

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	31 March 2023 RM'000	31 December 2022 RM'000
ASSETS			
Cash and balances with banks		858,477	3,065,329
Financial assets at fair value through profit or loss	A8	1,589,725	-
Derivative financial assets		36,053	42,922
Financial investments at fair value through other comprehensive income	A9	13,624,969	12,076,612
Financial investments at amortised cost	A10	6,067,988	5,635,686
Financing and advances	A11	67,155,622	65,637,072
Other assets	A12	222,739	217,946
Statutory deposits with Bank Negara Malaysia		1,623,700	1,746,100
Deferred tax assets		124,221	148,606
Collective investment		594,388	589,838
Investment in an associated company		67,500	67,500
Right-of-use assets		19,425	19,846
Property and equipment		3,573	3,492
TOTAL ASSETS		91,988,380	89,250,949
LIABILITIES			
Deposits from customers	A13	78,573,907	76,088,570
Deposits from banks and other financial institutions	A14	2,722,230	2,715,451
Bills and acceptances payable		1,587	3,100
Recourse obligations on financing sold to Cagamas		1,100,000	1,100,000
Derivative financial liabilities		27,971	23,914
Senior Sukuk Murabahah		1,000,000	1,000,000
Subordinated Sukuk Murabahah		1,000,000	1,000,000
Lease liabilities		19,763	20,101
Other liabilities	A15	484,766	463,445
Provision for zakat and taxation		71,058	92,947
TOTAL LIABILITIES		85,001,282	82,507,528

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited annual financial statements of the Bank for the year ended 31 December 2022.

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UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	31 March 2023 RM'000	31 December 2022 RM'000
EQUITY			
Share capital		3,032,717	3,032,717
Other reserves		(87,352)	(163,612)
Retained profits		4,041,733	3,874,316
TOTAL EQUITY		6,987,098	6,743,421
TOTAL LIABILITIES AND EQUITY		91,988,380	89,250,949
COMMITMENTS AND CONTINGENCIES	A29	13,613,222	13,328,439
CAPITAL ADEQUACY	A28		
<u>Before deducting interim dividend</u> *			
Common Equity Tier I Capital Ratio		12.820%	12.863%
Tier I Capital Ratio		12.820%	12.863%
Total Capital Ratio		15.941%	16.025%
<u>After deducting interim dividend</u> *			
Common Equity Tier I Capital Ratio		12.820%	12.863%
Tier I Capital Ratio		12.820%	12.863%
Total Capital Ratio		15.941%	16.025%
Net assets per share attributable to ordinary equity holder of the Bank (RM)		28.73	27.73

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

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PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF PROFIT OR LOSS
FOR THE 1ST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023

	Note	1st Quarter Ended		Three Months Ended	
		31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Income derived from investment of depositors' funds and others	A16	845,125	624,412	845,125	624,412
Income derived from investment of shareholder's funds	A17	73,452	51,459	73,452	51,459
Writeback of allowance / (Allowance) for impairment on financing and advances	A18	12,551	(25,242)	12,551	(25,242)
Allowance for impairment on other assets	A19	(406)	(126)	(406)	(126)
Total distributable income		930,722	650,503	930,722	650,503
Income attributable to depositors and others	A20	(564,144)	(302,310)	(564,144)	(302,310)
Total net income		366,578	348,193	366,578	348,193
Personnel expenses	A21	(8,293)	(5,895)	(8,293)	(5,895)
Other overheads and expenditures	A22	(138,400)	(126,490)	(138,400)	(126,490)
Profit before zakat and taxation		219,885	215,808	219,885	215,808
Zakat		(518)	(705)	(518)	(705)
Taxation		(51,950)	(63,884)	(51,950)	(63,884)
Profit for the period		167,417	151,219	167,417	151,219
Earnings per share - basic / diluted (sen)	A23	68.8	65.4	68.8	65.4

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited annual financial statements of the Bank for the year ended 31 December 2022.

PUBLIC ISLAMIC BANK BERHAD
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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 1ST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023

	1st Quarter Ended		Three Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Profit for the period	167,417	151,219	167,417	151,219
Other comprehensive income / (loss):				
<u>Items that may be reclassified</u> <u>subsequently to profit or loss:</u>				
Revaluation reserves:				
- Net change in revaluation of financial investments at fair value through other comprehensive income	111,326	(22,548)	111,326	(22,548)
Hedging reserves:				
- Net change in cash flow hedges	(10,984)	51,555	(10,984)	51,555
	100,342	29,007	100,342	29,007
Income tax relating to components of other comprehensive income / (loss) :				
- Revaluation reserves	(26,718)	5,411	(26,718)	5,411
- Hedging reserves	2,636	(12,373)	2,636	(12,373)
	(24,082)	(6,962)	(24,082)	(6,962)
Other comprehensive income for the period, net of tax	76,260	22,045	76,260	22,045
Total comprehensive income for the period	243,677	173,264	243,677	173,264

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited annual financial statements of the Bank for the year ended 31 December 2022.

PUBLIC ISLAMIC BANK BERHAD
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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

	<----- Non-distributable ----->				Distributable		Total Equity RM'000
	Share Capital RM'000	Revaluation Reserves RM'000	Hedging Reserves RM'000	Defined Benefit Reserves RM'000	Other Reserves RM'000	Retained Profits RM'000	
At 1 January 2023	3,032,717	(185,007)	14,567	6,828	-	3,874,316	6,743,421
Profit for the period	-	-	-	-	-	167,417	167,417
Other comprehensive income / (loss) for the period	-	84,608	(8,348)	-	-	-	76,260
Total comprehensive income / (loss) for the period	-	84,608	(8,348)	-	-	167,417	243,677
At 31 March 2023	3,032,717	(100,399)	6,219	6,828	-	4,041,733	6,987,098

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited annual financial statements of the Bank for the year ended 31 December 2022.

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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

	<----- Non-distributable ----->					Distributable	
	Share Capital RM'000	Revaluation Reserves RM'000	Hedging Reserves RM'000	Defined Benefit Reserves RM'000	Other Reserves RM'000	Retained Profits RM'000	Total Equity RM'000
At 1 January 2022	2,732,717	(99,858)	(67,878)	5,473	172	3,257,318	5,827,944
Profit for the period	-	-	-	-	-	151,219	151,219
Other comprehensive (loss) / income for the period	-	(17,137)	39,182	-	-	-	22,045
Total comprehensive (loss) / income for the period	-	(17,137)	39,182	-	-	151,219	173,264
At 31 March 2022	<u>2,732,717</u>	<u>(116,995)</u>	<u>(28,696)</u>	<u>5,473</u>	<u>172</u>	<u>3,408,537</u>	<u>6,001,208</u>

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited annual financial statements of the Bank for the year ended 31 December 2022.

PUBLIC ISLAMIC BANK BERHAD
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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

	31 March 2023 RM'000	31 March 2022 RM'000
Profit before zakat and taxation	219,885	215,808
Adjustments for non-cash items	(13,260)	28,896
Operating profit before working capital changes	206,625	244,704
Changes in working capital:		
Net changes in operating assets	(2,984,835)	(1,901,498)
Net changes in operating liabilities	2,512,997	2,103,851
Cash (used in) / generated from operations	(265,213)	447,057
Zakat and tax paid	(81,261)	(72,037)
Tax refunded	7,206	-
Net cash (used in) / generated from operating activities	(339,268)	375,020
Net cash used in investing activities	(1,867,246)	(738,742)
Net cash used in financing activities	(338)	(250)
Net change in cash and cash equivalents	(2,206,852)	(363,972)
Cash and cash equivalents at beginning of the year	3,065,329	659,606
Cash and cash equivalents at end of the period	858,477	295,634
Note:		
Cash and balances with banks	858,477	295,634
Less: Balances with banks with original maturity more than three months	-	-
Cash and cash equivalents at end of the period	858,477	295,634

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited annual financial statements of the Bank for the year ended 31 December 2022.

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

A1. Basis of Preparation

The unaudited condensed interim financial statements for the 1st quarter ended 31 March 2023 have been prepared under the historical cost convention except for the following assets and liabilities which are stated at fair values: financial assets at fair value through profit or loss ("FVTPL"), financial investments at fair value through other comprehensive income ("FVOCI") and derivative financial instruments.

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"). The unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Bank for the financial year ended 31 December 2022. The explanatory notes attached to the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Bank since the financial year ended 31 December 2022.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent annual financial statements for the financial year ended 31 December 2022, except for the adoption of the following during the current financial period:

Effective for annual periods commencing on or after 1 January 2023

- MFRS 17 Insurance Contracts
- Amendments to MFRS 17 Insurance Contracts
- Extension of the Temporary Exemption from Applying MFRS 9 (Amendments to MFRS 4 Insurance Contracts)
- Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112 Income Taxes)
- Initial Application of MFRS 17 and MFRS 9 - Comparative Information (Amendment to MFRS 17 Insurance Contracts)

MFRS 17 Insurance Contracts - MFRS 17 introduces consistent accounting for all insurance contracts based on a current measurement model. Under MFRS 17, the general model requires entities to recognise and measure a group of insurance contracts at: (i) a risk-adjusted present value of future cash flows that incorporates information that is consistent with observable market information; plus (ii) an amount representing the unearned profit in the group of contracts.

Amendments to MFRS 17 Insurance Contracts - The amendments are designed to minimise the risk of disruption to implementation already underway and do not change the fundamental principles of the standard or reduce the usefulness of information for investors. In addition, the amendments also defer the effective date of MFRS 17 by two years to annual reporting periods beginning on or after 1 January 2023.

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A1. Basis of Preparation (continued)

Extension of the Temporary Exemption from Applying MFRS 9 (Amendments to MFRS 4 Insurance Contracts) - The amendments extend the expiry date for the temporary exemption from applying MFRS 9 Financial Instruments by two years to annual periods beginning on or after 1 January 2023, to be aligned with the effective date of MFRS 17, which replaces MFRS 4.

Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements) - The amendments require entities to disclose their material accounting policy information rather than significant accounting policies and include examples of what is considered to be material to their financial statements. To support the amendments, MFRS Practice Statement 2 Making Materiality Judgments was also amended to provide guidance on how to apply the concept of materiality to accounting policy information disclosures.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112 Income Taxes) - The amendments clarify how companies should account for deferred tax on transactions such as leases and decommissioning obligation. The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

Initial Application of MFRS 17 and MFRS 9 - Comparative Information (Amendment to MFRS 17 Insurance Contracts) - In order to avoid the temporary accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of MFRS 17 and MFRS 9, the amendment provides an option for the presentation of comparative information about financial assets as if the classification and measurement requirements of MFRS 9 had been applied to that financial asset.

The adoption of MFRS 17 Insurance Contracts and its related Amendments did not have any financial impact on the financial statements of the Bank as it is not applicable to the Bank.

The adoption of other amendments to MFRSs did not have any financial impact on the financial statements of the Bank.

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

Effective for annual periods commencing on or after 1 January 2024

- Non-current Liabilities with Covenants (Amendments to MFRS 101 Presentation of Financial Statements)

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

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

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A1. Basis of Preparation (continued)

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

Non-current Liabilities with Covenants (Amendments to MFRS 101 Presentation of Financial Statements) -

The amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about these covenants in the notes to the financial statements.

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

The amendments clarify that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not), as defined in MFRS 3 Business Combinations. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The adoption of above amendments to MFRSs is not expected to have any financial impact on the financial statements of the Bank.

A2. Auditors' Report on Preceding Audited Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2022 was not qualified.

A3. Comments about Seasonal or Cyclical Factors

The operations of the Bank were not materially affected by any seasonal or cyclical factors in the current financial period.

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

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Bank in the current financial period.

A5. Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the current financial period.

A6. Debt and Equity Securities

There were no issuances of shares, share buy-backs and repayment of debt and equity securities by the Bank in the current financial period.

A7. Dividends Paid, Distributed and Declared

No dividend has been paid nor declared during the 1st quarter ended 31 March 2023.

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

	31 March 2023 RM'000	31 December 2022 RM'000
At fair value		
Money market instruments:		
Negotiable Islamic Debt Certificates	1,589,725	-
Total financial assets at FVTPL	1,589,725	-

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

	31 March 2023 RM'000	31 December 2022 RM'000
At fair value		
Government securities and treasury bills:		
Malaysian Government Investment Issues	13,624,969	11,807,580
Malaysian Government Treasury Bills	-	269,032
Total financial investments at FVOCI	13,624,969	12,076,612

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

	Lifetime ECL			Total RM'000
	12-Month ECL (Stage 1) RM'000	Not Credit- Impaired (Stage 2) RM'000	Credit- Impaired (Stage 3) RM'000	
At 1 January 2023	2,096	-	-	2,096
New financial investments purchased	365	-	-	365
Net allowance written back	(2)	-	-	(2)
Amount derecognised	(119)	-	-	(119)
At 31 March 2023	2,340	-	-	2,340
At 1 January 2022	1,765	-	-	1,765
New financial investments purchased	406	-	-	406
Net allowance written back	(20)	-	-	(20)
Amount derecognised	(55)	-	-	(55)
At 31 December 2022	2,096	-	-	2,096

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A10. Financial Investments at Amortised Cost

	31 March 2023 RM'000	31 December 2022 RM'000
At amortised cost		
Government securities and treasury bills:		
Malaysian Government Investment Issues	4,784,249	4,321,334
Non-money market instruments:		
Debt securities		
- Cagamas sukuk	1,111,635	1,103,389
- Unquoted corporate sukuk	173,136	211,921
	<u>1,284,771</u>	<u>1,315,310</u>
Allowance for impairment	(1,032)	(958)
Total financial investments at amortised cost	<u><u>6,067,988</u></u>	<u><u>5,635,686</u></u>

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

	Lifetime ECL			Total RM'000
	12-Month ECL (Stage 1) RM'000	Not Credit- Impaired (Stage 2) RM'000	Credit- Impaired (Stage 3) RM'000	
At 1 January 2023	958	-	-	958
New financial investments purchased	78	-	-	78
Net allowance made	3	-	-	3
Amount derecognised	(7)	-	-	(7)
At 31 March 2023	<u>1,032</u>	<u>-</u>	<u>-</u>	<u>1,032</u>
At 1 January 2022	934	-	-	934
New financial investments purchased	162	-	-	162
Net allowance written back	(3)	-	-	(3)
Amount derecognised	(135)	-	-	(135)
At 31 December 2022	<u>958</u>	<u>-</u>	<u>-</u>	<u>958</u>

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A11. Financing and Advances

a. By type and contract

31 March 2023	Bai' Bithaman Ajil RM'000	Ijarah ^ Thumma Al-Bai' RM'000	Bai' Inah RM'000	Musharakah Mutanaqisah RM'000	Murabahah RM'000	Others RM'000	Total Financing and Advances RM'000
At amortised cost							
Cash line	1,657,997	-	38,395	-	-	-	1,696,392
Term financing							
- House financing	5,086,269	-	-	27,348,832	-	-	32,435,101
- Syndicated financing	1,371,263	-	-	-	-	-	1,371,263
- Hire purchase receivables	-	10,841,818	-	-	-	-	10,841,818
- Other term financing	4,499,206	-	1,492,849	14,455,765	-	140,304	20,588,124
Credit card receivables	-	-	-	-	-	79,601	79,601
Bills receivables	-	-	-	-	1,527	-	1,527
Trust receipts	-	-	-	-	2,279	-	2,279
Claims on customers under acceptance credits	-	-	-	-	216,200	-	216,200
Revolving credits	665,589	-	-	-	-	-	665,589
Staff financing	-	14,696	-	111,697	-	-	126,393
Gross financing and advances	13,280,324	10,856,514	1,531,244	41,916,294	220,006	219,905	68,024,287
Less : Allowance for impairment on financing and advances							
- Expected credit losses							(868,665)
- Stage 1: 12-Month ECL							(457,069)
- Stage 2: Lifetime ECL not credit-impaired							(357,232)
- Stage 3: Lifetime ECL credit-impaired							(54,364)
Net financing and advances							67,155,622

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

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A11. Financing and Advances (continued)

a. By type and contract (continued)

31 December 2022	Bai' Bithaman Ajil RM'000	Ijarah ^ Thumma Al-Bai' RM'000	Bai' Inah RM'000	Musharakah Mutanaqisah RM'000	Murabahah RM'000	Others RM'000	Total Financing and Advances RM'000
At amortised cost							
Cash line	1,582,097	-	27,635	-	-	-	1,609,732
Term financing							
- House financing	5,159,217	-	-	26,408,385	-	-	31,567,602
- Syndicated financing	1,360,085	-	-	-	-	-	1,360,085
- Hire purchase receivables	-	10,507,358	-	-	-	-	10,507,358
- Other term financing	4,504,667	-	1,538,824	14,214,875	-	149,016	20,407,382
Credit card receivables	-	-	-	-	-	74,392	74,392
Bills receivables	-	-	-	-	2,636	-	2,636
Trust receipts	-	-	-	-	3,709	-	3,709
Claims on customers under acceptance credits	-	-	-	-	205,354	-	205,354
Revolving credits	656,246	-	-	-	-	-	656,246
Staff financing	-	14,154	-	110,870	-	-	125,024
Gross financing and advances	13,262,312	10,521,512	1,566,459	40,734,130	211,699	223,408	66,519,520
Less : Allowance for impairment on financing and advances							
- Expected credit losses							(882,448)
- Stage 1: 12-Month ECL							(455,527)
- Stage 2: Lifetime ECL not credit-impaired							(376,749)
- Stage 3: Lifetime ECL credit-impaired							(50,172)
Net financing and advances							<u>65,637,072</u>

All the financing and advances are located in Malaysia.

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

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A11. Financing and Advances (continued)

b. By class

	31 March 2023 RM'000	31 December 2022 RM'000
Retail financing *		
- House financing	32,435,101	31,567,602
- Hire purchase	10,841,818	10,507,358
- Credit cards	79,601	74,392
- Other financing ^	19,196,792	18,935,679
	62,553,312	61,085,031
Corporate financing	5,470,975	5,434,489
Gross financing and advances	68,024,287	66,519,520

* 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 March 2023 RM'000	31 December 2022 RM'000
Domestic non-bank financial institutions		
- Others	1,223,652	1,180,545
Domestic business enterprises		
- Small and medium enterprises	10,220,127	10,168,277
- Others	3,993,635	3,885,570
Government and statutory bodies	1,011,978	1,001,616
Individuals	51,409,751	50,119,693
Other domestic entities	3,895	3,932
Foreign entities	161,249	159,887
Gross financing and advances	68,024,287	66,519,520

d. By rate of return sensitivity

	31 March 2023 RM'000	31 December 2022 RM'000
Fixed rate		
- House financing	186,150	191,655
- Hire purchase receivables	10,841,524	10,507,052
- Other fixed rate financing	3,649,256	3,679,634
Variable rate		
- Base rate / base financing rate plus	49,364,232	48,195,971
- Cost plus	3,983,125	3,945,208
Gross financing and advances	68,024,287	66,519,520

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A11. Financing and Advances (continued)

e. By residual contractual maturity

	31 March 2023 RM'000	31 December 2022 RM'000
Maturity within one year	2,984,646	2,805,056
More than one year to three years	5,082,510	4,876,974
More than three years to five years	3,151,908	3,333,226
More than five years	56,805,223	55,504,264
Gross financing and advances	<u>68,024,287</u>	<u>66,519,520</u>

f. By economic purpose

	31 March 2023 RM'000	31 December 2022 RM'000
Purchase of transport vehicles	10,856,516	10,521,513
Purchase of landed properties	46,216,148	45,171,068
(of which: - residential	<u>33,194,531</u>	<u>32,320,362</u>
- non-residential)	<u>13,021,617</u>	<u>12,850,706</u>
Purchase of fixed assets (excluding landed properties)	1,034	294
Personal use	3,041,493	3,051,575
Credit card	79,601	74,392
Purchase of consumer durables	474	477
Construction	1,056,806	996,641
Working capital	5,946,624	5,880,292
Other purpose	825,591	823,268
Gross financing and advances	<u>68,024,287</u>	<u>66,519,520</u>

g. By sector

	31 March 2023 RM'000	31 December 2022 RM'000
Agriculture, hunting, forestry and fishing	450,119	446,671
Mining and quarrying	110,880	106,478
Manufacturing	1,795,857	1,774,574
Electricity, gas and water	20,403	22,957
Construction	2,826,740	2,822,927
Wholesale & retail trade and restaurants & hotels	3,561,347	3,510,445
Transport, storage and communication	1,202,022	1,202,869
Finance, insurance and business services	1,655,025	1,602,030
Real estate	3,457,807	3,415,684
Community, social and personal services	1,412,637	1,382,598
Households	51,531,450	50,232,287
Gross financing and advances	<u>68,024,287</u>	<u>66,519,520</u>

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A11. Financing and Advances (continued)

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

	31 March 2023 RM'000	31 December 2022 RM'000
At 1 January	154,367	132,260
Impaired during the period / year	91,476	183,719
Reclassified as non-credit impaired	(60,218)	(89,625)
Recoveries	(6,603)	(35,025)
Amount written off	(7,226)	(29,561)
Financing converted to foreclosed properties	(909)	(7,401)
Closing balance	<u>170,887</u>	<u>154,367</u>
Gross impaired financing as a percentage of gross financing and advances	<u>0.25%</u>	<u>0.23%</u>

i. Impaired financing and advances by economic purpose

	31 March 2023 RM'000	31 December 2022 RM'000
Purchase of transport vehicles	33,552	32,574
Purchase of landed properties	108,561	94,017
(of which: - residential	73,695	63,370
- non-residential)	34,866	30,647
Personal use	24,628	24,310
Credit card	771	580
Working capital	3,357	2,871
Other purpose	18	15
	<u>170,887</u>	<u>154,367</u>

j. Impaired financing and advances by sector

	31 March 2023 RM'000	31 December 2022 RM'000
Agriculture, hunting, forestry and fishing	56	58
Manufacturing	417	307
Construction	6,668	3,121
Wholesale & retail trade and restaurants & hotels	4,545	1,852
Transport, storage and communication	124	263
Finance, insurance and business services	19,762	19,484
Real estate	16	1,087
Community, social and personal services	79	78
Households	139,220	128,117
	<u>170,887</u>	<u>154,367</u>

All the impaired financing and advances are located in Malaysia.

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A11. Financing and Advances (continued)

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

	Lifetime ECL			Total RM'000
	12-Month ECL (Stage 1) RM'000	Not Credit- Impaired (Stage 2) RM'000	Credit- Impaired (Stage 3) RM'000	
At 1 January 2023	455,527	376,749	50,172	882,448
Changes due to financing and advances recognised as at 1 January 2023:	40,851	(37,894)	(2,957)	-
- Transfer to Stage 1: 12-Month ECL	42,434	(40,360)	(2,074)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(1,564)	6,113	(4,549)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(19)	(3,647)	3,666	-
New financing and advances originated	2,997	1,535	-	4,532
Net remeasurement due to changes in credit risk	(40,487)	15,848	13,101	(11,538)
Financing and advances derecognised (other than write-off)	(1,268)	(1,118)	(1,077)	(3,463)
Modifications to contractual cash flows of financing and advances	(551)	2,112	2,351	3,912
Changes in models / risk parameters	-	-	-	-
Amount written off	-	-	(7,226)	(7,226)
At 31 March 2023	457,069	357,232	54,364	868,665
At 1 January 2022	401,495	283,903	41,963	727,361
Changes due to financing and advances recognised as at 1 January 2022:	53,581	(52,862)	(719)	-
- Transfer to Stage 1: 12-Month ECL	63,042	(60,579)	(2,463)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(9,306)	12,561	(3,255)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(155)	(4,844)	4,999	-
New financing and advances originated	14,087	9,296	708	24,091
Net remeasurement due to changes in credit risk	(3,281)	73,861	37,736	108,316
Financing and advances derecognised (other than write-off)	(5,536)	(6,131)	(5,224)	(16,891)
Modifications to contractual cash flows of financing and advances	(73)	91,418	5,269	96,614
Changes in models / risk parameters	(4,694)	(22,736)	-	(27,430)
Amount written off	(52)	-	(29,561)	(29,613)
At 31 December 2022	455,527	376,749	50,172	882,448

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A12. Other Assets

	31 March 2023 RM'000	31 December 2022 RM'000
Deferred handling fees	57,790	54,962
Income receivable	38	422
Other receivables, deposits and prepayments	135,064	132,237
Employee benefits	1,865	2,056
Foreclosed properties	27,982	28,269
	<u>222,739</u>	<u>217,946</u>

A13. Deposits from Customers

a. By type of deposit and contract

	31 March 2023 RM'000	31 December 2022 RM'000
<u>At amortised cost</u>		
Savings deposit		
- Qard	9,763,974	9,797,611
Demand deposit		
- Qard	7,949,757	7,653,155
Term deposit		
- Term deposit		
- Commodity Murabahah	48,994,101	42,025,215
- Special term deposit account		
- Commodity Murabahah	11,866,075	16,612,589
	<u>78,573,907</u>	<u>76,088,570</u>

b. By type of customer

	31 March 2023 RM'000	31 December 2022 RM'000
Federal and state governments	4,832,927	7,027,155
Local government and statutory authorities	1,076,448	969,567
Business enterprises	13,953,836	14,956,487
Individuals	37,106,338	32,020,178
Foreign customers	813,103	713,180
Others	20,791,255	20,402,003
	<u>78,573,907</u>	<u>76,088,570</u>

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A13. Deposits from Customers (continued)

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

	31 March 2023 RM'000	31 December 2022 RM'000
Due within six months	42,500,074	47,739,245
More than six months to one year	15,018,343	6,785,332
More than one year to three years	3,341,286	4,112,882
More than three years to five years	473	345
	<u>60,860,176</u>	<u>58,637,804</u>

A14. Deposits from Banks and Other Financial Institutions

	31 March 2023 RM'000	31 December 2022 RM'000
At amortised cost		
<u>Non-Mudharabah Fund</u>		
Licensed banks	2,642,311	2,136,785
Licensed Islamic banks	-	400,000
Licensed investment banks	8,657	109,257
Bank Negara Malaysia	64,455	64,686
Other financial institutions	6,807	4,723
	<u>2,722,230</u>	<u>2,715,451</u>

A15. Other Liabilities

	31 March 2023 RM'000	31 December 2022 RM'000
Income payable	397,862	393,574
Other payables and accruals	74,305	56,199
Accrued restoration costs	1,094	1,094
Allowance for impairment on financing commitments and financial guarantees	11,505	12,578
	<u>484,766</u>	<u>463,445</u>

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A15. Other Liabilities (continued)

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

	12-Month ECL (Stage 1) RM'000	Lifetime ECL Not Credit- Impaired (Stage 2) RM'000	Credit- Impaired (Stage 3) RM'000	Total RM'000
At 1 January 2023	7,152	5,254	172	12,578
Changes due to financing commitments and financial guarantees recognised as at 1 January 2023:	1,352	(1,357)	5	-
- Transfer to Stage 1: 12-Month ECL	1,482	(1,465)	(17)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(130)	152	(22)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	-	(44)	44	-
New financing commitments and financial guarantees originated	273	187	-	460
Net remeasurement due to changes in credit risk	(1,829)	265	27	(1,537)
Financing commitments and financial guarantees derecognised	(41)	(16)	-	(57)
Modifications to contractual cash flows of financing commitments and financial guarantees	(12)	47	26	61
Changes in models / risk parameters	-	-	-	-
At 31 March 2023	6,895	4,380	230	11,505
At 1 January 2022	7,188	4,910	18	12,116
Changes due to financing commitments and financial guarantees recognised as at 1 January 2022 :	888	(913)	25	-
- Transfer to Stage 1: 12-Month ECL	1,088	(1,088)	-	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(198)	208	(10)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(2)	(33)	35	-
New financing commitments and financial guarantees originated	703	1,461	39	2,203
Net remeasurement due to changes in credit risk	(1,014)	128	57	(829)
Financing commitments and financial guarantees derecognised	(311)	(369)	(2)	(682)
Modifications to contractual cash flows of financing commitments and financial guarantees	(2)	595	35	628
Changes in models / risk parameters	(300)	(558)	-	(858)
At 31 December 2022	7,152	5,254	172	12,578

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

	1st Quarter Ended		Three Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Income derived from investment of:				
(a) Term deposits	646,714	443,971	646,714	443,971
(b) Other deposits	198,411	180,441	198,411	180,441
	845,125	624,412	845,125	624,412

a. Income derived from investment of term deposits:

Finance income and Hibah

Financing and advances	523,632	356,706	523,632	356,706
Financial investments at fair value through other comprehensive income	62,984	44,731	62,984	44,731
Financial investments at amortised cost	34,177	28,985	34,177	28,985
Balances with banks	3,012	77	3,012	77
	623,805	430,499	623,805	430,499
Financial assets at fair value through profit or loss	3,505	-	3,505	-
Total finance income and Hibah	627,310	430,499	627,310	430,499

Other operating income

Fee and commission income:

- Commissions	7,779	6,305	7,779	6,305
- Service charges and fees	3,492	3,010	3,492	3,010
- Other fee income	1,649	1,153	1,649	1,153

Net gains and losses on financial instruments:

- Net gain arising from sale of financial investments at fair value through other comprehensive income	1,086	485	1,086	485
- Net gain / (loss) representing ineffective portions of hedging derivatives	40	(182)	40	(182)
- Others	349	-	349	-

Gross distribution income from collective investment

	3,421	1,901	3,421	1,901
Other income	1,588	800	1,588	800
Total other operating income	19,404	13,472	19,404	13,472
	646,714	443,971	646,714	443,971

Of which:

Financing income earned on impaired financing

	1,158	639	1,158	639
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A16. Income Derived from Investment of Depositors' Funds and Others (continued)

	1st Quarter Ended		Three Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
b. Income derived from investment of other deposits:				
<u>Finance income and Hibah</u>				
Financing and advances	160,650	144,975	160,650	144,975
Financial investments at fair value through other comprehensive income	19,323	18,180	19,323	18,180
Financial investments at amortised cost	10,486	11,780	10,486	11,780
Balances with banks	924	31	924	31
	191,383	174,966	191,383	174,966
Financial assets at fair value through profit or loss	1,075	-	1,075	-
Total finance income and Hibah	192,458	174,966	192,458	174,966
<u>Other operating income</u>				
Fee and commission income:				
- Commissions	2,387	2,563	2,387	2,563
- Service charges and fees	1,071	1,223	1,071	1,223
- Other fee income	506	468	506	468
Net gains and losses on financial instruments:				
- Net gain arising from sale of financial investments at fair value through other comprehensive income	333	197	333	197
- Net gain / (loss) representing ineffective portions of hedging derivatives	12	(74)	12	(74)
- Others	108	-	108	-
Gross distribution income from collective investment	1,049	773	1,049	773
Other income	487	325	487	325
Total other operating income	5,953	5,475	5,953	5,475
	198,411	180,441	198,411	180,441
Of which:				
Financing income earned on impaired financing	355	259	355	259

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A17. Income Derived from Investment of Shareholder's Funds

	1st Quarter Ended		Three Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
<u>Finance income and Hibah</u>				
Financing and advances	59,473	41,345	59,473	41,345
Financial investments at fair value through other comprehensive income	7,154	5,185	7,154	5,185
Financial investments at amortised cost	3,882	3,359	3,882	3,359
Balances with banks	342	9	342	9
	<u>70,851</u>	<u>49,898</u>	<u>70,851</u>	<u>49,898</u>
Financial assets at fair value through profit or loss	398	-	398	-
Total finance income and Hibah	<u>71,249</u>	<u>49,898</u>	<u>71,249</u>	<u>49,898</u>
<u>Other operating income</u>				
Fee and commission income:				
- Commissions	883	731	883	731
- Service charges and fees	397	349	397	349
- Other fee income	187	133	187	133
Net gains and losses on financial instruments:				
- Net gain arising from sale of financial investments at fair value through other comprehensive income	123	56	123	56
- Net gain / (loss) representing ineffective portions of hedging derivatives	5	(21)	5	(21)
- Others	39	-	39	-
Gross distribution income from collective investment	389	220	389	220
Other income	180	93	180	93
Total other operating income	<u>2,203</u>	<u>1,561</u>	<u>2,203</u>	<u>1,561</u>
	<u>73,452</u>	<u>51,459</u>	<u>73,452</u>	<u>51,459</u>
Of which:				
Financing income earned on impaired financing	132	74	132	74

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

	1st Quarter Ended		Three Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Expected credit losses	(7,630)	31,847	(7,630)	31,847
Impaired financing recovered	(4,921)	(6,605)	(4,921)	(6,605)
	(12,551)	25,242	(12,551)	25,242

A19. Allowance for Impairment on Other Assets

	1st Quarter Ended		Three Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Expected credit losses on:				
- Financial investments at fair value through other comprehensive income	244	137	244	137
- Financial investments at amortised cost	74	(11)	74	(11)
Allowance for impairment on foreclosed properties	88	-	88	-
	406	126	406	126

A20. Income Attributable to Depositors and Others

	1st Quarter Ended		Three Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Deposits from customers				
- Non-Mudharabah fund	498,465	267,829	498,465	267,829
Deposits from banks and other financial institutions				
- Non-Mudharabah fund	35,737	15,370	35,737	15,370
Financing sold to Cagamas	8,598	8,598	8,598	8,598
Sukuk Murabahah	21,144	10,356	21,144	10,356
Lease liabilities	200	157	200	157
	564,144	302,310	564,144	302,310

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A21. Personnel expenses

	1st Quarter Ended		Three Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Salaries, allowances and bonuses	6,441	4,584	6,441	4,584
Pension costs	1,000	775	1,000	775
Others	852	536	852	536
	8,293	5,895	8,293	5,895

A22. Other Overheads and Expenditures

	1st Quarter Ended		Three Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Establishment costs				
- Depreciation	636	475	636	475
- Insurance	367	437	367	437
- Water and electricity	84	41	84	41
- General repairs and maintenance	290	113	290	113
- Information technology expenses	787	651	787	651
- Others	544	520	544	520
	2,708	2,237	2,708	2,237
Marketing expenses				
- Advertisement and publicity	264	320	264	320
- Others	450	182	450	182
	714	502	714	502
Administration and general expenses				
- Communication expenses	4,263	3,876	4,263	3,876
- Legal and professional fees	2,676	2,124	2,676	2,124
- Others	9,156	8,268	9,156	8,268
	16,095	14,268	16,095	14,268
Cost of resource sharing charged by Public Bank Berhad *	123,571	114,528	123,571	114,528
Recovery of expenses	(4,688)	(5,045)	(4,688)	(5,045)
	138,400	126,490	138,400	126,490

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

	1st Quarter Ended		Three Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Credit related	54,281	49,216	54,281	49,216
Non-credit branch support	46,692	41,798	46,692	41,798
Other administration function	22,598	23,514	22,598	23,514
	123,571	114,528	123,571	114,528

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A23. Earnings Per Share ("EPS")

a) Basic EPS

The calculation of the basic EPS is based on the net profit attributable to the equity holder of the Bank divided by the weighted average number of ordinary shares in issue during the 1st quarter and financial period ended 31 March 2023.

	1st Quarter Ended		Three Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Net profit attributable to equity holder of the Bank (RM'000)	167,417	151,219	167,417	151,219
Weighted average number of shares in issue ('000)	243,217	231,217	243,217	231,217
Basic EPS (sen)	68.8	65.4	68.8	65.4

b) Diluted EPS

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

A24. Performance Review

The Bank reported a higher pre-tax profit of RM219.9 million for the financial period ended 31 March 2023, which was 1.9% or RM4.1 million higher as compared to pre-tax profit of RM215.8 million for the financial period ended 31 March 2022. The higher profit was due to lower allowance for impairment on financing and advances of RM37.8 million and higher other operating income of RM7.1 million offset by lower net finance income of RM26.2 million, higher other operating expenses of RM14.3 million and higher allowance for impairment on other assets of RM0.3 million.

A25. Prospects for 2023

Bouts of heightened financial market volatility amid negative vibes which ignited across banking industry in the United States of America ("US") and Europe, raise questions on the global outlook and potential risk of contagion effects amid global market routs and banking fears. The global economy is projected to grow albeit moderately dragged by economic uncertainties and geopolitical tensions which are expected to impact the overall global outlook. Advanced economies are expected to moderate further due to weak private consumption, high inflation and banking sector fears. For many emerging economies, macro challenges mainly stem from the unprecedented financial conditions and elevated cost pressures.

The Malaysian economy is expected to grow moderately backed by stable fundamentals and its diversified economic structure. Ongoing policy support will help cushion the impact of rising inflation and mitigate downside risks amid economic and geopolitical challenges as well as heightened volatility in global financial markets. As for the Malaysian banking system, it remains resilient underpinned by ample liquidity and healthy capital buffers.

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A25. Prospects for 2023 (continued)

The Bank is fully committed to further strengthen its role as a financial intermediary as well as contributing to national development. The Bank continues to operate efficiently, maintain prudence in its management of credit risk as well as preserve its sound corporate governance and risk management practices. The Bank strives to proactively manage any potential stress in asset quality and provide further assistance to customers who may continue to face financial constraints, including the necessary financial support for small and medium enterprises (“SME”).

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

On digitalisation and technological innovation, the Bank continues to apply relevant roadmap and strategies for the development of digital initiatives amid the new normal business environment. This includes ongoing upgrades and enhancement of information and communication technology infrastructure as well as exploration and adoption of new technologies to cater to the evolving customers’ needs.

For long term sustainability, the Bank will enhance its service delivery standards and infrastructure by leveraging on the advancement of technology. The Bank will continue to provide seamless banking services across its multi-delivery channels. The Bank will also strive to deliver efficient customer service through its extensive network of physical and digital channels, while sustaining its market position in both the domestic retail and consumer segments.

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

Amid uncertainties in financial markets, the Bank’s treasury operations will remain vigilant in its business approach and will continue to maintain a prudent risk profile, while further strengthening its risk management capabilities to weather ongoing market risk.

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

A26. Subsequent Events

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

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A27. Segment Information

	←----- Operating Segments ----->						Total RM'000
	Hire Purchase RM'000	Retail Operations RM'000	Corporate Banking RM'000	Treasury and Capital Market Operations RM'000	Head Office and Funding Center RM'000	Inter- segment Elimination RM'000	
1st Quarter Ended 31 March 2023							
External revenue	128,844	552,037	58,822	64,809	114,052	-	918,564
Revenue from other segments	132	70,588	54	103,595	76,158	(250,527)	-
	128,976	622,625	58,876	168,404	190,210	(250,527)	918,564
Net finance income / (expense)	41,623	224,395	12,106	(26,692)	75,441	-	326,873
Other operating income	311	19,051	758	2,209	5,231	-	27,560
Net income / (loss)	41,934	243,446	12,864	(24,483)	80,672	-	354,433
Other operating expenses	(13,904)	(105,258)	(271)	(1,508)	(25,752)	-	(146,693)
Writeback of allowance / (Allowance) for impairment on financing and advances	3,610	9,197	(256)	-	-	-	12,551
Allowance for impairment on other assets	-	(88)	-	(125)	(193)	-	(406)
Profit / (Loss) by segments	31,640	147,297	12,337	(26,116)	54,727	-	219,885
Cost income ratio	33.2%	43.2%	2.1%	-6.2%	31.9%	-	41.4%
Gross financing and advances	10,842,730	51,710,582	5,470,975	-	-	-	68,024,287
Financing growth	3.2%	2.2%	0.7%	-	-	-	2.3%
Impaired financing and advances	33,552	137,335	-	-	-	-	170,887
Impaired financing ratio	0.31%	0.27%	-	-	-	-	0.25%
Deposits from customers	-	66,677,858	6,143	11,889,906	-	-	78,573,907
Deposit growth	-	12.2%	-46.5%	-28.5%	-	-	3.3%
Segment assets	10,676,673	67,250,762	5,370,339	14,418,304	12,563,989	(18,624,787)	91,655,280
Reconciliation of segment assets to total assets:							
Investment in an associated company							67,500
Unallocated assets							265,600
Total assets							91,988,380

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A27. Segment Information (continued)

	←----- Operating Segments ----->						Total RM'000
	Hire Purchase RM'000	Retail Operations RM'000	Corporate Banking RM'000	Treasury and Capital Market Operations RM'000	Head Office and Funding Center RM'000	Inter- segment Elimination RM'000	
1st Quarter Ended 31 March 2022							
External revenue	115,211	381,308	45,181	37,424	96,732	-	675,856
Revenue from other segments	33	79,976	29	37,696	16,344	(134,078)	-
	<u>115,244</u>	<u>461,284</u>	<u>45,210</u>	<u>75,120</u>	<u>113,076</u>	<u>(134,078)</u>	<u>675,856</u>
Net finance income	38,774	225,776	12,292	8,337	67,874	-	353,053
Other operating income	184	16,997	58	530	2,739	-	20,508
Net income	<u>38,958</u>	<u>242,773</u>	<u>12,350</u>	<u>8,867</u>	<u>70,613</u>	<u>-</u>	<u>373,561</u>
Other operating expenses	(13,054)	(90,475)	(640)	(1,487)	(26,729)	-	(132,385)
(Allowance) / Writeback of allowance for impairment on financing and advances	(12,872)	(12,569)	199	-	-	-	(25,242)
Allowance for impairment on other assets	-	-	-	(116)	(10)	-	(126)
Profit by segments	<u>13,032</u>	<u>139,729</u>	<u>11,909</u>	<u>7,264</u>	<u>43,874</u>	<u>-</u>	<u>215,808</u>
Cost income ratio	33.5%	37.3%	5.2%	16.8%	37.9%	-	35.4%
Gross financing and advances	9,924,255	46,978,378	5,037,183	-	-	-	61,939,816
Financing growth	3.7%	3.1%	2.6%	-	-	-	3.2%
Impaired financing and advances	27,018	91,066	1,450	-	-	-	119,534
Impaired financing ratio	0.27%	0.19%	0.03%	-	-	-	0.19%
Deposits from customers	-	58,676,039	6,146	8,627,035	-	-	67,309,220
Deposit growth	-	2.7%	-33.7%	-5.8%	-	-	1.5%
Segment assets	<u>9,661,987</u>	<u>59,497,366</u>	<u>4,975,888</u>	<u>11,613,471</u>	<u>11,063,572</u>	<u>(18,004,959)</u>	<u>78,807,325</u>
Reconciliation of segment assets to total assets:							
Investment in an associated company							67,500
Unallocated assets							265,692
Total assets							<u>79,140,517</u>

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A28. Capital Adequacy

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

	31 March 2023	31 December 2022
<u>Before deducting interim dividend *</u>		
Common Equity Tier I ("CET I") capital ratio	12.820%	12.863%
Tier I capital ratio	12.820%	12.863%
Total capital ratio	15.941%	16.025%
<u>After deducting interim dividend *</u>		
CET I capital ratio	12.820%	12.863%
Tier I capital ratio	12.820%	12.863%
Total capital ratio	15.941%	16.025%

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

	31 March 2023 RM'000	31 December 2022 RM'000
Components of CET I, Tier I and Tier II capital:		
<u>CET I capital / Tier I capital</u>		
Share capital	3,032,717	3,032,717
Other reserves	(93,571)	(178,179)
Retained profits	3,874,316	3,874,316
Less: Deferred tax assets, net	(124,221)	(148,606)
Less: Defined benefit pension fund assets	(1,865)	(2,056)
Less: Investment in an associated company deducted from CET I capital	(67,500)	(67,500)
Total CET I capital / Tier I capital	6,619,876	6,510,692
<u>Tier II capital</u>		
Stage 1 and Stage 2 expected credit loss allowances #	611,670	600,429
Subordinated Sukuk Murabahah	1,000,000	1,000,000
Total Tier II capital	1,611,670	1,600,429
Total capital	8,231,546	8,111,121

Excludes expected credit loss allowances restricted from Tier II capital of the Bank of RM217,278,000 (31 December 2022 : RM247,307,000).

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A28. Capital Adequacy (continued)

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

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

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

Regulatory capital requirements

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

A CCyB is required to be maintained if this buffer is applied by regulators in countries which the Bank has exposures to, determined based on the weighted average of prevailing CCyB rates applied in those jurisdictions. The Bank has applied CCyB on its private sector credit exposures outside Malaysia in line with the respective jurisdictions' requirement to maintain their CCyB. The CCyB is not a requirement for exposures in Malaysia yet but may be applied by regulators in the future.

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

	31 March 2023 RM'000	31 December 2022 RM'000
Credit risk	48,933,596	48,034,340
Market risk	86,889	45
Operational risk	2,617,869	2,582,339
	<u>51,638,354</u>	<u>50,616,724</u>

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A29. Commitments and Contingencies

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

	31 March 2023 RM'000	31 December 2022 RM'000
<u>Contingent Liabilities</u>		
Direct credit substitutes	34,087	34,960
Transaction-related contingent items	81,345	79,733
Short term self-liquidating trade-related contingencies	5,655	3,859
	<u>121,087</u>	<u>118,552</u>
<u>Commitments</u>		
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:		
- exceeding one year	7,406,454	7,087,112
- not exceeding one year	2,563,851	2,659,890
Unutilised credit card lines	292,008	262,822
Forward asset purchases	29,822	-
	<u>10,292,135</u>	<u>10,009,824</u>
<u>Derivative Financial Instruments</u>		
Foreign exchange related contracts:		
- up to one year	-	63
Profit rate related contracts:		
- more than one year to five years	3,100,000	3,100,000
- more than five years	100,000	100,000
	<u>3,200,000</u>	<u>3,200,063</u>
	<u>13,613,222</u>	<u>13,328,439</u>

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A30. Fair Value Measurements

Determination of Fair Value and Fair Value Hierarchy

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

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

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

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

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

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

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A30. Fair Value Measurements (continued)

Determination of Fair Value and Fair Value Hierarchy (continued)

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

31 March 2023	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets				
Financial assets at fair value through profit or loss				
- Money market instruments	-	1,589,725	-	1,589,725
Financial investments at fair value through other comprehensive income				
- Government securities and treasury bills	-	13,624,969	-	13,624,969
Derivative financial assets	-	36,053	-	36,053
Total financial assets measured at fair value	-	15,250,747	-	15,250,747
Financial liabilities				
Derivative financial liabilities	-	27,971	-	27,971
Total financial liabilities measured at fair value	-	27,971	-	27,971

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A30. Fair Value Measurements (continued)

Determination of Fair Value and Fair Value Hierarchy (continued)

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

31 December 2022	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets				
Financial assets at fair value through profit or loss				
- Money market instruments	-	-	-	-
Financial investments at fair value through other comprehensive income				
- Government securities and treasury bills	-	12,076,612	-	12,076,612
Derivative financial assets	-	42,922	-	42,922
Total financial assets measured at fair value	-	12,119,534	-	12,119,534
Financial liabilities				
Derivative financial liabilities	-	23,914	-	23,914
Total financial liabilities measured at fair value	-	23,914	-	23,914

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the financial period / year (2022 : None).