040</u>	<u>-</u>	<u>4,780,808</u>
Derivative financial assets	-	56,019	-	56,019
Total financial assets measured at fair value	<u>114,768</u>	<u>6,310,439</u>	<u>-</u>	<u>6,425,207</u>
Financial liabilities				
Derivative financial liabilities	-	1,636	-	1,636
Total financial liabilities measured at fair value	<u>-</u>	<u>1,636</u>	<u>-</u>	<u>1,636</u>

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

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 2014	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets				
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
	<u>468,222</u>	<u>4,078,061</u>	<u>-</u>	<u>4,546,283</u>
Derivative financial assets	-	60,835	-	60,835
Total financial assets measured at fair value	<u>468,222</u>	<u>6,710,690</u>	<u>-</u>	<u>7,178,912</u>
Financial liabilities				
Derivative financial liabilities	-	89	-	89
Total financial liabilities measured at fair value	<u>-</u>	<u>89</u>	<u>-</u>	<u>89</u>

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