

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	30 June 2021 RM'000	31 December 2020 RM'000 (Restated)
ASSETS			
Cash and balances with banks		484,658	2,112,828
Financial assets at fair value through profit or loss	A8	31,494	-
Derivative financial assets		5,864	1,317
Financial investments at fair value through other comprehensive income	A9	9,822,752	9,717,771
Financial investments at amortised cost	A10	4,568,797	4,520,961
Financing and advances	A11	56,560,678	54,176,355
Other assets	A12	195,566	232,231
Statutory deposits with Bank Negara Malaysia		118,000	168,200
Deferred tax assets		27,518	-
Collective investment		571,691	565,504
Investment in an associated company		67,500	45,000
Right-of-use assets		16,505	17,137
Property and equipment		3,343	3,525
TOTAL ASSETS		72,474,366	71,560,829
LIABILITIES			
Deposits from customers	A13	63,144,438	61,817,897
Deposits from banks	A14	1,535,753	2,067,854
Bills and acceptances payable		953	481
Derivative financial liabilities		143,216	196,035
Senior Sukuk Murabahah		519,994	519,950
Subordinated Sukuk Murabahah		1,000,000	1,000,000
Lease liabilities		17,831	18,227
Other liabilities	A15	569,516	620,285
Provision for zakat and taxation		82,734	318
Deferred tax liabilities		-	54,277
TOTAL LIABILITIES		67,014,435	66,295,324

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 2020.

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UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	30 June 2021 RM'000	31 December 2020 RM'000 (Restated)
EQUITY			
Share capital		2,732,717	2,732,717
Regulatory reserves		66,900	156,181
Other reserves		(63,140)	48,748
Retained profits		2,723,454	2,327,859
TOTAL EQUITY		5,459,931	5,265,505
TOTAL LIABILITIES AND EQUITY		72,474,366	71,560,829
COMMITMENTS AND CONTINGENCIES	A29	13,372,971	11,946,719
CAPITAL ADEQUACY	A28		
<u>Before deducting interim dividend</u> *			
Common Equity Tier I Capital Ratio		12.308%	12.176%
Tier I Capital Ratio		12.308%	12.176%
Total Capital Ratio		15.785%	15.751%
<u>After deducting interim dividend</u> *			
Common Equity Tier I Capital Ratio		12.308%	12.176%
Tier I Capital Ratio		12.308%	12.176%
Total Capital Ratio		15.785%	15.751%
Net assets per share attributable to ordinary equity holder of the Bank (RM)		23.61	22.77

* 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)
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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2021

	Note	2nd Quarter Ended		Half Year Ended	
		30 June 2021 RM'000	30 June 2020 RM'000 (Restated)	30 June 2021 RM'000	30 June 2020 RM'000 (Restated)
Income derived from investment of depositors' funds and others	A16	609,160	482,652	1,239,320	1,145,172
Income derived from investment of shareholder's funds	A17	49,906	42,509	104,023	98,609
Allowance for impairment on financing and advances	A18	(93,606)	(25,271)	(124,214)	(37,298)
Allowance for impairment on other assets	A19	(178)	(172)	(264)	(149)
Total distributable income		565,282	499,718	1,218,865	1,206,334
Income attributable to depositors and others	A20	(284,407)	(377,137)	(565,161)	(809,558)
Total net income		280,875	122,581	653,704	396,776
Personnel expenses	A21	(5,396)	(4,876)	(11,414)	(10,547)
Other overheads and expenditures	A22	(119,186)	(111,881)	(239,606)	(228,088)
Profit before zakat and taxation		156,293	5,824	402,684	158,141
Zakat		(525)	(81)	(1,050)	(162)
Taxation		(36,896)	(430)	(95,320)	(35,988)
Profit for the period		118,872	5,313	306,314	121,991
Earnings per share - basic / diluted (sen)	A23	51.4	2.3	132.5	52.8

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 2020.

PUBLIC ISLAMIC BANK BERHAD
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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2021

	2nd Quarter Ended		Half Year Ended	
	30 June 2021 RM'000	30 June 2020 RM'000 (Restated)	30 June 2021 RM'000	30 June 2020 RM'000 (Restated)
Profit for the period	118,872	5,313	306,314	121,991
Other comprehensive income / (loss):				
<u>Items that will not be reclassified to profit or loss:</u>				
Defined benefit reserves:				
- Gain / (Loss) on remeasurements of defined benefit plan	-	943	-	(1,415)
<u>Items that may be reclassified to profit or loss:</u>				
Revaluation reserves:				
- Net change in revaluation of financial investments at fair value through other comprehensive income	6,616	123,827	(204,913)	143,867
Hedging reserves:				
- Net change in cash flow hedges	(7,056)	(7,648)	57,692	(109,907)
	(440)	116,179	(147,221)	33,960
Income tax relating to components of other comprehensive income / (loss) :				
- Defined benefit reserves	-	(227)	-	339
- Revaluation reserves	(1,588)	(29,718)	49,179	(34,528)
- Hedging reserves	1,693	1,836	(13,846)	26,378
	105	(28,109)	35,333	(7,811)
Other comprehensive (loss) / income for the period, net of tax	(335)	89,013	(111,888)	24,734
Total comprehensive income for the period	118,537	94,326	194,426	146,725

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 2020.

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2021

	<----- Non-distributable ----->						Distributable	Total Equity RM'000
	Share Capital RM'000	Revaluation Reserves RM'000	Hedging Reserves RM'000	Defined Benefit Reserves RM'000	Regulatory Reserves RM'000	Other Reserves RM'000	Retained Profits RM'000	
At 1 January 2021								
- as previously stated	2,732,717	192,730	(148,851)	4,697	156,181	172	2,485,744	5,423,390
- restatement of comparatives (Note A32)	-	-	-	-	-	-	(157,885)	(157,885)
At 1 January 2021, as restated	2,732,717	192,730	(148,851)	4,697	156,181	172	2,327,859	5,265,505
Profit for the period	-	-	-	-	-	-	306,314	306,314
Other comprehensive (loss) / income for the period	-	(155,734)	43,846	-	-	-	-	(111,888)
Total comprehensive (loss) / income for the period	-	(155,734)	43,846	-	-	-	306,314	194,426
Transactions with owner / other equity movements:								
Transfer from regulatory reserves	-	-	-	-	(89,281)	-	89,281	-
	-	-	-	-	(89,281)	-	89,281	-
At 30 June 2021	2,732,717	36,996	(105,005)	4,697	66,900	172	2,723,454	5,459,931

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Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2021

	<----- Non-distributable ----->						Distributable	
	Share Capital RM'000	Revaluation Reserves RM'000	Hedging Reserves RM'000	Defined Benefit Reserves RM'000	Regulatory Reserves RM'000	Other Reserves RM'000	Retained Profits RM'000	Total Equity RM'000
At 1 January 2020								
- as previously stated	2,732,717	82,169	(69,660)	4,258	309,431	172	1,944,889	5,003,976
- restatement of comparatives (Note A32)	-	-	-	-	-	-	(115,592)	(115,592)
At 1 January 2020	<u>2,732,717</u>	<u>82,169</u>	<u>(69,660)</u>	<u>4,258</u>	<u>309,431</u>	<u>172</u>	<u>1,829,297</u>	<u>4,888,384</u>
Profit for the period	-	-	-	-	-	-	121,991	121,991
Other comprehensive income / (loss) for the period	-	109,339	(83,529)	(1,076)	-	-	-	24,734
Total comprehensive income / (loss) for the period	<u>-</u>	<u>109,339</u>	<u>(83,529)</u>	<u>(1,076)</u>	<u>-</u>	<u>-</u>	<u>121,991</u>	<u>146,725</u>
Transactions with owner / other equity movements:								
Transfer from regulatory reserves	-	-	-	-	(17,170)	-	17,170	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,170)</u>	<u>-</u>	<u>17,170</u>	<u>-</u>
At 30 June 2020	<u><u>2,732,717</u></u>	<u><u>191,508</u></u>	<u><u>(153,189)</u></u>	<u><u>3,182</u></u>	<u><u>292,261</u></u>	<u><u>172</u></u>	<u><u>1,968,458</u></u>	<u><u>5,035,109</u></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 2020.

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2021

	30 June 2021 RM'000	30 June 2020 RM'000 (Restated)
Profit before zakat and taxation	402,684	158,141
Adjustments for non-cash items	61,657	(29,897)
Operating profit before working capital changes	464,341	128,244
Changes in working capital:		
Net changes in operating assets	(2,507,295)	306,384
Net changes in operating liabilities	743,000	(152,469)
Cash (used in) / generated from operations	(1,299,954)	282,159
Zakat and tax paid	(23,975)	(47,183)
Tax refunded	4,847	-
Net cash (used in) / generated from operating activities	(1,319,082)	234,976
Net cash used in investing activities	(308,692)	(806,796)
Net cash used in financing activities	(396)	(368)
Net change in cash and cash equivalents	(1,628,170)	(572,188)
Cash and cash equivalents at beginning of the year	2,112,828	3,139,455
Cash and cash equivalents at end of the period	484,658	2,567,267
Note:		
Cash and balances with banks	484,658	2,567,267
Less: Balances with banks with original maturity more than three months	-	-
Cash and cash equivalents at end of the period	484,658	2,567,267

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 2020.

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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 2nd quarter and financial half year ended 30 June 2021 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 2020. 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 2020.

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 2020, except for the adoption of the following during the current financial period:

Effective for annual periods commencing on or after 1 January 2021

- Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)

Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16) - Amendments were made on some specific requirements of those standards with respect to issues affecting financial reporting during the reform of an interest rate benchmark. The amendments provide a practical expedient whereby a company would not derecognise or adjust the carrying amount of financial instruments for modifications required by interest rate benchmark reform, but would instead update the effective interest rate to reflect the change in the interest rate benchmark. On hedging relationship, entities would be required to amend the formal designation of a hedging relationship to reflect the modifications and/or changes made to the hedged item and/or hedging instruments as a result of the reform. However, the modification does not constitute discontinuation of the hedging relationship nor the designation of a new hedging relationship.

The adoption of these amendments did not have any financial impact to the Bank.

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Company Registration No.: 197301001433 (14328-V)
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A1. Basis of Preparation (continued)

Additional Measures to Assist Customers Affected by the COVID-19 Pandemic

Following Bank Negara Malaysia ("BNM")'s letters dated 24 March 2020, 24 July 2020 and 17 August 2020 on measures to assist customers affected by the COVID-19 pandemic, BNM had on 31 May 2021 extended the eligibility period of various repayment assistance from 30 June 2021 to on or before 31 December 2021.

- i) Definition of defaulted exposures under the policy document on Capital Adequacy Framework for Islamic Banks

In applying the definition of defaulted exposures under the above policy to financing for which repayment assistance is extended:

- a) The determination of "days past due" should be based on the new repayment terms of a financing that has been rescheduled and restructured. Where the repayment terms include a repayment deferral, the determination of days past due should exclude the deferred repayment period;
- b) For financing to individuals or SMEs, a customer should not be considered to be in default based on "unlikeliness to repay" at the time the repayment assistance is granted, except where the financing is sold by the banking institution at a material loss or the customer is subjected to bankruptcy actions. Banking institutions are also expected to consider whether the financial difficulties faced by the customers are unlikely to be temporary; and
- c) For financing to corporates, the assessment of "unlikeliness to repay" should not be based solely on the customer taking up an offer of repayment assistance extended by the banking institution but based on a more holistic assessment of all relevant indicators and information available on the corporate customer.

Regulatory Capital Treatment

The regulatory capital treatment above shall apply to financing denominated in Malaysian Ringgit or foreign currency that meet the following criteria:

- a) The principal or profit, or both, is not in arrears exceeding 90 days as at the date of application for repayment assistance; and
- b) The application for repayment assistance by a customer is received on or before 31 December 2021.

The regulatory capital treatment would also be applicable to rescheduled and restructured financing that are facilitated by Agensi Kaunseling dan Pengurusan Kredit, the Small Debt Resolution Scheme and the Corporate Debt Restructuring Committee.

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
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A1. Basis of Preparation (continued)

Additional Measures to Assist Customers Affected by the COVID-19 Pandemic (continued)

ii) Classification in the Central Credit Reference Information System ("CCRIS")

For rescheduled and restructured ("R&R") individual, SME and corporate financing with arrears not exceeding 90 days as at the date of application for repayment assistance and where application for repayment assistance is received on or before 31 December 2021, including a financing that is rescheduled and restructured more than once, the financing need not be reported as R&R in CCRIS.

iii) Drawdown of prudential buffers

Banking institutions are allowed to:

- a) Drawdown the capital conservation buffer of 2.5%;
- b) Operate below the minimum Liquidity Coverage Ratio ("LCR") of 100%;
- c) Reduce the regulatory reserves held against expected losses to 0%; and
- d) Minimum Net Stable Funding Ratio ("NSFR") is lowered to 80% from 100%.

However, banking institutions are required to rebuild the said buffers and restore them to the minimum regulatory requirements by 30 September 2021. BNM will review this timeline if current expectations change materially. As at the reporting date, the Bank has not drawn down any of the prudential buffers.

In line with the announcement made by the Prime Minister of Malaysia on the *Pakej Perlindungan Rakyat dan Pemulihan Ekonomi* (PEMULIH package), the Association of Banks in Malaysia and Association of Islamic Banking and Financial Institutions Malaysia had on 29 June 2021 announced that from 7 July 2021, banks will be offering a 6-month moratorium on the instalment of all credit facilities (excluding credit cards) for the following customers on an opt in basis:-

- i) All individuals (including all B40, M40 and T20 customers);
- ii) All microenterprises; and
- iii) All small and medium enterprises ("SMEs") that have been affected by the COVID-19 pandemic.

For credit card facilities, banks will offer conversion of a customer's outstanding balances into a 3-year term financing with reduced profit rate.

This moratorium is applicable for financing approved before 1 July 2021 and are not in arrears for more than 90 days on the date the request is submitted. In addition, CCRIS records will also be unaffected by opting in this moratorium.

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A1. Basis of Preparation (continued)

MFRS 9 Financial Instruments and financial reporting requirements

The Bank had incorporated management overlays to cater for the impact of the COVID-19 pandemic and the associated relief measures in the measurement of expected credit losses ("ECL").

These management overlays are made to reflect the macroeconomic outlook and potential deterioration in credit risk of financing under relief assistance. The management overlays involved significant level of judgment and reflect management's views of possible severities of the pandemic and paths of recovery in the forward looking assessment for ECL estimation purposes.

The customers who had received relief assistance remain in their existing stages unless they have been individually identified as not viable or with subsequent indicators of significant increase in credit risk from each of their pre-COVID-19 status. Hence, in the absence of other factors relevant to the assessment of whether there has been a significant increase in credit risk, the relief assistance provided do not automatically result in migration from Stage 1 (12-month ECL) to Stage 2 (lifetime ECL).

i) Forward looking macro-economic information and assumptions

The economic outlook from BNM and various research houses, forward looking information and assumptions relating to COVID-19 have been considered in the Bank's forward looking model.

The following are values of the key domestic macro-economic variables and forward looking assumptions for year 2021 which are used in the model:

	2021
	%
Gross domestic product	4.0 - 5.0
Consumer price index	2.5 - 4.0
Housing price index	182 - 227
Unemployment rate	4.1 - 5.2

ii) Management overlays for financing under relief assistance

The Bank exercised judgment, adapted and estimated based on the information on-hand in the provision of management overlays.

a) Large corporate customers

Management overlay was provided for certain large corporate customers who were and continue to be affected by the economic environment and have applied for rescheduling and restructuring arrangements.

b) Retail and SME customers

Customers who are eligible for the targeted repayment assistance or have applied for extended relief and/or other forms of relief assistance were identified and assessed. Based on the data available, management overlay was provided to cater for potential deterioration in credit risk of this group of customers.

As the circumstances surrounding the COVID-19 pandemic remain fluid, the Bank will continue to review and monitor closely the abovementioned assumptions and management overlays if current expectations change materially.

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)

A1. Basis of Preparation (continued)

The following Malaysian Financial Reporting Standard ("MFRS") and 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 April 2021

- COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to MFRS 16 Leases)

Effective for annual periods commencing on or after 1 January 2022

- Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRS Standards 2018-2020"
- Reference to the Conceptual Framework (Amendments to MFRS 3 Business Combinations)
- Property, Plant and Equipment - Proceeds before Intended Use (Amendments to MFRS 116 Property, Plant and Equipment)
- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets)

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)
- Classification of Liabilities as Current or Non-current (Amendments to MFRS 101 Presentation of Financial Statements)
- Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements)
- Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112 Income Taxes)

COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to MFRS 16 Leases) - The original amendment issued in 2020 allows lessees not to account for rent concessions as lease modifications if they are a direct consequence of COVID-19 and meet certain conditions. It applies to rent concessions that reduce the lease payments due on or before 30 June 2021. This amendment extends the availability of the practical expedient for another 12 months which is for rent concessions that reduce the lease payments due on or before 30 June 2022.

Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRS Standards 2018-2020" - The Annual Improvements cover the following amendments that are applicable to the Bank:

- i) **MFRS 9 Financial Instruments** - It clarifies the fees a company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.
- ii) **Illustrative Examples accompanying MFRS 16 Leases** - It deletes from the Illustrative Example 13 the reimbursement relating to leasehold improvements in order to remove any potential confusion regarding the treatment of lease incentives.

Reference to the Conceptual Framework (Amendments to MFRS 3 Business Combinations) - The amendments update MFRS 3 by replacing a reference to an old version of the Conceptual Framework for Financial Reporting with a reference to the latest version which was issued by MASB in April 2018.

Property, Plant and Equipment - Proceeds before Intended Use (Amendments to MFRS 116 Property, Plant and Equipment) - The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company shall recognise such sales proceeds and related cost in profit or loss.

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
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A1. Basis of Preparation (continued)

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

Onerous Contracts - Cost of Fulfilling a Contract (Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets) - The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous.

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.

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.

Classification of Liabilities as Current or Non-current (Amendments to MFRS 101 Presentation of Financial Statements) - The amendments provide clarification on the requirements for classifying liabilities as current or non-current, and specifically on the following:

- The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists.
- Management expectations about events after the balance sheet date, for example on whether a covenant will be breached, or whether early settlement will take place, are not relevant.
- The amendments clarify the situations that are considered settlement of a liability.

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.

Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors) - The amendments revise the definition of accounting estimates to clarify how companies should distinguish changes in accounting policies from changes in accounting estimates.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112 Income Taxes) - The amendments clarifies 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.

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)

A1. Basis of Preparation (continued)

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

The adoption of MFRS 17 Insurance Contracts and Amendments to MFRS 17 will 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 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 2020 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

Other than as disclosed in Note A1, 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.

A7. Dividends Paid, Distributed and Declared

No dividend has been paid nor declared during the financial half year ended 30 June 2021.

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)

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

	30 June 2021 RM'000	31 December 2020 RM'000
At fair value		
Government securities and treasury bills:		
Malaysian Government Investment Issues	31,494	-
Total financial assets at FVTPL	31,494	-

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

	30 June 2021 RM'000	31 December 2020 RM'000
At fair value		
Government securities and treasury bills:		
Malaysian Government Investment Issues	9,822,752	9,717,771

The following expected credit losses ("ECL") for debt instruments are not recognised 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 2021	1,610	-	-	1,610
New financial investments purchased	536	-	-	536
Net allowance made	7	-	-	7
Amount derecognised	(490)	-	-	(490)
At 30 June 2021	1,663	-	-	1,663
At 1 January 2020	1,602	-	-	1,602
New financial investments purchased	1,126	-	-	1,126
Net allowance made	26	-	-	26
Amount derecognised	(1,144)	-	-	(1,144)
At 31 December 2020	1,610	-	-	1,610

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)

A10. Financial Investments at Amortised Cost

	30 June 2021 RM'000	31 December 2020 RM'000
At amortised cost		
Government securities and treasury bills:		
Malaysian Government Investment Issues	3,998,033	3,879,493
Non-money market instruments:		
Debt securities		
- Unquoted corporate sukuk	571,541	642,237
Allowance for impairment	(777)	(769)
Total financial investments at amortised cost	<u>4,568,797</u>	<u>4,520,961</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 2021	769	-	-	769
New financial investments purchased	73	-	-	73
Net allowance written back	(1)	-	-	(1)
Amount derecognised	(64)	-	-	(64)
At 30 June 2021	<u>777</u>	<u>-</u>	<u>-</u>	<u>777</u>
At 1 January 2020	637	-	-	637
New financial investments purchased	241	-	-	241
Net allowance written back	(1)	-	-	(1)
Amount derecognised	(108)	-	-	(108)
At 31 December 2020	<u>769</u>	<u>-</u>	<u>-</u>	<u>769</u>

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)

A11. Financing and Advances

a. By type and contract

30 June 2021	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	1,649,148	-	-	-	-	-	1,649,148
Term financing							
- House financing	5,488,117	-	-	19,864,249	-	-	25,352,366
- Syndicated financing	1,359,381	-	-	-	-	-	1,359,381
- Hire purchase receivables	-	9,319,319	-	-	-	-	9,319,319
- Other term financing	4,311,954	-	1,718,749	12,655,697	-	159,291	18,845,691
Credit card receivables	-	-	-	-	-	37,535	37,535
Bills receivables	-	-	-	-	2,354	-	2,354
Trust receipts	-	-	-	-	4,332	-	4,332
Claims on customers under acceptance credits	-	-	-	-	168,872	-	168,872
Revolving credits	303,971	-	-	-	-	-	303,971
Staff financing	-	11,823	-	103,034	-	-	114,857
Gross financing and advances	13,112,571	9,331,142	1,718,749	32,622,980	175,558	196,826	57,157,826
Less : Allowance for impairment on financing and advances							
- Expected credit losses							(597,148)
- Stage 1: 12-Month ECL							(270,961)
- Stage 2: Lifetime ECL not credit-impaired							(269,762)
- Stage 3: Lifetime ECL credit-impaired							(56,425)
Net financing and advances							56,560,678

^ 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.

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)

A11. Financing and Advances (continued)

a. By type and contract (continued)

31 December 2020	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	1,515,623	-	-	-	-	-	1,515,623
Term financing							
- House financing	5,470,603	-	-	18,168,232	-	-	23,638,835
- Syndicated financing	1,341,516	-	-	-	-	-	1,341,516
- Hire purchase receivables	-	8,798,205	-	-	-	-	8,798,205
- Other term financing	4,680,794	-	1,702,074	12,205,232	-	211,199	18,799,299
Credit card receivables	-	-	-	-	-	34,699	34,699
Bills receivables	-	-	-	-	1,114	-	1,114
Trust receipts	-	-	-	-	4,155	-	4,155
Claims on customers under acceptance credits	-	-	-	-	162,079	-	162,079
Revolving credits	248,884	-	-	-	-	-	248,884
Staff financing	-	11,002	-	94,943	-	-	105,945
Gross financing and advances	13,257,420	8,809,207	1,702,074	30,468,407	167,348	245,898	54,650,354
Less : Allowance for impairment on financing and advances							
- Expected credit losses							(473,999)
- Stage 1: 12-Month ECL							(249,018)
- Stage 2: Lifetime ECL not credit-impaired							(175,333)
- Stage 3: Lifetime ECL credit-impaired							(49,648)
Net financing and advances							54,176,355

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.

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)

A11. Financing and Advances (continued)

b. By class

	30 June 2021 RM'000	31 December 2020 RM'000
Retail financing *		
- House financing	25,352,366	23,638,835
- Hire purchase	9,319,319	8,798,205
- Credit cards	37,535	34,699
- Other financing ^	17,755,548	17,188,431
	52,464,768	49,660,170
Corporate financing	4,693,058	4,990,184
Gross financing and advances	57,157,826	54,650,354

* *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

	30 June 2021 RM'000	31 December 2020 RM'000
Domestic non-bank financial institutions		
- Others	1,360,418	1,288,555
Domestic business enterprises		
- Small and medium enterprises	9,893,428	9,580,323
- Others	2,875,574	3,182,038
Government and statutory bodies	1,001,707	1,002,236
Individuals	41,854,143	39,376,764
Other domestic entities	5,680	5,592
Foreign entities	166,876	214,846
Gross financing and advances	57,157,826	54,650,354

d. By rate of return sensitivity

	30 June 2021 RM'000	31 December 2020 RM'000
Fixed rate		
- House financing	230,292	241,969
- Hire purchase receivables	9,318,899	8,797,731
- Other fixed rate financing	3,184,748	3,207,286
Variable rate		
- Base rate / base financing rate plus	40,610,112	38,315,464
- Cost plus	3,813,775	4,087,904
Gross financing and advances	57,157,826	54,650,354

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)

A11. Financing and Advances (continued)

e. By residual contractual maturity

	30 June 2021 RM'000	31 December 2020 RM'000
Maturity within one year	3,162,302	2,705,318
More than one year to three years	2,367,008	2,847,751
More than three years to five years	4,997,815	5,234,002
More than five years	46,630,701	43,863,283
Gross financing and advances	<u>57,157,826</u>	<u>54,650,354</u>

f. By economic purpose

	30 June 2021 RM'000	31 December 2020 RM'000
Purchase of transport vehicles	9,331,141	8,809,205
Purchase of landed properties	37,907,403	36,166,126
(of which: - residential	<u>25,970,477</u>	<u>24,238,949</u>
- non-residential)	<u>11,936,926</u>	<u>11,927,177</u>
Purchase of fixed assets (excluding landed properties)	370	382
Personal use	3,063,530	3,003,698
Credit card	37,535	34,699
Purchase of consumer durables	685	695
Construction	875,180	777,160
Working capital	5,812,875	5,719,179
Other purpose	129,107	139,210
Gross financing and advances	<u>57,157,826</u>	<u>54,650,354</u>

g. By sectors

	30 June 2021 RM'000	31 December 2020 RM'000
Agriculture, hunting, forestry and fishing	507,829	889,124
Mining and quarrying	136,772	149,280
Manufacturing	1,550,522	1,508,088
Electricity, gas and water	5,346	5,174
Construction	2,644,400	2,408,706
Wholesale & retail trade and restaurants & hotels	3,095,701	2,960,882
Transport, storage and communication	491,013	473,145
Finance, insurance and business services	1,856,062	1,773,243
Real estate	3,545,839	3,646,447
Community, social and personal services	1,361,361	1,354,561
Households	41,962,981	39,481,702
Others	-	2
Gross financing and advances	<u>57,157,826</u>	<u>54,650,354</u>

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)

A11. Financing and Advances (continued)

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

	30 June 2021 RM'000	31 December 2020 RM'000
At 1 January	169,421	275,050
Impaired during the period / year	113,527	190,044
Reclassified as non-credit impaired	(84,374)	(191,093)
Recoveries	(19,131)	(39,279)
Amount written off	(13,302)	(60,617)
Financing converted to foreclosed properties	(2,867)	(4,684)
Closing balance	<u>163,274</u>	<u>169,421</u>
Gross impaired financing as a percentage of gross financing and advances	<u>0.29%</u>	<u>0.31%</u>

i. Impaired financing and advances by economic purpose

	30 June 2021 RM'000	31 December 2020 RM'000
Purchase of transport vehicles	50,703	38,903
Purchase of landed properties	89,443	111,636
(of which: - residential	73,431	86,075
- non-residential)	16,012	25,561
Personal use	19,771	14,229
Credit card	346	120
Working capital	2,991	4,513
Other purpose	20	20
	<u>163,274</u>	<u>169,421</u>

j. Impaired financing and advances by sectors

	30 June 2021 RM'000	31 December 2020 RM'000
Agriculture, hunting, forestry and fishing	68	55
Mining and quarrying	237	231
Manufacturing	603	606
Construction	3,881	8,377
Wholesale & retail trade and restaurants & hotels	1,850	4,505
Transport, storage and communication	528	134
Finance, insurance and business services	1,756	6,855
Real estate	1,798	1,670
Community, social and personal services	1,222	1,555
Households	151,331	145,433
	<u>163,274</u>	<u>169,421</u>

All the impaired financing and advances are located in Malaysia.

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)

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 2021	249,018	175,333	49,648	473,999
Changes due to financing and advances recognised as at 1 January 2021:	26,597	(21,081)	(5,516)	-
- Transfer to Stage 1: 12-Month ECL	32,453	(30,475)	(1,978)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(5,736)	11,267	(5,531)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(120)	(1,873)	1,993	-
New financing and advances originated	5,452	3,897	63	9,412
Net remeasurement due to changes in credit risk	36,026	42,613	24,993	103,632
Financing and advances derecognised (other than write-off)	(2,215)	(16,288)	(2,597)	(21,100)
Modifications to contractual cash flows of financing and advances	(1,783)	37,692	3,136	39,045
Changes in models / risk parameters	(42,134)	47,596	-	5,462
Amount written off	-	-	(13,302)	(13,302)
At 30 June 2021	270,961	269,762	56,425	597,148
At 1 January 2020	129,065	90,576	85,922	305,563
Changes due to financing and advances recognised as at 1 January 2020:	32,883	(15,175)	(17,708)	-
- Transfer to Stage 1: 12-Month ECL	37,228	(30,490)	(6,738)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(4,253)	16,831	(12,578)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(92)	(1,516)	1,608	-
New financing and advances originated	15,026	6,880	163	22,069
Net remeasurement due to changes in credit risk	54,749	29,819	45,544	130,112
Financing and advances derecognised (other than write-off)	(6,356)	(3,361)	(4,945)	(14,662)
Modifications to contractual cash flows of financing and advances	(7,399)	40,016	1,071	33,688
Changes in models / risk parameters	31,050	26,578	218	57,846
Amount written off	-	-	(60,617)	(60,617)
At 31 December 2020	249,018	175,333	49,648	473,999

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)

A12. Other Assets

	30 June 2021 RM'000	31 December 2020 RM'000
Deferred handling fees	44,641	40,023
Income receivable	14	91
Other receivables, deposits and prepayments	127,412	129,963
Tax recoverable	-	41,287
Employee benefits	-	32
Foreclosed properties	23,499	20,835
	195,566	232,231

A13. Deposits from Customers

a. By type of deposit and contract

	30 June 2021 RM'000	31 December 2020 RM'000
<u>At amortised cost</u>		
Savings deposit		
- Qard	9,679,991	8,561,432
Demand deposit		
- Qard	6,113,410	5,815,770
Term deposit		
- Term deposit		
- Commodity Murabahah	40,057,286	40,003,712
- Special term deposit account		
- Commodity Murabahah	7,293,751	7,436,983
	63,144,438	61,817,897

b. By type of customer

	30 June 2021 RM'000	31 December 2020 RM'000
Federal and state governments	5,525,533	4,067,101
Local government and statutory authorities	617,356	676,356
Business enterprises	11,446,939	10,877,438
Individuals	25,291,237	23,989,087
Foreign customers	635,660	615,937
Others	19,627,713	21,591,978
	63,144,438	61,817,897

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)

A13. Deposits from Customers (continued)

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

	30 June 2021 RM'000	31 December 2020 RM'000
Due within six months	38,025,671	40,950,133
More than six months to one year	9,323,158	6,488,683
More than one year to three years	1,243	881
More than three years to five years	965	998
	<u>47,351,037</u>	<u>47,440,695</u>

A14. Deposits from Banks

	30 June 2021 RM'000	31 December 2020 RM'000
At amortised cost		
<u>Non-Mudharabah Fund</u>		
Licensed banks	1,438,535	1,969,892
Licensed investment banks	11,280	16,059
Bank Negara Malaysia	79,125	74,366
Other financial institutions	6,813	7,537
	<u>1,535,753</u>	<u>2,067,854</u>

A15. Other Liabilities

	30 June 2021 RM'000	31 December 2020 RM'000 (Restated)
Income payable	256,796	352,414
Other payables and accruals (Note A32)	300,457	256,793
Employee benefits	42	-
Accrued restoration costs	569	569
Allowance for impairment on financing commitments and financial guarantees	11,652	10,509
	<u>569,516</u>	<u>620,285</u>

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)

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 2021	7,953	2,466	90	10,509
Changes due to financing commitments and financial guarantees recognised as at 1 January 2021:	498	(444)	(54)	-
- Transfer to Stage 1: 12-Month ECL	612	(591)	(21)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(113)	160	(47)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(1)	(13)	14	-
New financing commitments and financial guarantees originated	388	304	-	692
Net remeasurement due to changes in credit risk	(1,096)	1,379	215	498
Financing commitments and financial guarantees derecognised	(81)	(35)	(1)	(117)
Modifications to contractual cash flows of financing commitments and financial guarantees	(10)	388	7	385
Changes in models / risk parameters	(840)	525	-	(315)
At 30 June 2021	6,812	4,583	257	11,652
At 1 January 2020	5,225	906	328	6,459
Changes due to financing commitments and financial guarantees recognised as at 1 January 2020:	311	(115)	(196)	-
- Transfer to Stage 1: 12-Month ECL	378	(358)	(20)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(67)	251	(184)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	-	(8)	8	-
New financing commitments and financial guarantees originated	1,032	381	18	1,431
Net remeasurement due to changes in credit risk	121	577	(52)	646
Financing commitments and financial guarantees derecognised	(89)	(74)	(4)	(167)
Modifications to contractual cash flows of financing commitments and financial guarantees	(14)	399	(4)	381
Changes in models / risk parameters	1,367	392	-	1,759
At 31 December 2020	7,953	2,466	90	10,509

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)

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

	2nd Quarter Ended		Half Year Ended	
	30 June 2021 RM'000	30 June 2020 RM'000 (Restated)	30 June 2021 RM'000	30 June 2020 RM'000 (Restated)
Income derived from investment of:				
(a) Term deposits	454,492	367,770	916,339	887,865
(b) Other deposits	154,668	114,882	322,981	257,307
	609,160	482,652	1,239,320	1,145,172
a. Income derived from investment of term deposits:				
<u>Finance income and Hibah</u>				
Financing and advances (Note A32)	353,215	236,928	698,359	636,131
Financial investments at fair value through other comprehensive income	44,420	54,856	89,328	114,241
Financial investments at amortised cost	26,322	28,281	52,671	54,535
Balances with banks	1,823	545	2,338	2,168
	425,780	320,610	842,696	807,075
Financial assets at fair value through profit or loss	29	491	29	4,072
Total finance income and Hibah	425,809	321,101	842,725	811,147
<u>Other operating income</u>				
Fee and commission income:				
- Commissions	6,201	3,939	12,719	8,402
- Service charges and fees	1,839	1,684	4,198	4,619
- Facility fees	97	301	247	2,816
- Other fee income	852	515	1,819	1,360
Net gains and losses on financial instruments:				
- Net gain arising from sale of financial investments at fair value through other comprehensive income	16,842	37,458	48,931	48,329
- Net gain / (loss) representing ineffective portions of hedging derivatives	46	(2,031)	(223)	1,696
- Others	25	256	36	405
Gross distribution income from collective investment	1,889	2,973	3,957	6,127
Other income	892	1,574	1,930	2,964
Total other operating income	28,683	46,669	73,614	76,718
	454,492	367,770	916,339	887,865

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)

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

	2nd Quarter Ended		Half Year Ended	
	30 June 2021 RM'000	30 June 2020 RM'000 (Restated)	30 June 2021 RM'000	30 June 2020 RM'000 (Restated)
b. Income derived from investment of other deposits:				
<u>Finance income and Hibah</u>				
Financing and advances (Note A32)	120,367	75,033	246,149	184,353
Financial investments at fair value through other comprehensive income	15,119	16,846	31,485	33,108
Financial investments at amortised cost	8,963	8,616	18,565	15,805
Balances with banks	636	184	824	628
	145,085	100,679	297,023	233,894
Financial assets at fair value through profit or loss	10	199	10	1,180
Total finance income and Hibah	145,095	100,878	297,033	235,074
<u>Other operating income</u>				
Fee and commission income:				
- Commissions	2,107	1,213	4,483	2,435
- Service charges and fees	620	535	1,480	1,339
- Facility fees	32	127	87	816
- Other fee income	289	163	641	394
Net gains and losses on financial instruments:				
- Net gain arising from sale of financial investments at fair value through other comprehensive income	5,552	11,029	17,246	14,006
- Net gain / (loss) representing ineffective portions of hedging derivatives	20	(529)	(78)	492
- Others	8	77	13	117
Gross distribution income from collective investment	642	911	1,395	1,775
Other income	303	478	681	859
Total other operating income	9,573	14,004	25,948	22,233
	154,668	114,882	322,981	257,307

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)

A17. Income Derived from Investment of Shareholder's Funds

	2nd Quarter Ended		Half Year Ended	
	30 June 2021 RM'000	30 June 2020 RM'000 (Restated)	30 June 2021 RM'000	30 June 2020 RM'000 (Restated)
<u>Finance income and Hibah</u>				
Financing and advances (Note A32)	38,835	27,591	79,278	70,651
Financial investments at fair value through other comprehensive income	4,879	6,282	10,141	12,688
Financial investments at amortised cost	2,892	3,225	5,979	6,057
Balances with banks	205	66	265	241
	46,811	37,164	95,663	89,637
Financial assets at fair value through profit or loss	3	66	3	452
Total finance income and Hibah	46,814	37,230	95,666	90,089
<u>Other operating income</u>				
Fee and commission income:				
- Commissions	680	452	1,444	933
- Service charges and fees	201	196	477	513
- Facility fees	10	42	28	313
- Other fee income	93	60	206	151
Net gains and losses on financial instruments:				
- Net gain arising from sale of financial investments at fair value through other comprehensive income	1,795	4,195	5,555	5,368
- Net gain / (loss) representing ineffective portions of hedging derivatives	7	(214)	(25)	188
- Others	2	29	4	45
Gross distribution income from collective investment	207	340	449	680
Other income	97	179	219	329
Total other operating income	3,092	5,279	8,357	8,520
	49,906	42,509	104,023	98,609

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)

A18. Allowance for Impairment on Financing and Advances

	2nd Quarter Ended		Half Year Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Expected credit losses	99,650	29,397	137,594	47,840
Impaired financing recovered	(6,044)	(4,126)	(13,380)	(10,542)
	93,606	25,271	124,214	37,298

A19. Allowance for Impairment on Other Assets

	2nd Quarter Ended		Half Year Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Expected credit losses on:				
- Financial investments at fair value through other comprehensive income	35	100	53	16
- Financial investments at amortised cost	35	72	8	133
Allowance for impairment on foreclosed properties	108	-	203	-
	178	172	264	149

A20. Income Attributable to Depositors and Others

	2nd Quarter Ended		Half Year Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Deposits from customers				
- Non-Mudharabah fund	254,508	338,300	501,455	730,732
Deposits from banks				
- Non-Mudharabah fund	13,651	22,575	31,384	46,301
Sukuk Murabahah	16,046	16,046	31,915	32,092
Lease liabilities	202	216	407	433
	284,407	377,137	565,161	809,558

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)

A21. Personnel expenses

	2nd Quarter Ended		Half Year Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Salaries, allowances and bonuses	4,357	3,945	8,829	8,155
Pension costs	782	709	1,585	1,440
Others	257	222	1,000	952
	5,396	4,876	11,414	10,547

A22. Other Overheads and Expenditures

	2nd Quarter Ended		Half Year Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Establishment costs				
- Depreciation	476	481	945	926
- Insurance	216	254	452	489
- Water and electricity	32	38	81	86
- General repairs and maintenance	461	665	1,561	799
- Others	298	475	794	834
	1,483	1,913	3,833	3,134
Marketing expenses				
- Advertisement and publicity	449	440	882	970
- Others	373	149	551	376
	822	589	1,433	1,346
Administration and general expenses				
- Communication expenses	1,843	1,771	3,785	3,529
- Legal and professional fees	2,176	1,012	4,511	2,409
- Others	4,555	4,523	9,233	9,256
	8,574	7,306	17,529	15,194
Cost of resource sharing charged by Public Bank Berhad *	111,170	104,130	224,501	213,883
Recovery of expenses	(2,863)	(2,057)	(7,690)	(5,469)
	119,186	111,881	239,606	228,088

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

	2nd Quarter Ended		Half Year Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Credit related	48,600	45,440	97,288	93,928
Non-credit branch support	42,648	38,480	83,226	79,250
Other administration function	19,922	20,210	43,987	40,705
	111,170	104,130	224,501	213,883

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)

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 2nd quarter and financial half year ended 30 June 2021.

	2nd Quarter Ended		Half Year Ended	
	30 June 2021 RM'000	30 June 2020 RM'000 (Restated)	30 June 2021 RM'000	30 June 2020 RM'000 (Restated)
Net profit attributable to equity holder of the Bank (RM'000)	118,872	5,313	306,314	121,991
Weighted average number of shares in issue ('000)	231,217	231,217	231,217	231,217
Basic EPS (sen)	51.4	2.3	132.5	52.8

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 RM402.7 million for the financial half year ended 30 June 2021, which was 154.6% or RM244.6 million higher as compared to pre-tax profit of RM158.1 million for the financial half year ended 30 June 2020. Included in the previous year corresponding period were one-off day 1 net modification loss relating to COVID-19 relief measures of RM174.6 million and the negative effect of Overnight Policy Rate ("OPR") reduction of 100 basis points. Due to this low base effect coupled with positive financing and deposits growth achieved in the current period, net finance income grew by RM343.5 million. The higher profit was also due to higher other operating income of RM0.5 million offset by higher allowance for impairment on financing and advances of RM86.9 million, higher other operating expenses of RM12.4 million and higher allowance for impairment on other assets of RM0.1 million.

A25. Prospects for 2021

The world continues to adapt and adjust to the new normal macro environment as the COVID-19 pandemic persists in 2021. Both fiscal and monetary policies remain accommodative in support of the global recovery, although the pace of recovery may vary across countries. Mainly, the outlook is dependent on the developments related to the pandemic and potential challenges that might affect the roll-out of vaccines globally.

Advanced economies, including the United States of America, Europe and Japan are expected to gradually recover in 2021, following downturns in 2020. Asia's economic growth is also expected to improve, in tandem with the global recovery ahead.

Policy accommodation will continue to provide support to the gradual economic recovery and growth trajectory of the Malaysian economy in 2021. However, the re-imposition of nationwide containment measures in June 2021 to curb the resurgence and spread of the COVID-19 pandemic will affect the pace of recovery. Ongoing initiatives by the Government and Bank Negara Malaysia, including the various stimulus packages, financing schemes and funding assistance are expected to provide the much needed financial and fiscal support to the economy. Vaccine driven improvements and external demand growth will contribute towards the recovery in economic activities. The Malaysian banking system is also underpinned by ample liquidity and healthy capital buffers.

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)

A25. Prospects for 2021 (continued)

The Bank continues to proactively provide repayment assistance through flexible repayment packages, including financing moratorium, to extend the much needed financial relief to customers during these difficult times. In line with the Economic Recovery Package ("PEMULIH") recently announced by the Government, the Bank is offering a six-month moratorium to all individuals and small and medium enterprises ("SMEs") / microenterprises affected by the pandemic while managing any potential stress in asset quality.

The Bank continues to operate efficiently, maintain prudence in management of credit risk and asset quality while preserving strong corporate governance and sound risk management practices.

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 and financing to SMEs.

The Bank will continue to adapt to the new normal business environment and intensify digitalisation efforts to provide greater convenience to customers. The Bank will continue 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 remain supportive of its corporate financing business by leveraging on its strong franchise and relationship with customers.

Amid heightened market uncertainties, the Bank's treasury operation will remain vigilant in its business approach and continues to maintain a prudent risk profile, while further strengthening its risk management capabilities to weather potential market stresses.

The Bank continues to ensure that it remains well-capitalised and well-funded 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 navigate through the challenges ahead.

For long term sustainability, the Bank will continue to enhance its service delivery standards and infrastructure leveraging on the advancement of technology, to provide seamless delivery of banking services across its multi-delivery channels.

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.

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)

A27. Segment Information

	<----- Operating Segments ----->						
2nd Quarter Ended 30 June 2021	Hire Purchase RM'000	Retail Operations RM'000	Corporate Banking RM'000	Treasury and Capital Market Operations RM'000	Head Office and Funding Center RM'000	Inter- segment Elimination RM'000	Total RM'000
External revenue	110,606	358,975	42,136	44,955	102,380	-	659,052
Revenue from other segments	8	90,224	127	29,447	25,979	(145,785)	-
	110,614	449,199	42,263	74,402	128,359	(145,785)	659,052
Net finance income	34,741	220,656	12,899	8,731	56,284	-	333,311
Other operating income / (loss)	226	13,910	(12)	10,855	16,369	-	41,348
Net income	34,967	234,566	12,887	19,586	72,653	-	374,659
Other operating expenses	(14,125)	(86,090)	(271)	(1,279)	(22,817)	-	(124,582)
Allowance for impairment on financing and advances	(32,295)	(52,213)	(9,098)	-	-	-	(93,606)
Allowance for impairment on other assets	-	(108)	-	(56)	(14)	-	(178)
(Loss) / Profit by segments	(11,453)	96,155	3,518	18,251	49,822	-	156,293

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)

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	
2nd Quarter Ended 30 June 2020 (Restated)							
External revenue	100,550	358,163	53,035	66,283	(52,871)	-	525,160
Revenue from other segments	48	136,848	132	39,245	26,881	(203,154)	-
	<u>100,598</u>	<u>495,011</u>	<u>53,167</u>	<u>105,528</u>	<u>(25,990)</u>	<u>(203,154)</u>	<u>525,160</u>
Net finance income / (expense)	23,676	187,997	14,124	10,846	(154,571)	-	82,072
Other operating income	327	10,762	376	24,640	29,847	-	65,952
Net income / (loss)	<u>24,003</u>	<u>198,759</u>	<u>14,500</u>	<u>35,486</u>	<u>(124,724)</u>	<u>-</u>	<u>148,024</u>
Other operating expenses	(14,569)	(77,782)	(478)	(1,184)	(22,744)	-	(116,757)
Allowance for impairment on financing and advances	(14,027)	(1,373)	(9,871)	-	-	-	(25,271)
Allowance for impairment on other assets	-	-	-	(14)	(158)	-	(172)
(Loss) / Profit by segments	<u>(4,593)</u>	<u>119,604</u>	<u>4,151</u>	<u>34,288</u>	<u>(147,626)</u>	<u>-</u>	<u>5,824</u>

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)

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	
Half Year Ended 30 June 2021							
External revenue	218,256	709,150	87,056	114,142	214,712	-	1,343,316
Revenue from other segments	8	184,594	147	56,424	46,138	(287,311)	-
	218,264	893,744	87,203	170,566	260,850	(287,311)	1,343,316
Net finance income	67,943	439,167	27,620	19,743	115,790	-	670,263
Other operating income	434	29,584	4	45,598	32,299	-	107,919
Net income	68,377	468,751	27,624	65,341	148,089	-	778,182
Other operating expenses	(26,121)	(170,498)	(1,655)	(2,823)	(49,923)	-	(251,020)
Allowance for impairment on financing and advances	(51,533)	(72,262)	(419)	-	-	-	(124,214)
Allowance for impairment on other assets	-	(203)	-	(61)	-	-	(264)
(Loss) / Profit by segments	(9,277)	225,788	25,550	62,457	98,166	-	402,684
Cost income ratio	38.2%	36.4%	6.0%	4.3%	33.7%	-	32.3%
Gross financing and advances	9,319,815	43,144,953	4,693,058	-	-	-	57,157,826
Financing growth	5.9%	5.6%	-6.0%	-	-	-	4.6%
Impaired financing and advances	50,689	111,056	1,529	-	-	-	163,274
Impaired financing ratio	0.54%	0.26%	0.03%	-	-	-	0.29%
Deposits from customers	-	55,845,912	3,829	7,294,697	-	-	63,144,438
Deposit growth	-	2.7%	-46.2%	-1.9%	-	-	2.1%
Segment assets	9,168,051	56,607,657	4,631,388	8,777,010	9,834,328	(16,823,680)	72,194,754
Reconciliation of segment assets to total assets:							
Investment in an associated company							67,500
Unallocated assets							212,112
Total assets							72,474,366

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)

A27. Segment Information (continued)

Half Year Ended 30 June 2020 (Restated)	<----- Operating Segments ----->						Total RM'000
	Hire Purchase RM'000	Retail Operations RM'000	Corporate Banking RM'000	Treasury and Capital Market Operations RM'000	Head Office and Funding Center RM'000	Inter- segment Elimination RM'000	
External revenue	205,743	759,901	112,168	128,537	37,418	-	1,243,767
Revenue from other segments	78	279,796	178	70,497	66,206	(416,755)	-
	205,821	1,039,697	112,346	199,034	103,624	(416,755)	1,243,767
Net finance income / (expense)	49,567	358,713	26,844	16,392	(124,764)	-	326,752
Other operating income	793	23,684	3,629	36,444	42,921	-	107,471
Net income / (loss)	50,360	382,397	30,473	52,836	(81,843)	-	434,223
Other operating expenses	(29,517)	(160,322)	(1,395)	(2,055)	(45,346)	-	(238,635)
Allowance for impairment on financing and advances	(17,535)	(9,314)	(10,449)	-	-	-	(37,298)
Writeback of allowance / (Allowance)							
for impairment on other assets	-	-	-	21	(170)	-	(149)
Profit / (Loss) by segments	3,308	212,761	18,629	50,802	(127,359)	-	158,141
Cost income ratio	58.6%	41.9%	4.6%	3.9%	-55.4%	-	55.0%
Gross financing and advances	7,953,440	38,087,467	5,365,840	-	-	-	51,406,747
Financing growth	-4.3%	4.1%	4.7%	-	-	-	2.7%
Impaired financing and advances	43,791	157,306	1,697	-	-	-	202,794
Impaired financing ratio	0.55%	0.41%	0.03%	-	-	-	0.39%
Deposits from customers	-	51,837,622	7,040	7,424,850	-	-	59,269,512
Deposit growth	-	-2.0%	-39.9%	15.1%	-	-	-0.2%
Segment assets	7,984,918	52,604,807	5,338,028	9,665,012	10,099,227	(16,714,136)	68,977,856
Reconciliation of segment assets to total assets:							
Investment in an associated company							45,000
Unallocated assets							1,245
Total assets							69,024,101

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)

A28. Capital Adequacy

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

	30 June 2021	31 December 2020 (Restated)
<u>Before deducting interim dividend *</u>		
Common Equity Tier I ("CET I") capital ratio	12.308%	12.176%
Tier I capital ratio	12.308%	12.176%
Total capital ratio	15.785%	15.751%
<u>After deducting interim dividend *</u>		
CET I capital ratio	12.308%	12.176%
Tier I capital ratio	12.308%	12.176%
Total capital ratio	15.785%	15.751%

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

	30 June 2021 RM'000	31 December 2020 RM'000 (Restated)
Components of CET I, Tier I and Tier II capital:		
<u>CET I capital / Tier I capital</u>		
Share capital	2,732,717	2,732,717
Other reserves	21,345	91,425
Retained profits	2,723,454	2,327,859
Less: Deferred tax assets, net	(27,518)	-
Less: Defined benefit pension fund assets	-	(24)
Less: Investment in an associated company deducted from CET I capital	(67,500)	(45,000)
Total CET I capital / Tier I capital	5,382,498	5,106,977
<u>Tier II capital</u>		
Stage 1 and Stage 2 expected credit loss allowances #	520,291	437,149
Qualifying regulatory reserves	-	62,309
Subordinated Sukuk Murabahah	1,000,000	1,000,000
Total Tier II capital	1,520,291	1,499,458
Total capital	6,902,789	6,606,435

Excludes expected credit loss allowances restricted from Tier II capital of the Bank of RM34,267,000 (31 December 2020 : Nil).

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)

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.

Prudential buffers and transitional arrangements

Prior to the COVID-19 pandemic, banking institutions are required to maintain a CCB of 2.5%. However, effective from 25 March 2020, banking institutions are allowed to drawdown the CCB of 2.5% to manage the impact of the COVID-19 pandemic but are required to rebuild this buffer after 31 December 2020 as well as to meet the minimum regulatory requirements by 30 September 2021. As at the reporting date, the Bank continued to maintain CCB of 2.5%.

As allowed under the BNM's Capital Adequacy Frameworks for Islamic Banks on Capital Components, financial institutions which elect to apply the transitional arrangements for regulatory capital treatment of accounting provisions are allowed to add back a portion of the Stage 1 and Stage 2 provisions for expected credit losses to CET I capital over a four-year period from financial year beginning 2020, or a three-year period from financial year beginning 2021. As at the reporting date, the Bank has not applied the said transitional arrangements.

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

	30 June 2021 RM'000	31 December 2020 RM'000
Credit risk	41,623,318	39,956,669
Market risk	10,683	120
Operational risk	2,096,424	1,986,509
	<u>43,730,425</u>	<u>41,943,298</u>

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)

A29. Commitments and Contingencies

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

	30 June 2021 RM'000	31 December 2020 RM'000
<u>Contingent Liabilities</u>		
Direct credit substitutes	37,408	33,408
Transaction-related contingent items	65,278	68,691
Short term self-liquidating trade-related contingencies	4,821	4,116
	<u>107,507</u>	<u>106,215</u>
<u>Commitments</u>		
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:		
- exceeding one year	7,323,001	6,408,715
- not exceeding one year	2,549,479	2,575,280
Unutilised credit card lines	192,984	156,502
	<u>10,065,464</u>	<u>9,140,497</u>
<u>Derivative Financial Instruments</u>		
Foreign exchange related contracts:		
- up to one year	-	7
Profit rate related contracts:		
- more than one year to five years	2,200,000	1,700,000
- more than five years	1,000,000	1,000,000
	<u>3,200,000</u>	<u>2,700,007</u>
	<u>13,372,971</u>	<u>11,946,719</u>

A30. Credit Exposures Arising From Credit Transactions With Connected Parties

	30 June 2021	31 December 2020
Outstanding credit exposures with connected parties (RM'000)	<u>459,533</u>	<u>499,390</u>
Percentage of outstanding credit exposures with connected parties as proportion of total credit exposures	<u>0.74%</u>	<u>0.84%</u>
Percentage of outstanding credit exposures with connected parties which is impaired or in default	<u>0.00%</u>	<u>0.00%</u>

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)

A31. 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.

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)

A31. Fair Value Measurements (continued)

Determination of Fair Value and Fair Value Hierarchy (continued)

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

30 June 2021	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				
- Government securities and treasury bills	-	31,494	-	31,494
Financial investments at fair value through other comprehensive income				
- Government securities and treasury bills	-	9,822,752	-	9,822,752
Derivative financial assets	-	5,864	-	5,864
Total financial assets measured at fair value	-	9,860,110	-	9,860,110
Financial liabilities				
Derivative financial liabilities	-	143,216	-	143,216
Total financial liabilities measured at fair value	-	143,216	-	143,216

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)

A31. 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 2020	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				
- Government securities and treasury bills	-	-	-	-
Financial investments at fair value through other comprehensive income				
- Government securities and treasury bills	-	9,717,771	-	9,717,771
Derivative financial assets	-	1,317	-	1,317
Total financial assets measured at fair value	-	9,719,088	-	9,719,088
Financial liabilities				
Derivative financial liabilities	-	196,035	-	196,035
Total financial liabilities measured at fair value	-	196,035	-	196,035

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the financial period / year (2020 : None).

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)

A32. Restatement of Comparatives

During the current financial period, the Bank has restated its comparatives in relation to the derecognition of certain financing income.

Certain financing documentations are currently being enhanced to ensure they are fully in accordance with Shariah-principles. The total gross financing as at 30 June 2021 which are pending documentation enhancements amounted to RM2.67 billion. On the grounds of prudence and good governance, pending the completion of the enhancement exercise, the financing income generated from these financing since their inception have been temporarily derecognised from the Bank's retained profits. The Bank has not recognised any financing income from these financing in its statement of profit or loss for the current period.

The enhancement exercise is administrative in nature and the derecognised financing income will be recognised upon satisfactory completion of the exercise.

The financial impact of the restatement on the Bank's financial statements is summarised below:

(i) Statement of financial position

	As at 31 December 2020		
	As previously stated RM'000	Restatement RM'000	As restated RM'000
LIABILITIES			
Other liabilities			
- Other payables and accruals	49,050	207,743	256,793
Deferred tax liabilities	104,135	(49,858)	54,277
EQUITY			
Retained profits	2,485,744	(157,885)	2,327,859

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)

A32. Restatement of Comparatives (continued)

The financial impact of the restatement on the Bank's financial statements is summarised below (continued):

(i) Statement of financial position (continued)

	As at 1 January 2020		
	As previously stated RM'000	Restatement RM'000	As restated RM'000
EQUITY			
Retained profits	1,944,889	(115,592)	1,829,297

(ii) Statement of profit or loss

	For the Financial Half Year Ended 30 June 2020		
	As previously stated RM'000	Restatement RM'000	As restated RM'000
Finance income on financing and advances derived from investment of:			
(a) Term deposits	667,190	(31,059)	636,131
(b) Other deposits	193,354	(9,001)	184,353
(c) Shareholder's funds	74,100	(3,449)	70,651
Profit before zakat and taxation	201,650	(43,509)	158,141
Taxation	(46,430)	10,442	(35,988)
Profit for the period	155,058	(33,067)	121,991

(iii) Statement of cash flows

	For the Financial Half Year Ended 30 June 2020		
	As previously stated RM'000	Restatement RM'000	As restated RM'000
Profit before zakat and taxation	201,650	(43,509)	158,141
Operating profit before working capital changes	171,753	(43,509)	128,244
Net changes in operating liabilities	(195,978)	43,509	(152,469)

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)

A32. Restatement of Comparatives (continued)

The financial impact of the restatement on the Bank's financial statements is summarised below (continued):

(iv) Capital adequacy

	As at 31 December 2020		
	As previously stated RM'000	Restatement RM'000	As restated RM'000
CET I capital	5,264,862	(157,885)	5,106,977
Tier I capital	5,264,862	(157,885)	5,106,977
Total capital	6,764,320	(157,885)	6,606,435
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Risk-weighted assets	41,943,298	-	41,943,298
<u>Before deducting interim dividend *</u>			
CET I capital ratio (%)	12.552%	-0.376%	12.176%
Tier I capital ratio (%)	12.552%	-0.376%	12.176%
Total capital ratio (%)	16.127%	-0.376%	15.751%
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<u>After deducting interim dividend *</u>			
CET I capital ratio (%)	12.552%	-0.376%	12.176%
Tier I capital ratio (%)	12.552%	-0.376%	12.176%
Total capital ratio (%)	16.127%	-0.376%	15.751%
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* Refer to interim dividend declared subsequent to the financial year end.