BIBD

Annual Report 2021











ACT NOW

DRIVING PROGRESS TOWARDS A SUSTAINABLE FUTURE, TOGETHER

















SUSTAINABLE DEVELOPMENT GOALS

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About Us

BIBD, Brunei's largest bank and flagship Islamic financial institution, was formed in 2005 through the merger of Islamic Bank of Brunei and Islamic Development Bank of Brunei. It is an internationally recognised financial institution governed by global best practices under the guidance of an experienced management team. BIBD is committed to meeting the needs of our customers from all walks of life through continuous service, product and technology innovations.

BIBD is a bank for the people of Brunei, built by the people of Brunei. Our ethos perfectly captures the essence of inclusiveness of Islamic banking. We provide smart, safe and practical financial services and solutions to our customers regardless of race or religion, ultimately supporting the ambitions of the Bruneian community. BIBD's long-standing record of intrinsically and genuinely understanding the aspirations and culture of Brunei Darussalam inspires and enables us to constantly innovate to offer solutions that best fit the needs of all our customers.

OUR VISION

Serving Brunei through Islamic Solutions as its leading financial institution

To be the benchmark Institution and Point of Reference through responsible Fusion of Islamic Values, Real Economy and Finance

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MISSION

To be the **Best Islamic Bank in Asia-Pacific**

VALUES



Integrity



Customer Focus



Unity of Purpose



Excellence

CHAPTER 01

Overview

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1.1 Bruneian at Heart

Corporate Profile

BIBD, Brunei Darussalam's largest bank and flagship Islamic financial institution, was formed in 2005 through the merger of Islamic Bank of Brunei and Islamic Development Bank of Brunei. It is an internationally recognised financial institution governed by global best practices under the guidance of the Board of Directors. BIBD is committed to meeting the needs of our customers from all walks of life through continuous service, product and technology innovations.

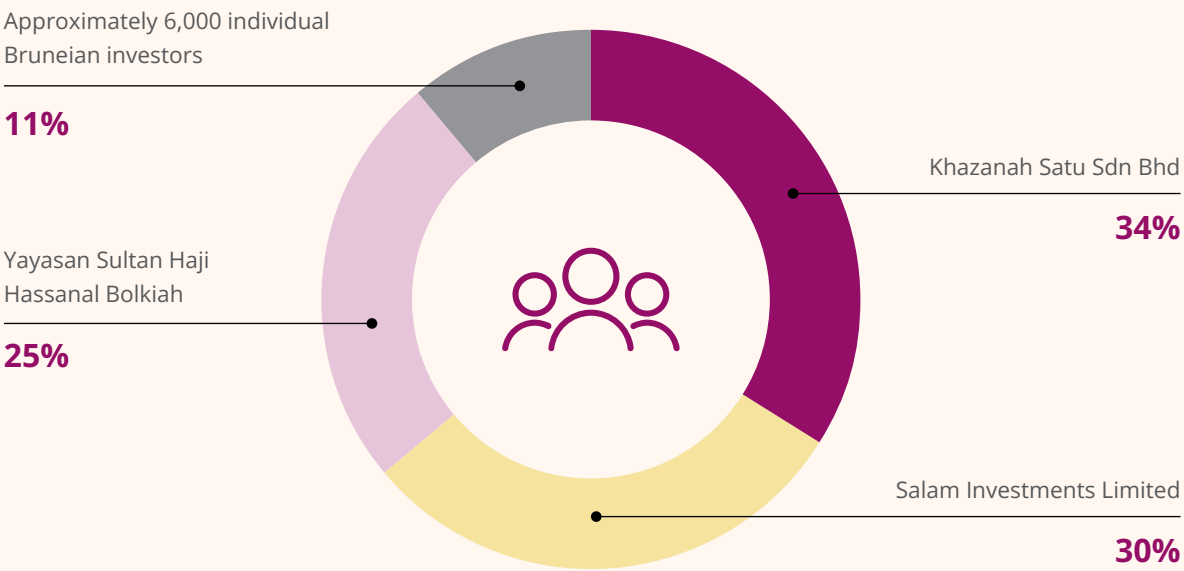
As Brunei's flagship Islamic bank and largest financial services provider, with more than 1000 employees and B$10.5 billion worth of assets under management, we proudly serve more than 245,000 customers. Our valued customers include retail, corporate as well as international clients.

Headquartered in Bandar Seri Begawan, we have eighteen branches at strategic locations in Brunei Darussalam's four districts and the largest network of ATMs in the country, serving over a quarter of the Bruneian population. Thanks to BIBD's presence across the country, we have the largest contact centre in Brunei Darussalam along with a digital mobile chat capability and offer our customers convenience through solutions such as internet and mobile banking.

BIBD is the only bank in Brunei Darussalam that serves all segments within the retail banking market. With a strong focus on innovation and excellence, we have been consistently recognised for our dedicated customer service and ability to deliver value to all our stakeholders. It is also through continuous hard work, effort and commitment from our people that we are able to provide seamless and innovative services to our customers and ensure that their banking experience with us is unique and best-in-class.

Since the commencement of our transformative journey, BIBD has made great strides in the development of its capabilities, which included upgrades in its overall service delivery and branch design that depict the Islamic visual canvas of Brunei Darussalam. This distinct identity sets BIBD apart from other financial institutions in Brunei Darussalam, while establishing a service benchmark that is truly "Bruneian at Heart". The amalgamation of all these efforts places BIBD in a stronger position to deliver on its aspirations and forge ahead in the local and international arena.

Shareholders





Bruneian at Heart

BIBD is a bank for Bruneians, built by the people of the nation. Our ethos perfectly captures the essence of inclusiveness of Islamic banking, as we go back to our roots of Maqasid Shariah as our foundation. We provide smart, safe and practical financial services and solutions to our customers regardless of race or religion, ultimately supporting the ambitions of the Bruneian community. BIBD's long-standing record of intrinsically and genuinely understanding the aspirations and culture of Brunei Darussalam inspires and enables us to constantly innovate to offer solutions that best fit the needs of all our customers.

Governance

BIBD is committed to sound corporate governance and is fully guided by the principles and regulations set forth by the Brunei Darussalam Central Bank (BDCB), Syariah Financial Supervisory Board (SFSB) and the Companies Act Chapter 39, the Bank has strong internal controls and risk management in line with internationally benchmarked standards, especially in financial, Shariah and risk practices.

Active Subsidiaries and Associates

BIBD At-Tamwil Berhad

A wholly-owned subsidiary, mainly handling the provision of Islamic hire-purchase facilities.

BIBD Securities Sdn Bhd

A wholly-owned subsidiary, offering Islamic wealth management products and brokerage services for local BIBD shares and foreign securities listed on the Kuala Lumpur and Singapore stock market.

BIBD (Middle East) Limited

A wholly-owned subsidiary of BIBD and is a Dubai Financial Services Authority (DFSA) regulated entity providing Islamic financial services which include arranging deals in investments; advising of financial products; arranging credit and advising on credit.

Syarikat Takaful Brunei Darussalam Sdn Bhd (Associate)

It provides General and Family Takaful services through its subsidiaries: Takaful Brunei Am Sdn Bhd and Takaful Brunei Keluarga Sdn Bhd.

1.2 Message from Our Chairman



Despite the challenges brought about by the pandemic, the BIBD Group remained robust and managed to record yet another solid financial year.

I would also like to underscore that this overall performance has been made possible through the implementation of well-aligned strategies by the whole BIBD team under the guidance and direction of our BIBD Board and Shariah Advisory Body

Yang Berhormat Dato Seri Setia Dr Awang Haji Mohd Amin Liew bin Abdullah
Chairman of the Board / Independent Director

Dear Valued Shareholders,

Bismillahir RahmanirRahim. Assalamualaikum Warahmatullahi Wabarakatuh.

Alhamdulillah, I am delighted to share the progress, achievements and initiatives undertaken by the Bank Islam Brunei Darussalam (BIBD) Group against the backdrop of a challenging year marked by the rampant COVID-19 pandemic.

On 7th August 2021, we saw the emergence of cases after a record of 457 days without a single locally transmitted case of COVID-19, which set off the second wave of the pandemic in the country. As the number of cases started to decline in early December 2021, the arrival of the Omicron variant sparked a new spike of cases that created the third wave just as the nation moved into the endemic phase. The nation reinstated several control measures when the second and third waves of COVID-19 hit Brunei just as the local economy was looking to recover. These restrictions and precautionary measures were implemented to minimise the spread of the virus but this, in turn, limited business activities in our country.

However, despite the challenges brought about by the pandemic, the BIBD Group remained robust and managed to record yet another solid financial year.

I would also like to underscore that this overall performance has been made possible through the implementation of well-aligned strategies by the whole BIBD team under the guidance and direction of our BIBD Board and Shariah Advisory Body.

Cushioned Economic Impact Amidst Global Health Crisis

At a time when global and regional economies were adversely affected by the COVID-19, the Brunei Government managed to minimise the full economic impact of the pandemic owing to well-coordinated strategies and solid policies.

The banking sector continued to maintain high capital buffers and liquidity while asset quality also improved with a decline in Net Non-Performing Loans/Financing ratio to 2 per cent.

This was similarly reflected in the Group's performance through its key businesses as profitability and total assets improved during the financial year in review.

In 2021, the Group posted revenue of $317 million with a net profit of $149 million while total assets went up to $10.6 billion.

The Group also delivered strong Return on Equity (ROE) to our shareholders at 11.6 per cent, enhancing returns and value to our shareholders.

BIBD Group stayed well above the 10 per cent for total capital adequacy ratio (CAR) as required in the Islamic Banking Order, 2008, allowing us to maintain a robust capital position in implementing our strategies.

Throughout the challenging year, we remained prudent in our business participation with heightened risk management to ensure stable growth.

Robust Financial Sector

Ever since control measures were reinstated during the second wave, businesses and the economy have had to face numerous challenges. Brunei's economy declined by 2.2 per cent y-o-y in the third quarter of 2021, as the nation grappled with the second outbreak of COVID-19.

The overall economic downturn came about from a slump in the oil and gas sector which declined by 5.3 per cent y-o-y during the period. However, the non-oil and gas sector showed resilience and continued to increase by 1 per cent during the third quarter of 2021 with the financial sector being among the major contributors of growth in the sector.

As of the third quarter of 2021, the Brunei Darussalam Darussalam Central Bank (BDCB) reported that the financial sector grew by 7.5 per cent y-o-y with a total asset value of $23.4 billion, of which $13.6 billion was made up of Islamic finance assets. The banking sector represented the largest share of the financial sector at 82.3 per cent.

The Government of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam remains committed to lessening its dependency on oil and gas by creating alternative income streams from other sectors to ensure that the country will be well prepared to face any future shock to the economy.

In Shaa Allah, BIBD will continue to play a vital role in supporting the government to achieve this economic diversification objective in the future as well as in supporting the nation's economic growth.

Supporting the Financial Sector Blueprint 2016 - 2025

BIBD has always endeavoured to fully support our regulator, the Brunei Darussalam Central Bank (BDCB) in achieving objectives set in the BDCB Financial Sector Blueprint 2016-2025 which among others, include the development of a supportive ecosystem for the financial sector in Brunei.

BIBD has succeeded in creating a comprehensive digital ecosystem that promotes financial inclusion and the E-Payment economy through our BIBD NEXGEN platform.

Through our partnership with the Ministry of Religious Affairs, BIBD customers were able to pay their zakat fitrah digitally through BIBD QuickPay. As a Partner in Progress, we are deeply invested in supporting the nation's drive towards becoming a Smart Nation, empowered by a digital economy. We are honoured to partner with the Ministry of Religious Affairs and are confident that this collaboration will serve as a great example to drive a cashless society.

Alhamdulillah, we are happy to witness an increase in digital transactions in recent times and In Shaa Allah, BIBD will continue to work towards strengthening our digital proposition to instill trust and market confidence towards the acceptance of digital payments in Brunei.

Our Response during the Second Wave

When the nation recorded the first local case of COVID-19 transmission after more than a year, the government swiftly reinstated control measures intended to curb the spread of the virus. BIBD also quickly adapted to these changes, with the activation of Business Continuity Plans which involved limited branch hours and reduced capacity at operating branches.

BIBD's commitment to digital also complemented the nation's efforts in curbing the spread of COVID-19. Through our Go! Campaign, we continued to advise our customers to Go Cashless and Go Digital by carrying out their banking transactions digitally. This campaign is aimed at reducing the number of customers at branches and encouraging them to fully enjoy the range of digital and cashless payment options available under BIBD NEXGEN.

As part of our continuous support to help alleviate the financial burden of individuals and businesses brought about by COVID-19, BIBD continued to extend the COVID-19 Relief Package. This year, BIBD took the initiative to extend our support to retail merchants, predominantly small and medium enterprises, whose businesses have been impacted by COVID-19 through the temporary lowering of Merchant Discount Rate (MDR).

To manage capacity and reduce the risks of overcrowding, BIBD introduced an innovative way for customers to set up an appointment digitally by using the QueUP app. This allows customers to book their appointment in advance and minimise waiting time to further curb the spread of the COVID-19 virus and adhere to the Ministry of Health's control measures. At the same time, this also reflected our support for local start-ups.

Noting that concerted efforts are required to ensure the whole nation can successfully battle the pandemic outbreak, BIBD helped raise public awareness on the importance of being socially responsible by promoting public information on COVID-19 preventive measures through various channels.

This is part of BIBD's role as a Partner in Progress, and in line with our strong commitment and dedication to supporting the UN SDG Goal 3, of ensuring the good health and well-being of the global population by among others, ending epidemics and other communicable diseases such as COVID-19.

Helping Businesses Build Back Stronger and Sustainably

Small and medium businesses are the backbone of the local economy and COVID-19 has presented them with numerous challenges making it difficult for some to stay afloat. With this in mind, BIBD unveiled its revamped and refreshed SME360 as part of efforts to serve the local business community better. This is to be achieved through the implementation plan of a microsite, a 10-part series of industry-specific talks and networking forums, and a three-month community engagement program talking more in-depth on sustainability, and involving community groups of all ages. The series will provide both new and seasoned entrepreneurs with knowledge, resources, and an extensive support network to help them make 2022 a successful year.

Under the SME360 Series, the '90 Days of Community' programme aimed to instill a spirit of entrepreneurship, highlight local creative businesses as well as provide an opportunity for inspiring creative entrepreneurs to reach the younger audience through a series of workshops and events. The first such workshop, The Kasturi Stand, was carried out by Community for Brunei (CFB) and involved "kidpreneurs"

experiencing a fun yet meaningful introduction to innovation and entrepreneurship. It gave young budding entrepreneurs the support they need to help them realise their dreams of owning a business and make entrepreneurship a career choice in the future. This brings inclusivity to our programs and keeps ourselves aligned to SDG 10 in equipping future generations with an important skill that can contribute to Vision 2035.

We remain committed to exploring more strategies that will further support our business community during the pandemic to ensure they can recover sustainably and significantly contribute to the economic growth of Brunei in the long run.

Sustainability and Digital Transformation on the Regional Agenda

This year marked a momentous occasion for Brunei Darussalam as the nation chaired the 38th and 39th ASEAN Summits and Related Summits. Carrying the theme "We Care, We Prepare, We Prosper", the summit brought together ASEAN Member States and Dialogue Partners to focus on harnessing the caring nature of people in the region, preparing ASEAN for a post-pandemic future, and enabling sustainable economic prosperity in a region that is home to approximately 660 million people.

The ASEAN Business and Investment Summit 2021 is a highlight of Brunei Darussalam's Chairmanship of ASEAN 2021 and was a unique and valuable opportunity for governments and the private sector to discuss new ideas, share experiences and forge greater partnerships towards a common goal of Building our Sustainable Digital Future. This year's theme, "Building Our Sustainable Digital Future" touched on how both governments and the business community can come together to build back better and recover stronger together.

BIBD was indeed humbled to be Co-Lead Sponsor for the Summit, Business Roundtables, and ASEAN Business Awards, as one of the key players supporting the government in achieving Brunei Vision 2035, in line with the Bank's role as a Partner in Progress for the nation and advancing the nation's objectives in achieving the UN SDG and the Net Zero 2050 commitment.

This year, BIBD also played host to the 11th Executive Board Meeting of the China-ASEAN Interbank Association (CAIBA) and the ASEAN Plus Three Interbank Cooperation Mechanism (APITIBCM). The meeting, which was convened virtually, carries the theme "Empowering the Future with Sustainability & Digitalisation", with representatives from leading financial institutions from ASEAN Member Countries as well as the People's Republic of China, Japan, and the Republic of Korea.

The theme echoes that of the 2021 ASEAN Summit, as the pandemic accelerates a paradigm shift in the global economy, with a particular focus on digital transformation and more conversation around sustainability. It reflects the growing awareness of the role that banks and financial institutions have in promoting wholesome practices that benefit not just the corporations but also the community. This is also in line with the Bank's support for the nation as a Partner in Progress, and a commitment to lead the way towards a future that is more equitable and sustainable, not just in Brunei Darussalam but in the wider ASEAN and Asia-Pacific region.

A Commitment to Sustainability

One of the key highlights of BIBD's involvement in the ASEAN Business and Investment Summit was the announcement of the BIBD Sustainability Framework (SF). The SF is strongly aligned with the Maqasid Shariah and the 17 United Nations Sustainable Development Goals (UN SDGs). Supporting these principles is deeply intertwined with our 'Bruneian at Heart' DNA that aims to preserve the well-being of our people and society, and underscores the importance of our alignment towards the realization on Vision 2035 for Brunei. This framework marks the Bank's clear commitment to sustainability and will be adopted into BIBD's overall business strategy through 3 pillars, namely Environmental Protection, Responsible Entrepreneurship, and Inclusive Social Impact.

To that end, BIBD also announced a target commitment of B$2 billion towards sustainability funding by 2030. Through this target commitment, BIBD seeks to take the lead on business practices and activities in the domestic market by promoting stewardship among Brunei corporates, supported by digitalisation, sustainability funding, community education, and social inclusion.

As Brunei Darussalam is also a signatory to the UN 2030 Agenda, it is hoped that BIBD will be able to play a pivotal role, in supporting the nation's sustainability drive, in line with our role as a Partner in Progress. The Bank is already working with key stakeholders such as the Brunei National Climate Change Council (BNCCC) through the Brunei Climate Change Secretariat (BCCS) as well as the Brunei Vision 2035

Secretariat under the Prime Minister's Office as part of a Whole of Nation approach.

Embedding Sustainability into Our Business

In late 2021, we saw the launch of a new Shariah-compliant ESG funds by BIBD Securities, expanding our already diverse offerings whilst also supporting BDCB's national goal of improving financial literacy in the country.

The ESG fund, launched in partnership with global asset management firm Arabesque, is the first Shariah-compliant ESG Fund available in Brunei which provides a solution for investors that seek a Shariah-compliant and sustainable strategy.

The launch of the ESG fund is one of the many initiatives that the BIBD group embarked on as part of the Group's Sustainability Framework, aiming to support a wider commitment to sustainability which will be adopted into an overall business strategy that emphasises Environmental Protection, Responsible Entrepreneurship, and Inclusive Social Impact.

BIBD Asset Management, which operates under the license of BIBDS, also became the first financial institution in Brunei Darussalam to be recognised as a signatory to the United Nations Principles of Responsible Investing (UN PRI). The UN PRI is a UN-supported international organisation that works to promote the incorporation of environmental, social, and corporate governance (ESG) factors into investment decision-making.

The initiative is part of the BIBD Group's commitment under the SF to support the UN Sustainable Development Goals (UN SDGs), as we engage societies and the financial system to grow in a more valuable and sustainable way.

In Shaa Allah, by embedding sustainability into our business, we can become a sustainable financial institution for the future that will empower the nation in its recovery from COVID-19 and beyond.

Partnership for the Goals

Through a Whole of Nation Approach, the Government of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam has continuously engaged with BIBD to collaborate in various initiatives. BIBD, as a Partner in Progress for its stakeholders, has also consistently been supporting key and significant initiatives of His Majesty's Government to towards achieving the Brunei Wawasan or Vision 2035 and Digital Economy Masterplan 2025.

We showcased our Sustainability initiatives to His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam during a Get-Together ceremony in conjunction with His Majesty's birthday celebrations.

An example of BIBD's continuous collaborative efforts is the 1 Kampong 1 Produk Transformation Programme, a collaboration between BIBD and the Ministry of Home Affairs that supports more than 20 micro-entrepreneurs annually. These entrepreneurs went through an entrepreneurship empowerment development programme that aimed at transforming their branding and packaging, while also improving their marketability and digital transactions adoption. For roughly 50% of the participants, their annual revenue after joining the programme increased more than 10 times. This is part of the Bank's efforts to encourage entrepreneurship, self-sufficiency and financial independence while extending support for cottage industries and providing them a means of developing into viable sources of income.

Similarly, through a collaboration between the Bank and the Ministry of Religious Affairs, we extended support for the Mualafpreneurs Consortium. This is a grouping of Islamic reverts with the aim of generating income and assisting them to be self-sufficient. Through attending the Programme, they have been taught how to manage their micro-enterprises and to use digital payment platforms for their business transactions. Since the launch of the programme for the first cohort in 2019, the number of Mualafpreneurs has increased from 6 to 113 businesses.

In support of UN SDG 17, the Bank has also partnered with several other government agencies to raise awareness on, and spearhead initiatives aimed at supporting the SDG.

BIBD also supported the Department of Environment, Parks and Recreation in their monthly beach clean-up activities; over 180 BIBD staff participated in 2 sessions at different beaches in June and July 2021. This is part of the call for awareness for responsible consumption and to protect life underwater in line with the SDG 12, SDG 14 and SDG15 respectively. These sessions were unfortunately postponed due to the onset of the 2nd wave of COVID-19 infections in the country but are hoped to resume once conditions permit. With the large young population in the country, we hope this awareness and engagement will lead to a more responsible living in their lifestyle and choices of consumption.

Empowering Human Assets: Building Leaders of Tomorrow

As we fully embrace automation and digital innovation in the pandemic era, we cannot emphasise enough the pivotal role of the heart of BIBD, which is our people. Recognising our people as our most valuable assets, we are committed to investing in human capital development programmes that build and strengthen capabilities in line with our near and long-term endeavours.

Our Graduate Management Training (GMT) programme had been recognised as among the region's best at the inaugural Employee Experience Awards 2021 – a distinguished platform that rewards high profile HR teams and business individuals across Asia. This recognition reflects the quality of our programme in producing and nurturing talents who will eventually become the future leaders of our organisation and contribute to Brunei's nation-building initiative.

Despite the COVID-19 pandemic, BIBD continued to invest in the development of young leaders in Brunei as we believe that the younger generation will have the capability to develop and transform the country as we work towards achieving Brunei Vision 2035.

The BIBD Youth Empowerment Summit (BIBD YES!) 2021, convened virtually, picked up on the momentum of the previous summit and saw the participation of over 965 youth consisting of students from 66 registered institutions including 20 international participants. The summit provided a meaningful platform for the young people of Brunei to learn from outstanding role models, both locally and abroad, empowering them with knowledge to champion in areas of sustainability, equip them with life-skills on how to manage adversities, how to advocate change and also how to communicate with empathy, openness and kindness.

Alhamdulillah, we are proud to be an organisation that continues to provide opportunities and develop capabilities for the country's human capital and we remain committed to do all we can to support His Majesty's government in creating a pool of highly-talented workforce in Brunei – in line with the Brunei Vision 2035.

Serving the Community: Through Thick and Thin

Contributing to community development remained as one of our top priorities in 2021. As a Partner in Progress for a Sustainable Future, BIBD continued to initiate and maintain several Corporate Social Responsibility (CSR) programmes that focus on continuous and long-term support of our corporate sustainability agenda.

Our mainstay CSR programme, the BIBD ALAF continues to grow and has become a catalyst for the success of many underprivileged students. The programme directly contributes to United Nations Sustainable Development Goals (UN SDG) 2030, specifically Goal No.4 – to ensure inclusive and equitable quality education while promoting lifelong learning opportunities for all.

The BIBD ALAF programme strives to provide education and learning, the essentials of individual growth and key indicators of national development to less fortunate children in Brunei Darussalam to ensure opportunities for success remain abundant for the underprivileged.

In February 2021, we awarded the BIBD ALAF scholarships to 19 students, taking the total number of recipients supported by the programme to 243 students across Primary, Secondary and Tertiary institutions both locally and abroad.

As the second wave of COVID-19 hit Brunei, schools were moved online with students attending classes from home and BIBD supplied online learning equipment in the form of laptops, sim cards, tablets and portable wifi to students sitting for major and non-major examinations.

In Shaa Allah, we look forward to strengthening our long-standing collaboration with existing stakeholders such as the Ministry of Religious Affairs (MoRA) and the Ministry of Education (MoE) as well as local corporates and members of the public whilst exploring opportunities to establish new cooperation with other interested public or private organisations.

Another CSR initiative that has turned into a flagship corporate sustainability driver for BIBD, 'Community for Brunei' (CFB) also continues to grow steadily and is making its mark in the region. In 2021, CFB revamped its platform and introduced new features such as digital donation and volunteerism. This newly refreshed platform was presented to His Majesty Sultan Haji Hassanal Bolkiah Mui'izzaddin Waddaulah, the Sultan and Yang Di-Pertuan of Brunei Darussalam, during the National Youth Day celebration in August 2021.

I am also pleased to share that CFB won the Brunei Special Award at the ASEAN Business Awards 2021 and was named Emerging Social Enterprise. The exclusive Brunei Special Awards aims to give recognition to deserving ASEAN registered and based NGOs that have notably

played a significant role in promoting and driving social, environmental and community development at both national and regional levels.

All these undertakings signify BIBD's commitment towards nation-building, not only as a financial institution but also as a responsible corporate citizen contributing towards the success of Brunei and truly serving its community with our foundations of being an organisation that is a 'Bruneian at Heart'.

Raising Standards Towards Becoming Region's Best

Over the past year, despite the COVID-19 pandemic, BIBD has only gone from strength to strength as we fortified our position as a market leader in Brunei and kept elevating our standards in our mission to become the Best Islamic Bank in Asia-Pacific.

S&P Global affirmed its A- rating on BIBD yet again in 2021, a rating which we have maintained since 2015 and reflected BIBD's track record and robust capitalisation while also acknowledging our prudent capital management.

The Group also secured several major accolades which included among others, 'Bank of the Year 2021' by The Banker for the second year running – an award widely regarded as the gold standard for banking excellence.

BIBD was again named by The Asian Banker as Best Retail Bank in Brunei, retaining the title for nine consecutive years, as well as Strongest Bank by Balance Sheet, while Global Finance Magazine also named BIBD the Safest Bank in Brunei.

Receiving these recognitions from our peers and independent renowned financial industry players reflects our strong compliance to sound business practices and prudent management style whilst inspiring us to work harder, to move closer to our goal of becoming the Best Islamic Bank in Asia-Pacific.

Transformation into a world-class Islamic financial institution

The management agreement between Fajr Capital and BIBD concluded on November 30, 2021, marking a new era that sees the transformation of BIBD from a financially sound and stable bank into the flagship financial services institution in the country.

One of Fajr Capital's milestone achievements includes nurturing local talent and successfully strengthening and enabling BIBD's management team through a progressive transition of the senior leadership to the local team.

The bank underwent a strategic transformation that resulted in strong profitable growth during Fajr Capital's investment and had BIBD establishing itself as a world-class Islamic financial services institution. Key milestones during the period included the implementation of a new corporate strategy that enabled BIBD to secure a strong credit rating of A- from S&P Global and a Technological transformation that provided the bank with the ability to scale digitally, introduce new products and improve customer satisfaction.

On behalf of the Board and the BIBD Group, I would like to take this opportunity to thank Fajr Capital Ltd for their support and contribution in BIBD's progression into the world-class institution it has become today.

In Appreciation

The road ahead will be marked with obstacles and challenges but with our concerted hard work, determination, and team spirit, we will continue to ensure that the BIBD Group stands firm as an institution that will continue to achieve further success and accomplishments in the coming years.

I would like to record my gratitude to fellow Board Directors for their strong support and strategic counsel. The Board and I would like to record our appreciation to Mr. Mubashar Khokhar, who completed his tenure as Managing Director and CEO on November 30, 2021, for his leadership, dedication and contribution in taking BIBD to new heights of success during his time at BIBD.

At the same time, we would like to congratulate Hjh Noraini binti Hj Sulaiman on her appointment as Acting Managing Director and CEO of BIBD. We look forward to scaling greater heights with her at the helm of BIBD's journey ahead, In Shaa Allah.

The Board joins me in thanking the employees of BIBD who had performed their roles with dedication and a high level of competence to deliver exceptional service and experience to our customers. With the guidance of a strong management team and the dedication and team camaraderie of our employees, In Shaa Allah, we believe we can face and overcome challenges in delivering results to our shareholders.

My gratitude and appreciation also go to the Government of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam, the Ministry of Finance and Economy, shareholders and our highly adept regulators for their continued support and guidance.

We recognise our responsibility as the leading bank to serve the interests of Brunei Darussalam and therefore remain committed to the vision of driving BIBD as the preferred choice of our customers. As the nation's 'Partner in Progress for a Sustainable Future' we will intensify our efforts in the coming year to support the Government of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam and contribute towards creating a sustainable economy that will benefit our customers, shareholders, community, and the country.

Wabillahi Taufik Walhidayah Wassalamu 'Alaikum Warahmatullah Hi Wabarakatuh

Yang Berhormat Dato Seri Setia
Dr Awang Haji Mohd Amin Liew bin Abdullah
Minister at the Prime Minister's Office and
Minister of Finance and Economy II,
Chairman of the Board of Directors
Bank Islam Brunei Darussalam & its Group of Companies

1.3 Reflections from Our Acting Managing Director



"Secure governance and risk management policies are main contributors to ensure the substantial results of returns to our customers and stakeholders while, strengthening the quality of our current assets."

Hajah Noraini binti Haji Sulaiman
Acting Managing Director and CEO
Bank Islam Brunei Darussalam

Dear Respected Shareholders,

Bismillah HirRahman NirRaheem. Assalamualaikum Warahmatullahi Wabarakatuh.

Alhamdulilah, I am honoured to deliver my first message to you as the Acting Managing Director and CEO of BIBD and presenting the Group's performance for the financial year 2021.

Firstly, I would like to express my appreciation to the BIBD Group Board of Directors and the BIBD Shariah Advisory Body for entrusting me with the responsibility to lead this prestigious institution and elevate BIBD further as a national brand that will be well-respected regionally and globally, Insha Allah.

Sustained Growth Amidst Challenging Year

2021 began optimistically, as the nation continued to record a long streak of zero COVID-19 cases. We had hoped that 2021 would be a year of recovery, after the nation grappled with the impact of the first wave of COVID-19 back in 2020.

However, the second wave of the pandemic hit Brunei, once again posting unprecedented challenges not only to BIBD but the Sultanate as a whole.

Alhamdulillah, as an institution that is built on the foundation of a robust risk management and pragmatic business practices, I am pleased to report another remarkable year for BIBD and its group of companies, not just in our business but also in our overall contribution to Brunei Darussalam.

Prudent financing and impairments, brought about by the impact of Covid-19 in the previous year, has resulted in higher overall net profits at B$149 million – a 9.7 percent increase from the previous year.

A main focus of the Group's strategy in 2021 was to encourage growth in deposits. The bank registered total deposits of B$8.9 billion.

The increase in deposits also improved our Group's total assets, which achieved a strong figure of B$10.6 billion, a nine per cent increase measured against our previous recorded result of $9.7 Billion in 2020.

The group's return on assets remained high at 1.4 per cent in 2021, highlighting the strategic foundations placed upon our performance in securing targeted results annually.

BIBD has showcased strong capital strength and maintained capital adequacy ratio of well above the minimum regulatory requirement set by the Sultanate's central bank, the Brunei Darussalam Central Bank (BDCB).

Amidst the outbreak of COVID-19, in August 2021, the Bank, guided by our Board, made the conscious decision to pay out dividends amounting to 17.4 cents per share, equivalent to B$126 million to our shareholders which includes over 6000 individual shareholders. While the high pay-out ratio reduced our capital ratio slightly by 0.5% to 19.8%, this was done as a means of aiding the economy during a particularly challenging time and more importantly, putting liquidity into the hands of our shareholders.

Secure governance and risk management policies are main contributors to ensure the substantial results of returns to our customers and stakeholders while, strengthening the quality of our current assets.

Moreover, our immediate strategy during the pandemic was to remain prudent in our business undertakings which allowed us to remain profitable and stable. On top of that, we also committed in giving back to the community, enriching further our corporate sustainability role, and helping the nation during challenging times.

COVID-19 Tactical Strategy: To Anchor, Sustain and Protect

Alhamdulillah, throughout the first and second waves of the pandemic, the BIBD Group was equipped with efficient contingency plans which enabled us to stay productive and manage the situation. BIBD made a tactical strategic decision to Anchor, Sustain and Protect during the COVID-19 outbreak. In particular, the COVID Tactical Strategy focused on maintaining stability and financial health while also supporting the society through a 'Whole of Nation' approach to COVID management.

Following the outbreak of the second wave of COVID-19, BIBD called upon the lessons learned from the first wave and implemented several measures to counteract and reduce the risks of further spreading the virus within the organisation and our community.

Essential staff were positioned at the BCP site in Mentiri as well as our Headquarters, to ensure that business remains on-going while still assuring our staff's safety. The Bank swiftly reduced our operating branches and limited banking hours as part of our efforts to support the government and reducing the risk of infection among our staff and customers. Two dedicated Emergency Help Desk lines were introduced to support our staff who may have had any queries and concerns during an incredibly uncertain and dynamic time.

During the second wave, 76% of staff were working from home and 23% of essential workers comprising of frontliners and support functions working on-site. By December 2021, however, with the beginning of de-escalation and the start of the early endemic phase, 64% of staff had returned to work on-site, while those who were considered vulnerable and high risk continued to work from home. This aligns closely with the requirements as set by the His Majesty's Government.

This shift of confidence underscored the Bank's commitment and efforts to provide assurance that staff will have a safe place upon their return. As part of our governance and added assurance, Antigen Rapid Kit (ART) testing was made compulsory prior to entering any of the Bank's premises with strict Standard Operating Procedures (SOP) on mask-wearing and social distancing put in place.

As an added layer of protection, and heeding the advice of the Ministry of Health, BIBD continued to encourage all our staff to get vaccinated against COVID-19. I am pleased to share that, as of the end of 2021, 99.82% of our staff have been fully vaccinated, with more continuing to get their booster shots when they become eligible.

Alhamdulillah, despite the challenges of the second wave, with everyone's hard work, cooperation and understanding, BIBD was able to anchor our operations with aligned efforts to continue our business without disruption.

Spearheading our Sustainability Agenda

As an Islamic financial institution, BIBD has always been guided by the Maqasid Shariah, which speaks to the preservation of life, progeny, wealth, intellect and faith. Our commitment to equity and sustainability has always intrinsically been part of our DNA and deeply intertwined with our Bruneian at Heart values. Both our business practices, and our CSR initiatives, have been a conscious effort to support the Government of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam to achieve Brunei Vision 2035 and beyond. From a macro perspective, our initiatives have also been aligned with a wider set of sustainability principles, namely the United Nations Sustainable Development Goals (SDGs), of which Brunei is a signatory to, and this shall form our corporate sustainability roadmap going forward.

In October 2021, the Group marked our clear focus and strategic commitment to these values through the BIBD Sustainability Framework. The framework reflects our commitment to be a catalyst of change for the nation by being a responsible organisation that strives to create a better and greener world for everyone and aspire to bring peers and other industries to collectively work towards Brunei's commitment towards Net Zero by 2050.

Moving forward, the Group, guided by the Sustainability Transformation Group (TG) which comprises of selected members of the Leadership Forum, will seek to find ways to integrate sustainability principles into the BIBD's overall business strategy through three pillars, namely Environmental Protection, Responsible Entrepreneurship and Inclusive Social Impact.

With BIBD Securities (BIBDS) introducing the first-of-its-kind Environmental, Sustainability and Governance (ESG) fund to the market, and BIBD Asset Management becoming the first financial institution to be added as a signatory to the United Nations Principles of Responsible Investing (UN PRI), these marked the first of many undertakings that the BIBD Group's would take towards a more sustainable future for the nation and beyond.

However, even prior to the announcement of the Sustainability Framework, the Bank was already actively supporting the Government in raising awareness on, and spearheading initiatives aimed at supporting the SDGs.

During the month of Ramadhan, BIBD partnered with the Ministry of Culture Youth and Sports and the Ministry of Home Affairs to distribute over 1,500 pieces of reusable shopping bags at outdoor markets in the capital, launching the "Plastic Free Brunei" initiative.

BIBD also supported the Department of Environment, Parks and Recreation in their monthly beach clean-up activities; over 180 BIBD staff participated in 2 sessions at different beaches in June and July 2021. This is part of the call for awareness for responsible consumption and to protect life under water in line with the SDG 12 and SDG 14, respectively. With the large young population in the country, we hope this awareness and engagement will lead to more responsible living and more conscious choices of consumption.

Showing Resilience during a Challenging Year

Alhamdulillah, through the concerted efforts of the management and staff, the BIBD Group remained resilient amidst a challenging year, and was able to adapt to the uncertain times, staying true to our commitment to continue serving our customers.

Meanwhile our Retail Banking Group (RBG) carried out several campaigns combined with other promotions offering attractive discounts in appreciation of our customers' continuous support and also as a way of bolstering the local retail industry.

BIBD Impian, launched at the start of the year, offered to fulfil customers' dreams by awarding a brand new semi-detached house. Meanwhile, we also launched the fourth installment of BIBD Aspirasi, which provides rewards of up to $250,000 as a way to encourage the public to save in line with our goals of increasing financial literacy.

Our Corporate Banking Group (CBG) launched a refreshed SME360 brand repositioning through the SME360 Series. The SME360 Series is part of the Bank's value-add for their corporate ecosystem, providing community engagement activities for micro enterprises, the SME360 Series virtual forums and a new microsite to function as a Startup Toolkit and Knowledge Hub that provides information, directories and guides on how to navigate towards setting up and sustaining a business in Brunei.

BIBDS business also marked a significant growth in both retail and institutional segments. This strong increase in asset under management indicates a growing awareness of the importance of investing as well as increasing market demand for Shariah-compliant investment solutions.

Meanwhile, Treasury and Global Markets (TGM) saw a substantial increase in the volume of unfunded transactions, simultaneously, increasing revenue stream from this line of business, whilst the structured product portfolio continued in its stride to diversify exposures to new markets which previously have not been ventured into.

As part of our commitment to service excellence and an unparalled customer experience, the Bank undertook a series of on-going quality reviews of our ISO9001:2015 to enhance overall service performance, with a re-certification audit scheduled for 2022.

As part of BIBD's aspiration to be world-class institution and the leading Islamic bank in the Asia-Pacific, BIBD conducted a brand reputation study which benchmarks us to major brands beyond just local banks, including other large organizations. The study also included attributes to reflect the bank's focus on customer experience, digitalisation and plans to become a leading Islamic bank in the region.

Alhamduillah, I am pleased to share that, in comparison to major local brands in Brunei, BIBD came first as the "Brand that I trust most" and "Brand I like the most". In comparison against local banks and major local brands of different industries (eg. airlines, supermarket, telcos) in the country, BIBD comes as a leader for "Provides a great customer experience", a testament to the resilience and dedication of our people in always putting our customers first, despite challenging circumstances.

Supporting the Community

BIBD has always maintained a structured approach to our CSR programmes with a view to sustaining these initiatives for the long-run, rather than as a one-off involvement. As part of the COVID Tactical Strategy, I am pleased to share that more funding was allocated to these initiatives, rather than scaling back, to ensure that those who need help are prioritised during their times of need, especially given the outbreak of COVID-19.

BIBD awarded 19 new students with BIBD ALAF scholarships as part of the programme's 8th intake, continuing the bank's commitment as a Partner in Progress through our holistic and comprehensive educational support programme. We continued to encourage excellence among our ALAF students; a total of 53 students who achieved excellent results in 2020 academic year were celebrated at the BIBD ALAF Star Awards presentation ceremony. The ALAF programme currently supports 243 students, and In Shaa Allah, we will continue to provide an avenue for exceptional but underprivileged students in the coming year.

BIBD ALAF is also aligned with our commitment to support the UN SDG 4, which is to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Community for Brunei (CFB) continues to mature and grow, with a refreshed platform that facilitates volunteerism and fund-raising for NGO's combined with the increasing number of micro enterprises that are onboarded onto the virtual marketplace.

During the COVID-19 outbreak, CFB platform was able to collect over B$52,000 in donations for registered NGOs, which was channeled towards extending support to medical frontliners and those impacted by the second wave. The NGOs using the platform raised donations from the public for their respective causes using the platform, truly enabling and empowering the NGOs with a platform that serves the community, for the community. CFB also carried out the #keepbruneicovidsafe vaccination awareness campaign, to

encourage vaccinations and address any misinformation that may cause people to have vaccine reservations and assist the Ministry of Health to get the population vaccinated as a means to ensure that the country is sufficiently protected against COVID-19.

Through BIBD SEED, our enterprise angle for the underprivileged segment, 10 successful female entrepreneurs graduated from the bank's programme, which began in August 2020. The 3rd cohort was the first series that had included the creative industries as part of the programme, with 4 entrepreneurs establishing businesses in fashion design and make-up artistry, while the remaining 6 entrepreneurs pursued their passions in the F&B industry.

Boosting Strategic Alliances with Key Stakeholders

BIBD realises that overall success of all future undertakings as well as in helping realise Brunei Vision 2035 can only be achieved through close cooperation and strategic alliance with the government, corporate and private sectors.

Among the initiatives that have have been carried out in collaboration with the Ministry of Home Affairs (MOHA), is the One Village One Product (1K1P) transformation programme. With the support of BIBD, more than 20 entrepreneurs from the first group successfully registered business and opened their business account. Additionally, BIBD also collaborated on the Souq Sahur held at BIBD Connect in the capital during the month of Ramadhan, which featured micro enterprises from CFB as well as 1K1P. The Bank also supported the Ministry's efforts in greening the capital by participating in a tree planting activity.

In showing our appreciation and gratitude for the continued support from its Partners in Progress, BIBD held the first Silaturahim Golf Invitational for our strategic partners. Around 70 golfers participated in the golf tournament consisting of senior government officials and executives from government-linked companies and strategic shareholders.

BIBD also collaborated with the government and private entities in providing food aids and Personal Protective Equipment (PPE) to display national solidarity and support to frontliners and underprivileged families as Brunei continued its battle against COVID-19. Additionally, BIBD also collaborated with the Health Promotion Centre (HPC) under the Ministry of Health, to promote and raise awareness about mental health among the people of Brunei amidst the local COVID-19 situation.

We also have worked strategically with DARe to bring added value for our SME360 and existing CSR programs. For our SME360 Series, we worked closely with DARe to leverage on their expertise and knowledge of the local SME sector to bring in relevant business groups and sectors, various Chambers of Commerce and entrepeneurs associations as well as major players from the Food & Beverage, Retail, Fitness and Real Estate sectors, among others.

Through BIBD SEED, the Bank collaborated with DARe on entrepreneurship bootcamp training for the participants, while BIBD Catalyst participants were able to go through a version of DARe's industry-proven Accelerate programme. Through our partnership with DARe, the Catalyst participants were also able to export their products to the Dubai Expo 2020 to introduce their products on a world stage and represent the most promising of Brunei's local enterprises.
Through the BIBD Youth Empowerment Summit (BIBD YES!) 2021, we were also fortunate to be able to work with the Ministry of Education's CentrE For The Development of Gifted and Talented Education (EDGE) Program, whose goals align very closely to ours, and that is to monitor and develop students who are identified as gifted and talented in Brunei Darussalam.

With Sustainability strong on our agenda, BIBD through the Sustainability TG has worked very closely with the Brunei Climate Change Secretariat (BCCS) and the Brunei National Climate Change Council to help BIBD discover areas of opportunities to support the nation's Climate Change agenda. We also worked with NGOs and aims to further elevate the cooperation and collaboration to ensure they have a platform to amplify their causes that aligns with the national agenda, In Shaa Allah.

At BIBD, we have always known that collaboration and partnerships with key strategic stakeholders is the best way to bring about positive impact. I would like to take this opportunity to thank our partners in both the private and public sector who are aligned and committed to supporting Brunei Vision 2035. By taking this Whole of Nation approach, our hope is that we can all play a small part in bringing about long-term and sustainable outcomes which would, In Shaa Allah, bring immense benefits for all parties involved.

Complementing Brunei's Regional Commitments

As Partner in Progress, we showed our strong support to Brunei Darussalam's chairmanship of the 38th and 39th ASEAN Summit and Related Summits. BIBD was proud to be given the opportunity to be the Co-Lead Partner for the

ASEAN Business Investment Summit 2021, ASEAN Business and Investment Roundtable 2021 and ASEAN Business Awards 2021.

Through the ASEAN Business and Investment Roundtable 2021, the Bank touched on the nature of Islamic Finance and Financial Literacy as well as the role that BIBD plays in promoting inclusivity and sustainability through digital and fintech.

During our participation at the Summits, BIBD also spoke of how the Maqasid Shariah forms the basis of the framework of our future direction, to attain not just the national goals of Brunei Vision 2035, but a wider effort to achieve the United Nations Sustainable Development Goals (UNDSG) 2030. We shared a target commitment of BND2Billion in our support towards funding the nation's sustainability agenda.

BIBD also hosted the 11th China-ASEAN Interbank Association (CAIBA) Executive Board Meeting and the 2nd ASEAN Plus Three Interbank Cooperation Mechanism (APTIBCM) Executive Board Meeting, which was convened virtually owing to the pandemic that continues to affect the region.

BIBD touched on the Bank's support for the nation as a partner in progress, as well as the bank's sustainability framework and digital journey, which is hoped to lead the way towards a future that is equitable and sustainable, not just in Brunei Darussalam but expand the network in the wider ASEAN and Asia-Pacific region.

Our Employees: The Heart of Our Organisation

Through the ups and downs of a truly unpredictable and uncertain year, supporting our staff was our key priority.

Alhamdulillah, we were able to celebrate 243 of our loyal and long-serving staff who have collectively contributed to the success of the bank. With some who have dedicated 35 years to the organisation, their commitment towards delivering the best over the years has surely contributed to the success of BIBD Group, ensuring that we were able to achieve our mission of being First Choice Bank, and now, moving forward to become the Best Islamic Bank in Asia-Pacific.

Through our Human Resource and Human Capital Division, we also launched 'Digital Fikra', a dedicated space for digital learning, dynamic ideation and collaborative innovation, which aims to support BIBD's digital transformation journey. The space is a manifestation of BIBD's commitment to going digital, in support of Brunei Darussalam's Smart Nation initiative and ensuring that its workforce is ready and able to meet the changes brought on by the Fourth Industrial Revolution (IR4.0).

As part of efforts to encourage staff engagement and the spirit of entrepreneurship, the Bank organised the first Staff Ramadhan Pop-up to great success. The pop-ups were held at both the Head Office as well as Kiulap, with staff providing a variety of home-cooked food to sell to their fellow colleagues.

The Bank also organised a series of talks for staff dealing with motivation and mental health amidst the pandemic. BIBD has always believed in and advocated the importance mental health as part of its Maqasid Shariah and in supporting the UN SDG 3 Goals of ensuring the good health and well-being of the global population among others, ending epidemic and other communicable diseases such as COVID-19.

Recognised by industy and regional peers for excellence

Alhamdulillah, we managed to retain our A- S&P rating, which reflected BIBD's reputable track record and strong capital management as well as prudent capital management.

BIBD was also recognised as 'Bank of the Year 2021' by The Banker for the second year running, a highly-coveted award long considered as the gold standard for banking excellence, and the Best Retail Bank in Brunei by The Asian Banker for the ninth consecutive year. The Bank marked another milestone by being named Best Bank in Brunei and Best Islamic Financial Institution in Brunei by Global Finance Magazine, which is the first time the same bank has won both awards concurrently.

BIBD also won 'Best SME Bank' for the second year running from Global Banking and Finance Review in recognition of BIBD's focus on delivering comprehensive solutions that make banking more efficient, cost-effective and readily accessible to SME clients as well as creating long-term support and sustainable change.

I am also pleased to share that BIBD was recognised as having one of the 'Best Graduate Management Training Programme' in the region at the inaugural Employee Experience Awards 2021. This specific award, which sees participation from regional multi-national organisations across various industries, recognises the efforts of organisations in developing high calibre graduates who

were either recent school leavers or those with one or two years of work experience.

Community for Brunei also won the Brunei Special Award and was named Emerging Social Enterprise at the ASEAN Business Awards 2021, for its creative approach to problem solving and ability to create social impact by addressing social needs across ASEAN, while also being recognised as the Best Community Development Initiative at the Global Good Governance Awards - a premier award programme highlighting excellence in good governance and commitment to social welfare.

All these recognitions are truly a testament to the Bank's commitment to excellence, and our focus on serving our customers and our community.

In Appreciation

All our accomplishments in the past year were only made possible due to the resilience and dedication of our people, under the wise guidance of our Board of Directors and Shariah Advisory Body.

It is indeed a privilege to be a part of this dynamic team who band together towards achieving our mission of becoming the Best Islamic Bank in Asia-Pacific and a shared goal of creating an equitable and sustainable economy that will benefit not just our community but the global population.

I would like to accord my sincerest appreciation and gratitude to His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam, the Ministry of Finance and Economy and to our regulators, the Brunei Darussalam Central Bank for their continued support, guidance, and confidence in BIBD.

To our customers and shareholders, we reaffirm our commitment to serving you and building greater value for generations to come. On behalf of BIBD, I would like to express our gratitude and appreciation for your continued loyalty, support and trust. We look forward to serving you again as they become a part of our journey to becoming the region's best Islamic bank.

Wabillahi Taufik Walhidayah Wassalamu 'Alaikum Warahmatullah Hi Wabarakatuh

Hajah Noraini binti Haji Sulaiman
Acting Managing Director and CEO
Bank Islam Brunei Darussalam

1.4 Our People



Board of Directors



Yang Berhormat Dato Seri Setia
Dr. Awang Haji Mohd Amin Liew bin Abdullah
Chairman of the Board / Independent Director

Date of Appointment	: 30 January 2018
Length of Tenure as Director	: 4 years
Shares held as BIBD Nominee in the Bank	: 2 shares

Qualifications

- Member of Chartered Financial Analyst (CFA), Singapore
- PhD in Corporate Finance, Imperial College, University of London
- Master's Degree in Management, Imperial College, University of London
- Bachelor's Degree (First Class) in Computer Science and Statistics, Queen Mary College, University of London

Relevant Experience

YB Dato Dr Amin was appointed as the Minister at the Prime Minister's Office and Minister of Finance and Economy II on 27 September 2018, and before that was holding the position of the Minister of Finance II from 30 January 2018. Prior to these appointments, he was the Deputy Minister of Finance (Investment), while holding the CEO position of Darussalam Assets Sdn Bhd ("DA"), an investment holding company owned by the Minister For Finance Corporation, Brunei Darussalam.

Before joining DA, he held several key positions with the Brunei Government, including being appointed as the Permanent Secretary of the Ministry of Finance, the Permanent Secretary of the Ministry of Industry and Primary Resources and the Managing Director of the Brunei Investment Agency.

Prior to his tenure with the Brunei Government, he worked as a Crude Oil Trader with Brunei Shell Petroleum Co Sdn Bhd in the mid-nineties after returning from the United Kingdom where he worked for ICI Finance PLC as a research analyst in the late 80's / early 90's.

Further details of Board Member Directorships and other disclosures are outlined in the Corporate Governance Report.



Yang Mulia Awang Junaidi bin Haji Masri
Independent Director

Date of Appointment : 1 February 2010
Length of Tenure as Director : 12 years
Shares held as BIBD Nominee in the Bank : 1 share
Shares held as BIBD Nominee in
BIBD At-Tamwil Berhad : 1 share

Board Committees served on:
- Audit, Finance and Risk Committee
- Human Resources Renumeration and Nomination Committee
- Executive Committee

Qualifications
- Bachelor's Degree in Computer and Management Sciences, Keele University, United Kingdom

Relevant Experience
YM Awang Junaidi is currently the Managing Director of Strategic Development Capital Fund. He was previously the Managing Director of Brunei Investment Agency (BIA) and Director of Head of Venture Capital and Strategic Investments, managing BIA's investments globally. He also serves the Fajr Capital Board of Directors as a representative of the Government of Brunei Darussalam.

Further details of Board Member Directorships and other disclosures are outlined in the Corporate Governance Report.



Yang Mulia Dato Paduka Iqbal Ahmad Khan
Independent Director (ended tenure on 1 December 2021)

Date of Appointment : 1 November 2007
Length of Tenure as Director : 14 years
Shares held as BIBD Nominee in the Bank : 1 share

Board Committees served on:
- Audit Finance and Risk Committee
- Human Resources Remuneration and Nomination Committee
- Executive Committee

Qualifications
- Masters Degree in Political Science and International Relations, Aligarh Muslim University, India
- Bachelor's Degree in Physics and Chemistry, Aligarh Muslim University, India

Relevant Experience
YM Dato Iqbal is the Chief Executive Officer of Fajr Capital, a leading Islamic investment firm headquartered in the Dubai Islamic Financial Centre. Prior to Fajr Capital, YM Dato Iqbal was the founding CEO of HSBC Amanah, the global Islamic financial services division of the HSBC Group. He is a long-time advocate of the Islamic financial services industry, serving as an advisor to government initiatives in Brunei Darussalam, Malaysia, Saudi Arabia, Singapore, UAE, and the UK.

He is the recipient of several industry and global accolades, including the State Award of "The Most Honourable Order of the Crown of Brunei" from His Majesty the Sultan of Brunei Darussalam; the Royal Award for Islamic Finance, a biannual prize presented by HM the King of Malaysia; and a Lifetime Achievement Award presented by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Prime Minister of the UAE and Ruler of Dubai.

Further details of Board Member Directorships and other disclosures are outlined in the Corporate Governance Report.



Yang Mulia Dr. Jan Hendrik (Hennie) van Greuning
Independent Director

Date of Appointment : 31 December 2010
Length of Tenure as Director : 11 years

Board Commitees served on:

- Audit Finance and Risk Committee

Qualifications

- Chartered Financial Analyst (CFA)
- Chartered Accountant, South Africa and Canada
- Doctorate Degrees in Accounting Science and Monetary Economics

Relevant Experience

YM Dr. Hennie was previously a Senior Advisor in the World Bank Treasury, focusing on Operational Risk Management in the Treasury environment, as well as Islamic Banking issues. He was a member of the Board of FirstRand Limited (a listed bank holding company in South Africa), for nine years, until November 2017. He taught a Master's class in Finance at George Washington University for several years and has co-authored six editions of the World Bank's publication on International Financial Reporting Standards: A Practical Guide. He has also co-authored books on conventional as well as Islamic banking risk. His publications have been translated into more than 15 languages.

Further details of Board Member Directorships and other disclosures are outlined in the Corporate Governance Report.



Yang Mulia Hajah Noraini binti Haji Sulaiman
Executive Director / Acting Managing Director

Date of Appointment : 1 December 2021
Length of Tenure as Director : 1 month
Shares held as BIBD Nominee in BIBD Securities Sdn Bhd : 1 share
Shares held as BIBD Nominee in BIBD At-Tamwil Berhad : 1 share

Qualifications

- Member of Association of Chartered Certified Accountants (ACCA)

Relevant Experience

YM Hajah Noraini was previously the Deputy Managing Director of BIBD and Acting Managing Director of Syarikat Takaful Brunei Darussalam, on secondment from BIBD. She was also the Chief Financial Officer for BIBD, and has held other accounting and financial roles in various Bruneian companies such as Brunei Shell Petroleum Sdn Bhd. Currently, she is the director for BIBD At-Tamwil Berhad, BIBD Securities, BIBD Management Services, Pantai Jerudong Specialist Centre and Jerudong Park Medical Centre. She was also a director in Tabung Amanah Pekerja (TAP) and the Chairman for the TAP Audit Committee. She is a member of the Brunei Darussalam Accounting Standards Council.

Further details of Board Member Directorships and other disclosures are outlined in the Corporate Governance Report.



Yang Mulia Haji Sofian bin Mohammad Jani
Independent Director

Date of Appointment : 19 March 2020
Length of Tenure as Director : 2 years
Shares held as BIBD Nominee in the Bank : 1 share

Board Committees served on:

- Audit Finance and Risk Committee
- Human Resources Remuneration and Nomination Committee
- Executive Committee

Qualifications

- BA (Hons) Degree in Economic and Social Studies in Accounting & Finance, Victoria University of Manchester, United Kingdom
- Chartered Financial Analyst (CFA)

Relevant Experience

YM Hj Sofian bin Mohammad Jani, CFA has more than 24 years of investment management experience. He is currently the Acting Managing Director for Brunei Investment Agency since July 2018.

He began his career at Portfolio Asset Management Department and later moved to Research and Business Development in 2001. In 2005, he was promoted to Assistant General Manager and transferred to Internal Fund Management. He was appointed as Head of Listed Market in 2012 before heading the Investment Department in 2014. In 2018, he was confirmed as Senior Assistant Managing Director.

YM Hj Sofian is a CFA charterholder.

Further details of Board Member Directorships and other disclosures are outlined in the Corporate Governance Report.



Yang Mulia Mubashar Khokhar
Managing Director/CEO Equivalent
(ended tenure on 1 December 2021)

Date of Appointment : 30 November 2015
Length of Tenure as Director : 6 years
Shares held as BIBD Nominee in the Bank : 1 share
Shares held as BIBD nominee in BIBD Securities Sdn Bhd : 1 share
Shares held as BIBD Nominee in BIBD At-Tamwil Berhad : 1 share

Board Committees served on:

- Human Resources Remuneration and Nomination Committee
- Executive Committee

Qualifications

- Master's in Business Administration, Ohio University, United States of America
- Bachelor's Degree in in Business Administration, Ohio University, United States of America

Relevant Experience

YM Mubashar has thirty-eight years of experience in the financial industry and is currently the Managing Director at Fajr Capital Limited. Prior to Fajr Capital, he was the CEO of Ajman Bank, a publicly listed Shariah compliant bank in UAE, and also served as the CEO of Badr Al-Islami/ Mashreq Al-Islami, a wholly-owned subsidiary of Mashreq Bank. YM Mubashar previously served on the Board of Directors of Badr Al- Islami and SAMBA Pakistan Ltd, and held senior positions in American Express Bank and Bank of America.

Further details of Board Member Directorships and other disclosures are outlined in the Corporate Governance Report.

Shariah Advisory Body



BIBD



Yang Mulia Dato Seri Setia
Dr. Awang Haji Mazanan bin Haji Yusof
Chairman

Length of Tenure as Member : 10 years

Qualifications
- PhD in Islamic Studies, National University of Malaysia;
- Master's Degree in Islamic Studies, National University of Malaysia;
- Bachelor's Degree in Usuluddin, Al-Azhar Univsersity;
- Syariah Judiciary, International Islamic University, Islamabad, Pakistan.

Relevant Experience
YM Dato Dr Haji Mazanan is the Assistant Mufti (Buhuth), State Mufti Office, Brunei Darussalam. He has over 10 years of experience in the field of Islamic finance which includes sitting in BIBD and Syarikat Takaful Brunei Darussalam's Shariah Advisory Body (SAB) and supervisory, namely Shariah Financial Supervisory Board (SFSB) of the Brunei Ministry of Finance. He also presented in various conferences and is an active speaker in many forums both local and overseas preaching Islamic religion. In the Shariah scholarly area, YM Dato Dr Haji Mazanan is a learned and trained scholar to deduce fatwa (Shariah ruling), where he has been trained by Darul Ifta, Egypt in 2003.



Yang Mulia Dr. Abdul Nasir bin Haji Abdul Rani
Deputy Chairman

Length of Tenure as Member: 8 years

Qualifications
- PhD in Economics and Muamalat Administration, Islamic Science University of Malaysia;
- Master's Degree in Economics and Islamic Banking, Yarmouk University, Hashemite Kingdom of Jordan;
- Bachelor's Degree in Islamic Studies (Shariah), University Brunei Darussalam.

Relevant Experience
YM Dr Abdul Nasir is the Dean of Faculty Islamic Economics and Finance, Sultan Sharif Ali Islamic University (UNISSA). He has been a part of the Islamic finance industry in many areas namely Shariah advisory, academician, lecturer and trainer. He is a Member of the BIBD's Shariah Advisory Body since 2014. He has published many books, research papers and articles in various academic journals and publication. He also presented in various conferences both local and overseas as well as conducted a number of Islamic finance trainings locally.



Yang Mulia Dr. Hajah Mas Nooraini binti Haji Mohiddin
Member

Length of Tenure as Member: 3 years

Qualifications

- PhD in Islamic Finance, Durham University, United Kingdom;
- Masters in Islamic Studies, National University of Malaysia;
- Bachelor's Degree in Shariah, Al-Azhar University, Egypt.

Relevant Experience

YM Dr Hajah Mas Nooraini is the Dean of Faculty Shariah and Law, Sultan Sharif Ali Islamic University (UNISSA). She is a Member of the BIBD's Shariah Advisory Body since February 2020. She has published many research papers and articles in various academic journals. She also presented in various conferences both local and overseas.



Yang Mulia Dayang Hajah Noraini binti Haji Buntar
Member

Length of Tenure as Member : 4 years

Qualifications

- Master's Degree in Islamic Revealed Knowledge and Heritage (Fiqh and Usul Al-Fiqh), International Islamic University Malayisa (UIAM);
- Bachelor's Degree in Syariah Islamiah, Al-Azhar University, Egypt;
- Certificate Holder of Fiqh Muamalat Professional Programme, Center for Islamic Banking, Finance and Management (CIBFM), Brunei Darussalam.

Relevant Experience

YM Dayang Hajah Noraini is a Senior Istinbat Officer in the Ifta Department, State Mufti Office and was appointed as a member of the BIBD SAB since 2018. She also presented in various conferences and speaker in many forums both local and overseas preaching Islamic religion.



Yang Mulia Dr. Haji Mohd Aidil Yusrie bin Haji Shari
Member

Length of Tenure as Member : 2 years

Qualifications

- PhD in Syariah, Sultan Sharif Ali Islamic University (UNISSA);
- Master's Degree in Syariah, Sultan Sharif Ali Islamic University (UNISSA);
- Bachelor's Degree in Shariah, Universiti Brunei Darussalam (UBD);
- Investment Foundations Certificate, Chartered Financial Analyst (CFA) Institute.

Relevant Experience

YM Dr Hj Aidil is the Deputy Head of Financing Office, Ministry of Finance and Economy, Brunei Darussalam. He has over 10 years of experience in the field of Islamic finance which includes industry and regulatory. Previously, he was an Assistant Professor (Islamic Finance) at UNISSA and Islamic Finance Specialist at Islamic Development Bank Group (IsDB), Jeddah. He also was the Manager of Capital Market Supervision at Regulatory Department, Brunei Darussalam Central Bank (BDCB) and at the same time attached to the Islamic Capital Market Business Group of Securities Commission Malaysia (SC). Prior to joining BDCB, he was the Deputy Manager of Shariah Department, BIBD.

BIBD Securities



Yang Mulia Dr. Haji Mohd Aidil Yusrie bin Haji Shari
Chairman

Length of Tenure as Member : 1 year

Qualifications

- PhD in Syariah, Sultan Sharif Ali Islamic University (UNISSA);
- Master's Degree in Syariah, Sultan Sharif Ali Islamic University (UNISSA);
- Bachelor's Degree in Shariah, Universiti Brunei Darussalam (UBD);
- Investment Foundations Certificate, Chartered Financial Analyst (CFA) Institute.

Relevant Experience

YM Dr Hj Aidil is the Deputy Head of Financing Office, Ministry of Finance and Economy, Brunei Darussalam. He has over 10 years of experience in the field of Islamic finance which includes industry and regulatory. Previously, he was an Assistant Professor (Islamic Finance) at UNISSA and Islamic Finance Specialist at Islamic Development Bank Group (IsDB), Jeddah. He also was the Manager of Capital Market Supervision at Regulatory Department, Brunei Darussalam Central Bank (BDCB) and at the same time attached to the Islamic Capital Market Business Group of Securities Commission Malaysia (SC). Prior to joining BDCB, he was the Deputy Manager of Shariah Department, BIBD.



Yang Mulia Dr. Amnisuhailah binti Abarahan
Member

Length of Tenure as Member : 1 year

Qualifications

- PhD in Islamic Finance, International Centre for Education in Islamic Finance (INCEIF)
- Master of Islamic Revealed Knowledge and Heritage, Fiqh & Usul Fiqh (Islamic Jurisprudence) specailising in Islamic Banking (Fiqh Muamalat); International Islamic University Malaysia
- Bachelor of Islamic Revealed Knowledge and Heritage, Fiqh & Usul Fiqh (Islamic Jurisprudence) (Hons) minoring in Comparative Religious; International Islamic University Malaysia

Relevant Experience

YM Dr Amnisuhailah is a Lecturer in the Faculty of Economy and Islamic Finance, UNISSA. She is an Associate Member of Associations of Shariah Advisers in Islamic Finance (ASAS), Malaysia and of the Chartered Institute of Islamic Finance Professionals (CIFP), Malaysia.



Yang Mulia Dr. Ahmad Lutfi bin Abdul Razak
Member

Length of Tenure as Member : 1 year

Qualifications

- PhD in Islamic Finance, International Centre for Education in Islamic Finance
- CIMA Diploma in Islamic Finance
- Postgraduate Diploma in Advanced Economics, University of Warwick, United Kingdom
- Master of Science in Economics, University of Warwick, United Kingdom
- Bachelor of Science (Hons) in Economics, University of Warwick, United Kingdom

Relevant Experience

YM Dr Lutfi received his doctorate degree in Islamic Finance from the International Centre for Education in Islamic Finance (INCEIF) in December 2019, with this thesis titled "The Effects of Corporate Social Performance on Credit Risk". He was also awarded the INCEIF President's Award in Recognition of Achieving the Best Academic Performance in the Graduating Class 2019 for the Doctor of Philosophy in Islamic Finance.

Prior to his PhD, YM Dr Lutfi obtained CIMA Diploma in Islamic Finance, Postgraduate Diploma in Advanced Economics (University of Warwick,UK), Master of Science in Economics (University of Warwick, UK) and Bachelor of Science (Hons) in Economics (University of Warwick, UK).

Prior to his PhD at INCEIF, YM Dr Lutfi worked as a Lecturer at the Sultan Sharif Ali Islamic University (UNISSA), Brunei Darussalam. He also worked with the Centre for Strategic and Policy Studies (CSPS), Brunei Darussalam where he worked on a number of national projects, which includes: Land Optimization, National Productivity, Financial Literacy and Ease of Doing Business.

BIBD At-Tamwil



Yang Mulia Dr. Abdul Nasir bin Haji Abdul Rani
Chairman

Length of Tenure as Member : 7 years

Qualifications
- PhD in Economics and Muamalat Administration, Islamic Science University of Malaysia;
- Master's Degree in Economics and Islamic Banking, Yarmouk University, Hashemite Kingdom of Jordan;
- Bachelor's Degree in Islamic Studies (Shariah), University Brunei Darussalam.

Relevant Experience
YM Dr Abdul Nasir is the Dean of Faculty Islamic Economics and Finance, Sultan Sharif Ali Islamic University (UNISSA). He has been a part of the Islamic finance industry in many areas namely Shariah advisory, academician, lecturer and trainer. He is a Member of the BIBD's Shariah Advisory Body since 2014. He has published many books, research papers and articles in various academic journals and publication. He also presented in various conferences both local and overseas as well as conducted a number of Islamic finance trainings locally.



Yang Mulia Pg Dr. Md Hasnol Alwee Pg Haji Md Salleh
Member

Length of Tenure as Member : 1 year 6 months

Qualifications
- PhD in Islamic Finance from Durham University, United Kingdom.
- Master of Science Finance (MSc Finance), Lancaster University, the United Kingdom
- Bachelor's Degree in Business Administration, University Brunei Darussalam

Relevant Experience
YM Pg Dr. Md Hasnol Alwee is a lecturer at UBD School of Business and Economics since 2009. He had taught few modules related to Islamic banking and finance, such as- Introduction to Islamic Banking and Finance, Islamic Business Ethics, Investment in Islamic Finance, and Islamic Microfinance. His expertise and interest are in a research area related to Islamic financial literacy, Financial Literacy, Awqaf, and Social Finance. He has published many journal articles, chapters in books, and research papers in various academic journals and publications.



Yang Mulia Haji Md Syahiran bin Haji Md Sofian
Member

Length of Tenure as Member : 1 year 6 months

Qualifications

- Master's Degree in Syariah, Sultan Sharif Ali Islamic University (UNISSA);
- Bachelor's Degree in Shariah, Al-Azhar University, Egypt.

Relevant Experience

YM Hj Md. Syahiran is an Assistant Lecturer at the Seri Begawan University College of Religious Studies (KUPU SB). He has strong Shariah background with relevant banking and finance knowledge. His experience in teaching began in 2007 and to date has conducted many Shariah and Finance courses, namely Principles of Fiqh (Usul Fiqh) , Islamic Legal Maxims (Qawa'id Fiqhiyyah), Fiqh Muamalat & Current Issues and Fatwas of jurisprudential rulings (Fatawa Al- Ahkam Al-Fiqhiyyah).

Leadership Forum



Yang Mulia Hajah Noraini binti Hajah Sulaiman
Acting Managing Director & CEO

YM Hajah Noraini was previously the Deputy Managing Director of BIBD and Acting Managing Director of Syarikat Takaful Brunei Darussalam, on secondment from BIBD. She was also the Chief Financial Officer for BIBD, and has held other accounting and financial roles in various Bruneian companies such as Brunei Shell Petroleum Sdn Bhd. Currently, she is the director for BIBD At-Tamwil Berhad, BIBD Securities, BIBD Management Services, Pantai Jerudong Specialist Centre and Jerudong Park Medical Centre. She was also a director in Tabung Amanah Pekerja (TAP) and the Chairman for the TAP Audit Committee. She is a member of the Brunei Darussalam Accounting Standards Council.



Yang Mulia Irwan bin Haji Lamit
Deputy Managing Director & Head of Retail Banking

YM Irwan joined BIBD to lead the Retail Banking Group. He has more than fifteen years of experience in the Finance industry, of which, he has served as the Managing Director and a member of the Board of Directors of BIBD At-Tamwil Berhad since 2011. As a result of Irwan's leadership, BIBD At-Tamwil became one of the most profitable finance companies in the country, and has enjoyed continuous and uninterrupted increase in profits from 2006 to 2017. YM Irwan is a qualified Chartered Accountant and is a fellow member of the Association of Chartered Certified Accountants (ACCA). Prior to joining the BIBD group, YM Irwan has a brief stint with Brunei Shell Marketing Company Sdn Bhd. YM Irwan holds a BSc (Hons) in Applied Accounting from Oxford Brookes University, UK and recently received his EMBA from University of Oxford, UK.



Yang Mulia Haji Minorhadi bin Haji Mirhassan
Chief Operating Officer

YM Haji Minorhadi has thirty years of commercial banking experience with BIBD and the HSBC Group through leadership roles in Retail, Corporate and Institutional banking businesses. His career also includes delivering key project financing and spearheading the set up and development of various functions that include Retail Marketing, Asset & Fund management and Investment Banking disciplines encompassing its respective human capital development. He successfully led the BIBD ISO 9001:2015 Quality Management System accreditation effort. He was the founding chairman for the Brunei Darussalam Capital Market Association (BCMA) and appointed a member of the Universiti Brunei Darussalam Council (UBD) , as the chair of the UBD Audit Committee.

YM Haji Minorhadi attained the Islamic Finance Qualification (IFQ) from the Chartered Institute for Securities and Investments (CISI) UK and is an Associate of the Institute. He is also a member of the Association of Shariah Advisors in Islamic Finance (ASAS), Malaysia and has completed the Foundations in Design Thinking course with IDEOU US . He holds an MBA from the Singapore Management University (SMU), a BTEC Higher National Diploma (HND) in Business and Finance from the University Technology Brunei (UTB) and an Islamic Financial Planning Certificate.



Yang Mulia Tan Pheng Leong
Chief Financial Officer

YM Pheng Leong has more than 20 years of experience working in the financial services industry as a Chief Financial Officer (CFO) and auditor of various financial institutions. He joined BIBD as the CFO in 2017 heading the Finance Division and is responsible for the financial matters of the group. Prior to joining BIBD, YM Pheng Leong worked for an international audit firm in Singapore, United Kingdom, Taiwan and Brunei and was a partner in Brunei and Singapore looking after clients in a range of industries from banking, insurance, fund management, oil and gas and telecommunication. He advised clients in International Financial Reporting Standards (IFRS) conversions and audited the financial statements of a number of banks and insurance companies under IFRS. YM Pheng Leong has a strong appreciation of global working practices, IFRS and IFRS conversion, having worked with BIBD in Brunei and offices in various countries. YM Pheng Leong obtained a Bachelor Degree in Accounting (First Class Honours) from Nanyang Technological University and is a Chartered Accountant of the Institute of Singapore Chartered Accountants, the Institute of Chartered Accountants in England and Wales as well as a Certified Public Accountant of the Brunei Darussalam Institute of Certified Public Accountants. He is also a Certified Financial Analyst of the CFA Institute.



Yang Mulia Effendy Othman
General Counsel & Company Secretary

Prior to joining BIBD, YM Effendy was in private legal practice in Kuala Lumpur for 24 years, of which 10 years was as a senior partner with the largest regional law firm in Malaysia with presence in all the Asean countries. YM Effendy's clients ranged from local and international financial institutions, multinational, public and public listed companies. YM Effendy is a certified company secretary with the Malaysian Association of Company Secretaries.

He is also the co-author of several publications including the Malaysian Company Law: Principles and Practice (3rd Ed. 2021 - Wolters Kluwer), the author for the Malaysian chapter on Asian Conflict of Laws - East and South East Asia (2017- Wolters Kluwer), and the contributor for Malaysia for the Global Perspectives on the Hague principles chapter of the Choice of Law in International Commercial Contracts (2021 – Oxford University Press).

YM Effendy graduated with First Class honours in law from the International Islamic University, Malaysia. He also holds Masters' Degree in Law from the University of Cambridge and the London School of Economics and Political Science.



Yang Mulia Edmundo Horacio Uribe Bobadilla
Chief Risk Officer

YM Edmundo has thirty years of International banking experience, twenty-four years in Risk Management and six in Corporate and Investment Banking. He has worked for twenty-two years in Bank of America, Chase Manhattan Bank and lately for Citibank.He has worked in the Middle East in Islamic banking for Bank Aljazira in Saudi Arabia, Al Khaliji France in Qatar and Emirates Islamic in Dubai where he was invited to upgrade the risk functions and to implement international best practices, including various risk related trainings across different areas. In his previous job, as Head of Credit and Risk at Emirates Islamic, he fully revamped the risk structure, including processes, related systems and people. YM Edmundo holds a Bachelor's degree in Business Administration from Universidad Iberoamericana and a Master's in Finance from University of Exeter.



Yang Mulia Habibah Haji Harry
Chief Human Resource Officer

YM Habibah brings with her an immense wealth of experience from a variety of corporate Human Resource roles gained during her tenures with Brunei Shell Petroleum (BSP) which spanned over seventeen years, where she last held the role of Department Head of Organisation Effectiveness. Her experience includes a three-year posting in Malaysia as the Regional HR Adviser for Asia- Pacific and Middle East for Shell IT International Sdn. Bhd. YM Habibah has extensive knowledge and skills in organizational issue management, building effective and productive teams, incorporating HR's strategic value and contribution in the business decision-making and policy direction, and introducing strategic changes to HR policies and practices. YM Habibah holds a BA (Hons) in Management Studies from Universiti Brunei Darussalam in 1990.



Yang Mulia Adi Shamsul Haji Sabli
Chief Information Officer

YM Adi Shamsul has over twenty-three years of working experience and has solid IT technical knowledge and skills. He is a highly accomplished IT leader with vast experience, both locally and internationally and has a solid track record in building positive business and stakeholder partnerships, developing and implementing key IT strategies, leading high-profile projects and implementing innovative solutions and improving business processes. After his role as Head of Information Management in Brunei LNG in 2010, he was seconded for government service, holding key senior positions at the Prime Minister's office for seven years. In 2017, he returned to Brunei Shell and was appointed as the Technical Data Management Lead.



Yang Mulia Hajah Nurul Akmar Haji Mohd Jaafar
Chief Marketing Officer

YM Hajah Nurul has been with BIBD for more than twenty five years with experience across the areas of finance, investment and retail banking. She has been involved in the key transformations of BIBD's strategic initiatives including rebranding, product innovations, customer service excellence and strengthening of the brand equity.

She pioneered BIBD's CSR programmes since 2008 that underscored the Bank's 'Bruneian at Heart' values, with flagship initiatives including BIBD ALAF. Now assigned as the Chief Marketing Officer to lead the strategic marketing role for the Group of companies to further elevate BIBD's brand equity and positioning, and the Group to be at par with the best within the industry, regionally and globally. She has recently been appointed as lead of the organisation's Sustainable Transformation Group, which has established the Bank's Sustainability Framework and roadmap for the Group of companies during the ASEAN Business Investment Summit.

YM Hajah Nurul holds a BA in Accounting & Finance from United Kingdom and was an Islamic Bank of Brunei Scholar prior to joining BIBD in 1995.



Yang Mulia Koh Swam Sing
Head of Corporate Banking

YM Swam Sing has vast knowledge and experience working in Corporate Banking as well as in Operations and Credit Risk. His career began with the Island Development Bank Bhd in 1983 where he held various positions in branch operations, administration and credit management. As one of the pioneer members of BIBD, he played a key role in the Bank's transformation into Islamic financial banking and services, and has been instrumental in introducing some of the Bank's core offerings. He currently leads the Corporate Banking Division which is responsible for building BIBD's Corporate Banking portfolio, and supporting local businesses that contribute to Brunei's infrastructure growth.



Yang Mulia Hazimah Izzati binti Pehin Orang Kaya Johan Pahlawan
Dato Seri Setia Awang Haji Adanan
Acting Head of Treasury and Global Markets

YM Hazimah was recently appointed as the Acting Head of Treasury & Global Markets Division in April 2021. With more than ten years of experience, Hazimah held several roles such as Money Market Dealer, Chief Dealer, Head of Foreign Exchange and Money Markets and the Deputy Head of TGM prior to her current role. Her primary responsibilities include the control and management of the Bank's capital and liquidity, with asset size of approximately USD 3 billion. Hazimah holds a Bachelor of Arts in Economic and Social Studies (Finance) from the University of Manchester. She is also a CFA charterholder.



Yang Mulia Haji Muhd Yazid Dato Paduka Haji Mahadi
Managing Director of BIBD Securities Sendirian Berhad (BIBDS)

YM Yazid joined BIBD in 2017, spearheading the group's asset management strategy. His primary responsibilities include developing business strategies in relation to asset management as part of the group's strategic priorities and oversees the overall activities of BIBD Securities Sdn Bhd. Prior to joining BIBD, he was at the Investment Division, Ministry of Finance where he led the equities and absolute returns strategy for the Retirement Fund and Fiscal Stabilistation Reserve Fund. YM Yazid graduated with a distinction in the Masters of Philosophy (MPhil) in Economics from the University of Cambridge. Prior to that, he obtained a first class degree with honours in the Bachelor of Science (BSc Hons) Degree in Economics from the University of Manchester, where he was also awarded the Manchester School Award. He contributed a research paper titled 'The Dutch Disease Hypothesis: Evidence from the Gulf Cooperation Council' in the CSPS Strategy and Policy Journal, 2011. He is a CFA charterholder.



Yang Mulia Haji Mohd Said Haji Zania
Managing Director of BIBD At-Tamwil Berhad

YM Haji Mohd Said has twenty years of Brunei Banking and Finance industry experience. He joined BIBD At-Tamwil Berhad in 2000 and has been an ever-present figure in the ongoing success of BIBD At-Tamwil Berhad. In his previous role as Head of Operations, he has shown strong leadership qualities, and ability to manage strategic and operational matters has allowed significant improvements in the operations of BIBD At-Tamwil Berhad.



Yang Mulia Chua Peng Sim
Head of Internal Audit

YM Peng Sim has extensive experience and a strong track record in the oil and gas industry and has worked both locally and internationally. His experience includes six years as Head of Internal Audit for the Brunei Shell Joint Venture Companies. He holds a BA (Hons) in Accountancy and is a professionally qualified accountant from the Institute of Chartered Accountants in England and Wales.



Yang Mulia Hajah Hanifah Haji Jenan
Head of Shariah

YM Hajah Hanifah is BIBD's Head of Shariah with over ten years banking experience covering branch banking, recovery and legal advisory prior to taking the leading role of the Shariah Department. She is also experienced in Takaful matters which was gathered during her secondment to Takaful BIBD, where she looked after legal and claims matters. She holds a Bachelor's Degree (Hons) in Shariah from the University of Malaya, Malaysia, and a Diploma in Law and Administration of Islamic Judiciary from the International Islamic University of Malaysia (IIUM). She is a Certified Islamic Financial Planner from Al-Hijrah Consultancy and a certificate holder of Fiqh Muamalat Professional Programme (FMPP) from CIBFM Brunei.



Yang Mulia Susanna Maria Goh Ghim Hong
Head of Compliance

YM Susanna has more than thirteen years of banking industry experience with more than seven specifically in the legal and compliance arena, having previously been the Head of Compliance for HSBC Brunei. She has also previously acted as Director for HSBC Finance (Brunei) Berhad. She joined BIBD as the Head of Compliance in July 2018 and manages the Compliance Division for BIBD, overseeing engagement with banking regulators and all aspects of financial crime compliance. She holds a Bachelor of Law LL.B honours degree from the University of Nottingham and is a qualified Barrister-at-Law.



Yang Mulia Haji Mohd Yusri Haji Wahsalfelah
Head of Government Relations and Special Projects

YM Haji Mohammad Yusri started his career as an economist under the Department of Economic Planning and Development at the Prime Minister's Office and was responsible for overseeing policy formulation and economic planning in the areas of Privatization, Public Private Partnership (PPP), Competition Policy, Fair Trade Practices, and Consumer Protection. He joined BIBD as a Senior Relationship Manager in 2012, overseeing the Bank's overall relationship with the Ministry of Finance, Government Linked Companies (GLCs), as well as other strategic stakeholders in the Government and Corporate agencies. Currently, YM Haji Mohammad Yusri heads the Government Relations and Special Projects Division, the bank's key focal point for collaboration with key stakeholders in government sectors. He holds an MSc in Economics from the University of Leicester, United Kingdom, and a Double Majors Degree in Economics and Financial Planning, from Curtin University of Technology, Western Australia.



Yang Mulia Lyndsay Spray
Deputy Chief Operating Officer

YM Lyndsay joined BIBD in July 2020 and has 30 years of experience in the banking industry, with BIBD and HSBC Group. Her professional experience ranges from marketing, human resources and training and retail banking, with her expertise being operations. She spent 28 years with HSBC Brunei, during which time she was also seconded to Singapore, Vietnam and New Zealand. After her role as Head of Retail Banking and Chief Operating Officer for HSBC Brunei and prior to joining BIBD, she was the Chief Operating Officer in HSBC New Zealand. In her current role, Lyndsay oversees the operations of the branch network, as well as the operations and customer services department and provides support for the other Departments under the leadership of BIBD's Chief Operating Officer. Lyndsay holds a BSc in Financial Services from United Kingdom and Associateship of the Chartered Institute of Bankers, UK.

CHAPTER 02

Corporate Governance

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2.1 Corporate Governance Report (Financial Year Ended 31 December 2021)

Pursuant to the Guidelines for Corporate Governance for Islamic Banks

Introduction

A strong Group-wide corporate governance framework is pivotal to ensure that the BIBD Group's growth is achieved ethically and in compliance with all applicable laws.

In 2021, one the focus areas of the BIBD Board of Directors ("**Board**") in terms of corporate governance was, to enhance and strengthen the alignment between BIBD and its subsidiaries ("**BIBD Group**") as envisaged by Principle 6 of the Guidelines for Corporate Governance for Islamic Banks ("**Guidelines**") issued by the Brunei Darussalam Central Bank ("**BDCB**"). Working and collaborating as group to uphold the highest level of governance, whilst acknowledging the distinctive characteristics of each subsidiary within the BIBD Group is pivotal, in the Board's view, to ensure that the BIBD Group's growth is achieved ethically and in compliance with the law. It is with the above objective, that the Board had approved the Control Functions Reporting and Alignment Guidelines for the BIBD Group ("**CFRA**") aimed at formalising:

- The group governance responsibilities of the control functions of BIBD as the parent bank.
- The reporting and consultation obligations of the BIBD subsidiaries to the control functions.
- Centralising the list of policies, framework, guidelines, terms of reference and other governance related documents of BIBD's control functions which are to be adopted by the respective subsidiaries.

The CFRA will facilitate effective Group-wide compliance with corporate governance principles and best practices, and monitoring and supervision by BIBD as the parent bank in line with the aspirations of BDCB under Principle 6 of the Guidelines.

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2.1.1 RISK MANAGEMENT REPORT BY THE CHIEF RISK OFFICER

BIBD has placed a significant emphasis on the role of risk management in ensuring the sustained and responsible long-term growth of the Group. In order to support BIBD's aspirations, robust risk management functions and processes have been placed to allow for the independent assessment, monitoring and oversight of financial and non-financial risks across the BIBD Group.

The comprehensive management of all risks faced by BIBD is part of our wider efforts to uphold the highest standards of governance, risk and compliance throughout the Group. BIBD undertakes a wide variety of businesses, and is required to be able to govern, monitor and report all risks in a clear and with a holistic approach.

BIBD has in place various Risk policies intended to cover different risks and businesses that are reviewed annually.

Risk Management Strategy

The Risk Management Strategy is reviewed and approved by the Board on an annual basis. The Risk Management Strategy provides a holistic approach in managing risks to the BIBD Group.

Risk Appetite Statements

Within the Risk Management Strategy, holistic Risk Appetite Statements ("**RAS**") are established as primary risk parameters, and are aligned to the Group's overall risk management objectives of:

a) To consistently exceed minimum regulatory capital requirements
b) To ensure sufficient levels of liquidity and funding
c) To manage the level of risk in the portfolio to an acceptable level,
d) To maintain external debt ratings.

Enterprise Risk Management Framework

The BIBD Group has embraced an enterprise-wide approach, covering 19 (nineteen) core risks, within its operational risk management structure. This is supported by the Enterprise Risk Management Framework ("**ERMF**") which provides as a standardised approach to manage all risks within the Group. One of the key tools used within the ERMF is to establish within each BIBD division, specific RAS and Key Risk Indicators ("**KRI**") that are to be tracked on a monthly basis.

Risk Governance Structure

A strong governance structure is in place to ensure that the ERMF can be implemented effectively. While the Board is ultimately responsible for BIBD's risk management activities, it has delegated its responsibilities on the oversight of BIBD risk management to its Board Committees; the Audit and Finance Sub-Committee ("**AF**"), the Risk Sub-Committee ("**RC**"), and the Executive Committee ("**ExCom**"). These Board Committees are updated on risk-related matters on a quarterly basis or as and when required. The Shariah Advisory Body ("**SAB**") has also been delegated by the Board to provide oversight over Shariah risks. The SAB meets at least quarterly and will be updated accordingly.

At the Management level, the Group Risk is managed by the established committees of the Credit Risk Committee ("**CRC**"), the Asset & Liabilities Committee ("**ALCO**"), and Enterprise Risk Management Committee ("**ERM**"). These management committees meet on a weekly, monthly and quarterly basis respectively. Specific matters such as the Internal Capital Adequacy Assessment Process ("**ICAAP**") and the Recovery Plan are reviewed within the ERM.

Group Risk Management Model

The Group Risk Management model utilises the "Three Lines of Defense" approach to contain any risk. This is achieved by maintaining an ongoing monitoring process, and the proper implementation of respective controls.

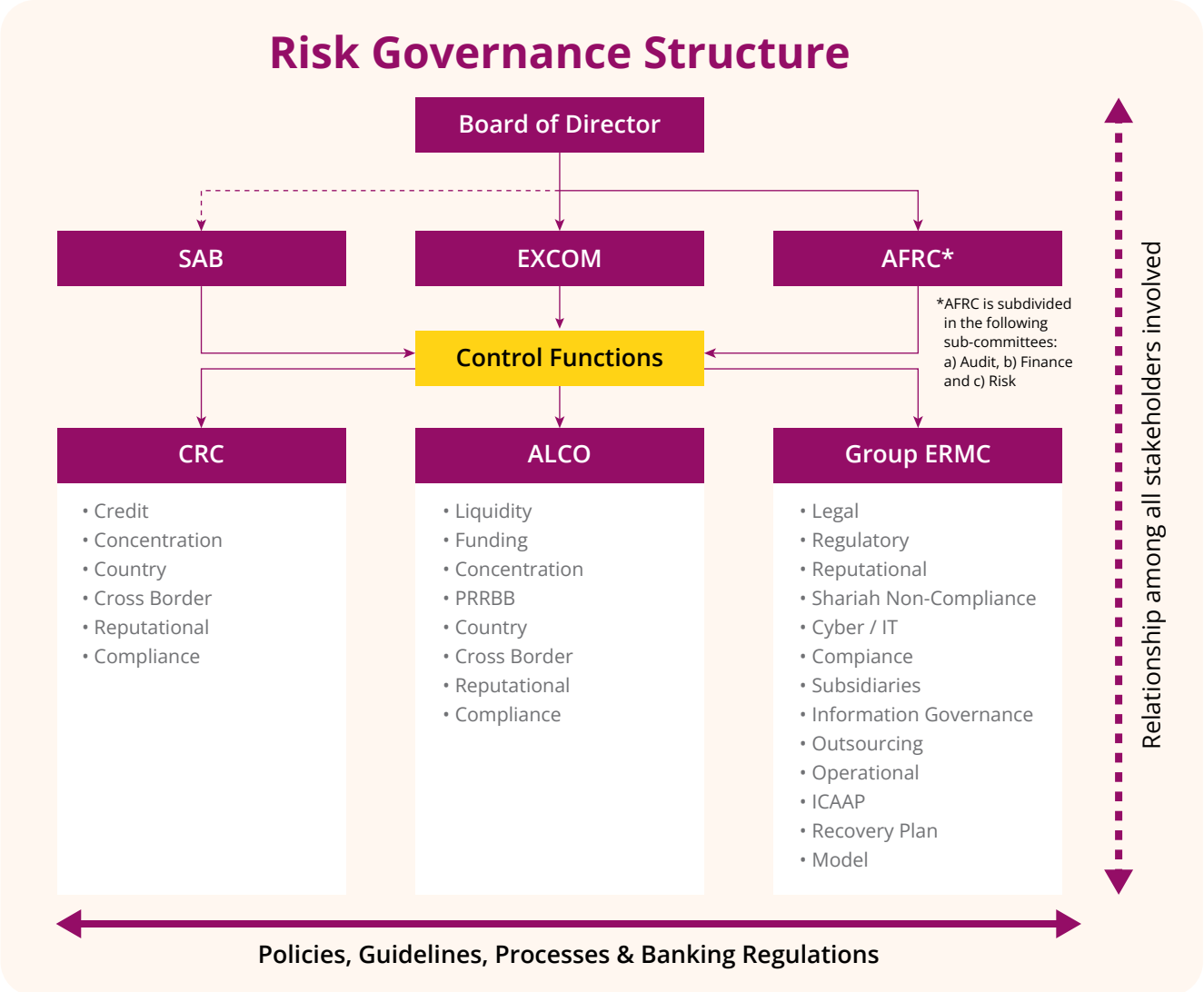
The responsibilities are shared as follows:

1st Line of Defense (Risk Owner), the Business/Support units.

2nd Line of Defense (Monitoring and Oversight Functions), Risk Management and Compliance.

3rd Line of Defense (Risk Assurance), Internal Audit.

While risks are managed at the point of risk-taking activity, there is a clear accountability of the risk ownership across BIBD as demonstrated in the following chart:



The main risks within the Group are controlled and monitored under the Risk Management Division ("**RMD**"), as a 2nd Line of Defense covering:

- **Credit Risk**
- **Market Risk**
- **Operational Risk**
- **Profit Rate Risk Banking Book** ("**PRRBB**")
- **Liquidity Risk**
- **Funding Risk**
- **Concentration Risk**
- **Country Risk**
- **Cross Border Risk**
- **Reputational Risk**
- **Legal Risk**
- **Regulatory Risk**
- **Shariah Risk**
- **Compliance Risk**
- **Cyber Risk**
- **IT Risk**
- **Information Governance**
- **Outsourcing Risk**
- **Model Risk**

RMD takes the approach of analysing all financing and investment proposals, as well as, evaluating the Group's operational processes and events, in close cooperation with respective business units, to ensure that the Group's exposure to all risks is understood, discussed and managed in a proactive way, in order for all stakeholders' interests be protected.

Financial risks are analysed by performing different stress tests using different economic scenarios within the ICAAP and Recovery Plan and other Stress tests annually required by BDCB, coupled with other exercises presented in the ALCO.

BIBD adopts a proactive approach in monitoring the Group's risks which are exposed to, by having a robust Operational Risk Framework that utilises several tools to constantly monitor the risks resulting from People, Systems, Processes and External factors. The Operational Risk responsibility lies with all BIBD's employees, which is strongly driven by regular Risk Awareness and Risk Culture trainings.

There are several initiatives from BDCB that have been adopted or in the process of being adopted by BIBD to align the Brunei Banking Sector to international standards. These initiatives include:

1. Risk management guideline and governance
2. Credit risk management guideline
3. Minimum regulatory capital requirements
4. IFRS9 model implementation
5. Classification of impaired credit facilities and financial assets for provisioning purpose
6. Market Risk Guidelines
7. IT and Cyber Risk Guidelines
8. Basel II – Pillar 3 Public disclosure document
9. Corporate governance for Islamic banks
10. Prudential treatment of problem assets and allowance for credit losses
11. Shariah Governance Framework
12. Outsourcing Guidelines
13. ICAAP
14. Recovery Plan

Temporary Regulatory Measures (COVID-19)

In March 2020, the BDCB in partnership with the Brunei Association of Banks ("**BAB**") implemented a 1-year liquidity relief programme to support Corporate and Retail clients impacted by the COVID-19 pandemic. The relief programme aimed to provide a deferment of principal payments across identified industries and sectors until April 2021; with an application deadline of up to December 2020.

In April 2020, BIBD promptly implemented the new directive by adding this program within BIBD credit policies. By December 2021 the program has been extended several times by BDCB, as follows: The 1st extension was implemented from April to September 2021, following an additional up to 31 December 2021. All extensions were approved by BDCB, and directives duly updated within the BIBD policies.

Standard & Poor's Credit Rating

As a testament to BIBD's prudent approach to risk management, the Bank was reaffirmed with an A- (Stable) by one of the big three international credit rating agencies, Standard & Poor's ("**S&P Global**").

Management of Material Risks

The emphasis of a strong risk management culture is the foundation of the Group's control mechanism. This involves an on-going process of identification, assessing, controlling, monitoring and reporting of material risks that affects the performance of the Group's strategic objectives, as follows:

1. Credit and Concentration Risks

A robust credit risk framework is one that embeds prudent financing guidelines to minimise credit defaults and losses, whilst maintaining a credit portfolio that is within the Group's Risk Management Strategy. The Bank has in place several systems to control and monitor all risks within the risk management spectrum.

The concentration factor per industry, limit, obligor and product is an important aspect within the Group's portfolio and is continuously tracked. In the Non-Retail spectrum, the Group's industry portfolio concentration remained stable with the highest concentration in the oil and gas industry, which has been a historic trend, due to the importance of the domestic oil and gas revenues for Brunei. In the Retail spectrum, there is no concentration due to the regulatory guidelines (Capital Adequacy Framework 13 February 2019), whereby, each retail obligor cannot represent more than 0.2% of the retail portfolio.

Non-Retail Portfolio

In the non-retail space, the Bank implemented an internal risk rating system by S&P Global, to help the Board and Senior Management differentiate risk levels across financings and investments to facilitate the decision-making process.

The analysis process is through a fundamental analysis – the review of qualitative and quantitative information – and financings above one year have additional analysis requirements, where specific projections and assumptions take place. Collateral coverage of financings is high. However, credit decisions are always based on cash flow generation as the primary source of repayment coupled with the correct facility structuring. All facilities have a specific limit per risk type (Funded, Unfunded and Pre-settlement risk).

There is a general monitoring scope, including two processes:

- Watchlist accounts
  This approach covers all accounts above 1 Day Past Due ("**DPD**") as well as movements within the DPD buckets (1-30, 31-60, 61-90 and above 90 days).
- Close monitoring accounts
  This approach covers only current accounts with minor issues that can be a warning if not taken care of, properly.

For accounts above 30 DPD but below 90 DPDs, Exposure at Default ("**EAD**") must be transferred to Stage 2 (IFRS9) and when reaching 90 DPDs, must be defined as impaired and EAD transferred to Stage 3 along with their corresponding Expected Credit Losses ("**ECL**") or impairments.

Within the Corporate Banking Group, the Special Assets Department ("**SAD**") is responsible to continuously follow up and assesses trends for all accounts with DPDs above 30 days, in order to bring possible solutions. Risk Management actively works with the SAD, in order to effectively manage all related efforts as well as the right level of impairment.

Retail Portfolio

In the retail space, the Bank has a portfolio approach assessing individual product types using internal risk models through different scorecards, and in some cases, fundamental credit analysis, for the final evaluation and respective approval. All facilities have specific limits per risk type (Funded, Unfunded and Pre-settlement risk).
There is a constant follow up on market trends/behaviors and portfolio analysis per product type, such as months on books performance and DPDs bucket movement analysis.

Within the retail portfolio, there are secured financings, whereby, collaterals fully covered the financing amounts, and the addition of the salary assignments. For unsecured financings, there is no collateral assigned. However, the majority of obligors have salary assignments in place.

Collections and Recovery

Collections and Recovery Department under the Chief Operating Officer is responsible to track all DPDs and trends, in order to assess the proper strategy for each product type. The RMD works closely with this department to understand behavioral patterns that can be used for further enhancements to existing policies.

Expected Credit Loss

BIBD had established its IFRS9 process which has enabled us to calculate the Expected Credit Losses or credit impairments. This process provides forward looking expected credit losses for either a 12-month Probability of Default ("**PD**") or Lifetime PD, based on statistical historic

data with respect to BIBD various portfolio PDs, Loss Given Defaults ("**LGDs**") and Macroeconomic overlays and Exposure at Default ("**EAD**").

2. Operational and Shariah Risks

Operational Risk events stemming from People, Systems, Processes and External Factors may lead to losses for the Group. These factors are constantly monitored and reported.

As a continuous proactive measure to better capture all operational risk related events, the Group has placed a strong emphasis on providing regular training to all employees. The Group has assigned employees across all Divisions in order to act as the Risk Coordinators ("**RC**"), in charge to capture any operational risk issues, including Shariah Risks.

RMD has also implemented several tools and processes to provide a holistic view across the Group. Any Risk Event Report is carefully analysed using a Root Cause methodology together with the respective causal factors in order to identify the proper solution within a reasonable timeline. Another key tool used for operational risk issues is the monthly tracking of the RAS and KRIs implemented by each unit, in agreement with RMD.

3. Market, PRRBB, Funding, Liquidity, Country and Cross Border Risks

As part of the regular monitoring and reporting of BIBD's market exposures to ensure that these exposures are within the approved risk appetite parameters, the Risk Management team continuously keeps abreast of market developments in different geographies, which may impact BIBD cross border portfolio and specific risk guidelines. BIBD maintains high quality liquid assets and well diversified sources of funding that act as a liquidity buffer.

Another aspect of the market risk are interest/profit rate movements affecting the banking book performance, and the consequent impact on the earnings and capital. This analysis is presented to the ALCO by the RMD on a monthly basis.

BIBD utilises several processes and analytical techniques to manage relevant risks and support business requirements:

a) Counterparty Limits Process using qualitative and quantitative techniques,

b) Country Limits using fundamental economic, political and social analysis,

c) Cross Border Risk analysis covering the Nationalization, Expropriation, Convertibility and Transferability risks ("**NECT**").

BIBD also uses Country Sovereign International risk ratings, from S&P Global, Moody's and Fitch to ensure further alignment to international practices.

4. Legal, Regulatory, Compliance and Reputational Risks

BIBD Group has placed the utmost priority on compliance to international and local governance guidelines and is well-aware of the proper and proactive implementation to mitigate or avoid all risks related to legal, regulatory, compliance, and the adverse impact to BIBD's reputation.

5. Cyber and IT Risks

Regular reviews, upgrades and testing of all IT systems (hardware and software), as well as BIBD's cyber infrastructure, are performed to avoid any internal and external disruptions that may affect Group's general capabilities to operate. Thereby, ensuring that our customers benefit from the constant technology investments within the Group. These approaches allowed for further strengthening of BIBD's overall IT and Cyber risk management capabilities by implementing best practices. As part of this scope, the IT and Cyber risk framework is assessed and reviewed periodically as BIBD continues in developing a predictive risk management culture.

6. Information Governance and Outsourcing Risks

The BIBD Board and Senior Management has placed significant emphasis on ensuring that risks related to data quality, record management and client data privacy are mitigated and avoided. The BIBD Group has implemented an outsourcing monitoring process to be sure that services and data received by external sources are reliable and providers have a sound and proven track record.

7. Model Risk

Risk related to losses resulting from using inappropriate models, data, model's review and service updates. BIBD Group is building its model inventory to have a comprehensive record of various models to allow for the control, maintenance and tracking of these different models.

With this model risk framework in place, BIBD will be well prepared to react to market changes and be in alignment with regulators and International Practices.

Foreseeable Risk Factors

The challenges brought about by the COVID-19 2nd wave in August 2021, were unprecedented with a strong shock in Brunei, and a mild effect in the world economy. Several measures were taken by governments around the world to alleviate the slowdown in domestic and international economic activity.

While the spreading of COVID-19 continued during 2021, the global economy has slowly resumed productivity, notwithstanding the impact of the pandemic still there.
It is expected that consumer spending – fueled by monetary stimulus provided by several governments – will increase. There is also the possibility of inflation rising above expectations resulting in the increasing of long-term interest rates, affecting a repricing effect on several financial asset types that will affect financial institutions.

Domestic (Brunei)

- Limited aggregate demand growth across all the economy.
- Limited new major governmental projects, within 2022.
- Concentration still in oil & gas, accounting for 38.1% of Domestic GDP (3Q21 – MOFE).
- Several industries affected by COVID, due to travel bans as Brunei is expected to continue its cautious approach to ensure public wellbeing.
- For 2022, domestic spending will increase due to the containment of the pandemic within Brunei has resulted in the gradual de-escalation of pandemic measures, since November 2021.

International

- It is expected that worldwide economy will strongly reactivate for 2022, however common variables and situations are still present across all economic blocks, such as:
  - Inflation rising.
  - Interest rates increasing.
  - High volatility in the stock, bond and exchange rate markets.
  - Supply chains still disrupted.
  - Energy prices increasing.
- Vaccination programs already implemented within the G20.
- Uncertainty on new Covid variants and contagion rates for 2022.

2.1.2 DISCLOSURE OF OTHER OPERATIONAL AND FINANCIAL RELATED MATTERS

Statutory / Regulatory Provision	Disclosure Requirement	Disclosure Response
Reg 18(3)(d) SMR, 2015	Disclosure of the details of any matter or circumstance that have arisen since the end of the financial year that have significantly affected or may significantly affect: *(i)* the reporting entity's operations in future financial years; *(ii)* the results of those operations in future financial years; or *(iii)* the reporting entity's state of affairs in future financial years.	• There are no significant subsequent events, between the financial year ended 31 December 2021 and the date of the financial report of 26 March 2022, that affects: *(i)* the reporting entity's operations in future financial years; *(ii)* the results of those operations in future financial years; or *(iii)* the reporting entity's state of affairs in future financial years. • Consequently, no such disclosures are made in the audited financial statement for the year ended 31 December 2021.
Reg 18(3)(e) SMR, 2015	Disclosure of the likely developments in the reporting entity's operations in future financial years and the expected results of those operations.	• The Bank is principally engaged in the provision of Islamic banking business in accordance with Shariah principles as allowed under the Islamic Banking Order 2008. • The subsidiaries (together with the Bank is referred to as the BIBD Group) are principally engaged in the provision of Islamic hire-purchase, stockbroking, asset and fund management, leasing and management services. • There were no significant changes in these activities during the financial year ended 31 December 2021. • The BIBD Group expect to continue its similar principal activities with the results of the operating reflecting these activities in the foreseeable future financial years. • The operational results of these activities are subject to the following risk namely, credit risk, market risk, liquidity risk and operational risk from financial instruments and put in place financial risk management processes and controls to manage these risk as set out in note 36 of the Audited Financial Statements for the year ended 31 December 2021.

2.1.3 CORPORATE GOVERNANCE PRINCIPLES

PRINCIPLE 1

Every Bank should be headed by an effective Board to lead and control the Bank. The Board has ultimate responsibility for the Bank's business strategy and financial soundness and is collectively responsible for the long-term success of the Bank, including approving and overseeing management's implementation of the Bank's strategic objectives, governance framework and corporate culture. The Board works with Senior Management to achieve these objectives and Senior Management remains accountable to the Board.

The BIBD Board of Directors' ("**Board**") primary role is to determine BIBD's strategy, objectives and policies to deliver sustainable value to its shareholders. The Board provides the Management with the guidance and leadership necessary for the BIBD Group.

To ensure that the Board's obligation to its shareholders and other stakeholders (employees, customers, regulators, etc.) remains paramount, the following aspirations and values are propagated throughout the BIBD Group:

BIBD Vision

Serving Brunei through Islamic Solution as its leading financial institution. (To be the benchmark institution and Point of Reference through responsible Islamic Values, Real Economy and Finance)

BIBD Mission

To be the Best Islamic Bank in Asia Pacific. As such, BIBD is driven by the **ABCDEF** strategy:-

A - Aligned
B - Bank of Choice
C - Customer Trust
D - Digital
E - Employees
F - Focus and Finish

I-CUE Values

Integrity
Customer Focus
Unity of Purpose
Excellence

The duties and responsibilities of the Board are clearly established in accordance with the law and guidelines issued by the regulator as set out in the Terms of Reference ("**TOR**") of the Board.

Under the BIBD Board TOR dated 12 September 2019, the responsibilities of the Board are set out below:

- Provide oversight of management on behalf of shareholders.
- Oversee processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance with law and the Group's Code of Conduct.
- Evaluate and determine the compensation of the Managing Director.
- Review the Group's compensation and benefits programs as well as its succession planning and diversity programs.
- Review major strategic initiatives inclusive of digitalisation financial and other objectives / initiatives of the BIBD Group.
- Review the Group's community-oriented activities.
- Nominate directors and evaluate the structure and practices of the Board to provide for sound corporate governance.
- Receive updates from all Board committees on key matters discussed, decisions made at the Board Committee meetings for review and approval.
- Question and critically review explanation and information provided by senior management.
- (Provide balanced and understandable assessment of BIBD's performance, position and prospects (including interim and other price sensitive public reports), and reports to regulators (as required)

- Approve material transactions of the BIBD and its Group including related party transactions.
- Receive an annual assurance from the Shariah Advisory Body that the operations of the BIBD and its Group are in compliance with Shariah rules and principles.

Additionally, to ensure that its responsibilities and oversight over the BIBD Group's business and operations can be effectively undertaken, the Board has delegated its authority to the following key Board Committees which operate in accordance with their roles and responsibilities as defined in their respective TORs:

Audit, Finance, Risk Committee ("AFRC")

The Committee ensures that a risk governance framework is established for the Group that includes well-defined organisational responsibilities for risk management, typically referred to as the three lines of defence;

(a) the Business Line (**1st Line of Defence**);

(b) a risk management function and a compliance function independent from the first line of defence (**2nd Line of Defence**); and

(c) an internal audit function independent from the first and second lines of defence (**3rd Line of Defence**).

The Committee is constituted as two separate sub-committees namely:

(a) The Audit and Finance Sub-Committee ("**AFSC**");

(b) The Risk Sub-Committee ("**RSC**"); and

Under the AFSC TOR, the committee must comprise entirely of non-executive directors that are deemed independent. Whilst the RSC is comprised of at least a majority of non-executive directors that are deemed independent. The chairman of the Board is not a member of the Committees. The AFSC is responsible for:

- recommendations to the Board on appointment, re appointment, remuneration and dismissal of the External Auditors and the scope of external audits and other services, to be put to the members for approval at the Annual General Meeting;
- providing the opportunity for the Internal Auditors and External Auditors to meet and discuss findings;
- reviewing with the External Auditors the end of year financial statements;
- framing policy on internal audit and financial reporting;
- overseeing the financial reporting process;
- providing oversight of and interacting with the Bank's Internal Auditors and External Auditors;
- reviewing and approving the audit scope and frequency;
- receiving key audit reports and ensuring that Senior Management is taking necessary corrective actions in a timely manner to address control weaknesses, non compliance with policies, laws and regulations, and other problems identified by auditors and other control functions;
- overseeing the establishment of accounting policies and practices by the Bank;
- reviewing the third-party opinions on the design and effectiveness of the overall risk governance framework and internal control system; and
- such other responsibilities as the Board may determine.

The Risk Sub-Committee ("RSC") - Internal Control

- The RSC should discuss, advise on and approve all of the Bank's risk strategies and policies in respect of financial and non-financial risks on both an aggregated basis and by type of risk and make recommendations to the Board thereon.
- The RSC shall discuss, advise on and approve the Bank's risk appetite statement (RAS).
- The RSC shall continually and at least annually review the effectiveness of the Bank's risk management and internal control policies and systems including, but not limited to financial, operational, compliance and information technology controls. Such review may be carried out internally or with the assistance of any competent third parties.
- The RSC should oversee that Senior Management has in place processes to promote the Bank's adherence to the approved risk policies.

In relation to risk assessment, the RSC shall:

- keep under review the Bank's overall risk assessment processes that inform the Board's decision making, ensuring both qualitative and quantitative metrics are used;
- review regularly and approve the parameters used in these measures and the methodology adopted; and
- set a standard for the accurate and timely monitoring of large exposures and certain risk types of critical importance.

Executive Committee ("ExCom")

The Committee consists of a majority of non-executive directors and the Company Secretary of the Bank shall be the Secretary of the Committee. The responsibilities of the Committee are set out below:

- Function as a discussion forum for Board matters and as a forum for decisions on matters not requiring full Board approval.
- Oversight of significant management decisions.
- Review of major strategic matters including the Annual Operating Plan and Financial Performance prior to Board approval and operations of the BIBD Group.
- Review and approval of domestic financing proposals with a net exposure equal to or greater than B$20,000,000 based on recommendations from the Credit Risk Committee.
- Review and approval of Treasury related exposures, new country / FI Limit applications and offshore exposure proposals with a gross exposure greater than US$20,000,000 based on recommendations from the Credit Risk Committee.

Human Resources Remuneration and Nomination Committee ("HRNC")

The HNRC of BIBD was set up by the Board in line with its corporate governance responsibility under the BDCB Guidelines for Corporate Governance for Banks. The responsibilities of the HRNC are:

- to make recommendations to the Board on all appointments to the Board and Senior Management.
- to establish a formal and transparent process for the identification, assessment, appointment and reappointment of directors to the Board and ensure that the appropriate succession plan for the Board is in place.
- to assist the Board to formulate, implement and review the remuneration policies and procedures for the Board, Senior Management and all personnel of BIBD which are not only in line with the Bank's ethical values, objective and culture but also promote recruitment, motivation, loyalty and retention.

In relation to the remuneration of the Board, Senior Management and personnel of BIBD, the responsibilities of HRNC are as follows:-

- Formulate, implement, and review the Remuneration Policies and Procedures for the Board, Senior Management and all personnel of BIBD ("**RPP**").
- Ensure that the remuneration of Directors is sufficient to attract and retain directors of calibre, but which is proportionate to the need to ensure that the Bank's funds are not used to subsidise excessive remuneration packages and not compromising the ongoing viability, solvency and reputation of the BIBD.
- The HRNC should work closely with BIBD's Risk Management Division and Human Resources and Human Capital Division ("**HRHCD**") to ensure that the formulation of the RPP takes account of the following factors:
- Capital and liquidity of BIBD.
- The Bank's ethical values, objective and culture.
- Promotion of sound risk culture i.e., ensuring that BIBD personnel act in the interest of BIBD and its customers instead of for themselves or only for their business lines. In other words, the RPP should not incentivise personnel to take unnecessary risk.
- Alignment with current industry standards - so that remuneration, as far as practicable, is competitive and able to promote recruitment, motivation, loyalty and retention.
- Work with the HRHCD to establish an objective and transparent Performance Evaluation Framework ("**PEF**") which incorporates the requisite criteria (including KPIs) by which performance can be measured annually.
- Carry out periodic review of the RPP and PEF (as deemed appropriate by the HRNC) to ensure alignment with current applicable laws, governance practices and industry standards.

The Board continues to give its unwavering commitment to maintain BIBD's exceptional standards of corporate governance and ensures values and behaviours are consistent across the business. The Board manages the affairs of the Group not by merely following prescribed rules and regulations, but by promoting open and transparent discussions. Additionally, the Board continues to ensure best practices and strong governance process, which are integral to BIBD's strategy and decision-making processes. Thus, these values are maintained for the benefit of BIBD's shareholders and other stakeholders.

For the First-Time Directors, BIBD requires the appointed Directors to attend BIBD's Board induction programme to familiarise themselves with the Group's operations and to build a strong foundation of knowledge about the Group. Similarly, the Board also ensures that individual directors attend ongoing and regular training on relevant issues including amongst others training on any relevant new laws, regulations and changing commercial risk, financial and any other relevant trainings.

The list of trainings attended by the Board members for the year 2021 is set out below:

1. YB Dato Seri Setia Awang Hj Mohd Amin Liew bin Abdullah
2. YM Dr Jan Hendrik van Greuning
3. YM Junaidi bin Hj Masri
4. YM Haji Sofian bin Mohammad Jani

No.	Name of Course/Training etc.	Date(s) Attended	Organiser	Medium
1.	Corporate Governance and Board Effectiveness *Note: This is part of BIBD's training programs for the directors in 2021 but the scheduled date was postponed to 2022 due to the COVID-19 pandemic.*	11 March 2022	BIBD – facilitators from PricewaterhouseCoopers ("**PwC**")	Webinar

5. YM Dato Paduka Iqbal Ahmad Khan

No.	Name of Course/Training etc.	Date(s) Attended	Organiser	Medium
1.	Fajr Academy's "Leadership Series" by Prof. Vivek Wadhwa on "Insights on Technological & Innovative Disruptions"	14 January 2021	Fajr Capital Academy	Web Based Seminar
2.	Outlook for the Global Alternatives Market Webinar & Real Estate, Direct Lending & Private Debt Forum 2021	21 January 2021	Florida Alternative Investment Association (FLAIA)	Web Based Seminar
3.	4th edition of the Future Investment Initiative (FII) on The Neo-Renaissance	27-28 January 2021	Future Investment Initiative (FII)	Conference
4.	UAE Economic Strategy Post COVID-19 - Conversation with Ministers	2 February 2021	Crescent Petroleum	Web Based Seminar

5.	MASIC Annual Investment Forum - Global Stimulus: Investment & Economic Implications	7 February 2021	Mohammaed I. Alsubeaei & Sons Investment Company (MASIC)	Conference
6.	Fajr Academy Leadership Series by Howard S. Marks on "Insights on Value vs Growth investing and the overall market landscape"	23 February 2021	Fajr Capital Academy	Web Based Seminar
7.	World Government Summit | WGS 21 Dialogues	9-10 March 2021	World Government Summit	Web Based Seminar
8.	Fajr Academy Leadership Series by Professor Sir Malcolm Grant on "Insights on how COVID-19 will shape the healthcare and education sectors"	24 March 2021	Fajr Capital Academy	Web Based Seminar
9.	Virtual Event on Cybersecurity by Tanium by The Embassy of the United State of America in Abu Dhabi, United Arab Emirates	31 March 2021	U.S. Commercial Service	Web Based Seminar
10.	Outlook on the GCC under the economic reforms" by Mr. Tarek Fadlallah	6 April 2021	MASIC	Web Based Seminar
11.	Guiding Impact Investments: A Faith-Based Approach	7 April 2021	Global Impact Investing Network (GIIN)	Web Based Seminar
12.	Inaugural Stephen W. Bosworth Memorial Lecture in Diplomacy with President Bill Clinton	7 April 2021	Harvard Kennedy School	Lecture
13.	Green Room & Live Room-SuperReturn Emerging Markets 2021: Connecting growth market GPs with LPs from around the globe	24 June 2021	SuperReturn	Conference
14.	The Future of Emerging Markets: Where The Growth Is	29 June 2021	Florida Alternative Investment Association (FLAIA)	Web Based Seminar
15.	Fajr Academy Leadership Series by Tan Sri Andrew Sheng on "Asia's re-emergence as the engine for global trade and growth and the future of the Asian and world economy post COVID-19"	30 June 2021	Fajr Capital Academy	Web Based Seminar
16.	Fajr Academy Leadership Series by Mudassir Sheikha who discussed "the remarkable journey of Careem so far and also explore the growing entrepreneurial ecosystems in our core markets"	28 July 2021	Fajr Capital Academy	Seminar

17.	Annual AML and Compliance Training with Praesidium	29 July 2021	APEX	Seminar
18.	Fajr Academy Leadership Series by Sir Michael Barber of the Delivery Associates to discuss themes of the private and public sector	25 August 2021	Fajr Capital Academy	Seminar
19.	A&O - Fajr: ESG in the Middle East	21 September 2021	Allen & Overy	Lecture
20.	Fajr Academy Leadership Series by Chris Masterson on "Private Equity and Investment in Today's Uncertain and Complex World"	22 September 2021	Fajr Capital Academy	Web Based Seminar
21.	15th Young Muslim Leadership Programme 2021	1 October 2021	Oxford Centre for Islamic Studies	Lecture
22.	Guiding Impact Investments: A Faith Based Audience Discussion	5 October 2021	Global Impact Investing Network (GIIN)	Web Based Seminar
23.	Fajr Academy Leadership Series by The Hon Juan Zarate and Jeremy Kroll (K2 Integrity Session)	21 October 2021	Fajr Capital Academy	Web Based Seminar
24.	Future Investment Initiative (FII) – 5th Anniversary – Invest in Humanity	26-28 October 2021	Future Investment Initiative (FII)	Conference
25.	Beyond COVID: How to Improve Vaccine Equity & Delivery	18 November 2021	Center for International Development (CID) at Harvard	Web Based Seminar
26.	Fajr Capital Academy Leadership Series 2021 with Professor Shahid Jameel on "Financial Risk and regulation to the risks & challenges posted by COVID-19 and wider healthcare-related trends"	25 November 2021	Fajr Capital Academy	Web Based Seminar
27.	Pitch Training Session with Benjamin Ball, James Phillips and Steve Jacobs	6 December 2021	Benjamin Ball	E-learning
28.	Thomson Reuters Compliance Learning Course	19 December 2021	Thomas Reuters	Course
29.	Fajr Capital Leadership Series by Dr. Asim Yusuf on "Emotional resilience and mental wellbeing"	21 December 2021	Fajr Capital Academy	Web Based Seminar

6. YM Mubashar Hanif Khokhar

No.	Name of Course/Training etc.	Date(s) Attended	Organiser	Medium
1.	*ASEAN Central Bank Governors' & Financial Institution CEOs' Dialogue in 2021 – Digitalization and Sustainability: Changing the Face of Financial Services in ASEAN*	29 March 2021	Autoriti Monetari Brunei Darussalam ("**AMBD**") – presently known as BDCB	Conference
2.	Envisioning Brunei as an Islamic Finance Hub	22 April 2021	Brunei Institute of Leadership and Islamic Finance ("**BILIF**")	Webinar
3.	Islamic Capital Market Conference	2 June 2021	BILIF	Conference
4.	Business & Investment Roundtable 2021 on Fintech and Financial Literacy	30 August 2021	ASEAN Business Advisory Council	Webinar
5.	Islamic Finance & the SDGs | 2021 Summit	28 September 2021	Islamic Finance Council UK, United Nations, Islamic Development Bank	Webinar

7. YM Hjh Noraini binti Hj Sulaiman

No.	Name of Course/ Training etc.	Date(s) Attended	Organiser	Medium
1.	Envisioning Brunei as an Islamic Finance Hub	22 April 2021	BILIF	Webinar
2.	Board's Executive Education Programme 2021	6 – 8 July 2021	BILIF	Webinar
3.	Syariah Advisory Series II - Islamic Capital Market: Insight and New Innovation	2 November 2021	BILIF	Webinar
4.	Corporate Governance and Board Effectiveness *Note: This is part of BIBD's training programs for the directors in 2021 but the scheduled date was postponed to 2022 due to the COVID-19 pandemic.*	11 March 2022	BIBD – facilitators from PwC	Webinar

The Board's alignment with Senior Management

The Board also ensures that the BIBD Group's vision, mission, values, aspirations and objectives are aligned with the business activities carried out by the senior management. In this regard, the Leadership Forum ("**LF**") has been established.

LF is a committee which comprises of senior management responsible for the overall management of the BIBD Group. The LF meets at least once every month on the first working Monday of every month. Meetings are held to resolve important matters impacting the BIBD Group. The roles and responsibilities of the LF are as follows:

- To undertake the Ownership, Governance and Execution
- To provide collective, aligned and coordinated leadership towards the BIBD Group's ABCDE strategy;
- To consider and execute appropriate decisions on critical matters affecting the BIBD Group.

Apart from the LF, the emerging Leadership Forum ("**eLF**") is set up as a 2nd tier collaborative committee of senior management which the Bank aspires, as part of its succession plan, to assume the LF roles in future. The main objective of eLF is to fully support the LF in providing innovative ideas in line with the BIBD Vision, Mission and ABCDE strategy guided by BIBD's core values of I-CUE. The roles of the eLF are as follows:-

- To identify, evaluate, and agree on solution-based action plans to grow BIBD's team unity, branding, customer loyalty and businesses' profitability.
- To identify and create inter-divisional partnerships and leverage on available resources to improve overall BIBD staff engagement and customer service experience.
- To review internal processes, enhance sense of responsibilities and ownership of each employee to facilitate business opportunities, identify and take actions on any impediments faced by businesses.
- To identify bold and key value propositions that shall help BIBD elevate its branding to achieve the ABCDE strategy including the CSR aspect in the strategy.
- To report to the Chairman of LF the progress of projects on a quarterly basis or as and when required.
- To target a minimum of 1 (one) key deliverables based on the ABCDE strategy every half year. Target deliverables shall be defined based on short, medium and long-term strategy.

PRINCIPLE 2

There should be an effective Board composition, with a strong independent element where no individual or small group of individuals should be allowed to dominate the Board's decision making. Senior Management remains accountable to the Board.

As of 31 December 2021, there are 5 members in the BIBD Board comprising of 4 independent directors and 1 executive director who between them bring to the BIBD Group a broad range of experience, knowledge and management skills in the banking, finance and governance sectors.

Board Composition

Director	Designation	Remarks
YB Dato Seri Setia Dr Awang Haji Mohd Amin Liew bin Abdullah	Independent Director (Chairman)	-
YM Dr Jan Hendrik van Greuning	Independent Director	-
YM Dato Paduka Iqbal Ahmad Khan	Independent Director	Resigned on 1 December 2021
YM Junaidi bin Hj Masri	Independent Director	-
YM Hj Sofian bin Mohammad Jani	Independent Director	-
YM Mubashar Hanif Khokhar	Executive Director (Managing Director & Chief Executive Officer)	Resigned on 1 December 2021
YM Hjh Noraini binti Hj Sulaiman	Executive Director (Acting Managing Director & Chief Executive Officer)	Appointed on 1 December 2021

The Board acknowledges the importance of a clear division of responsibility between the Chairperson and the Group CEO. The roles of Chairperson and Group CEO are therefore exercised by separate individuals to ensure optimal balance, resulting in increased accountability and enhanced decision-making.

The Board is chaired by YB Dato Seri Setia Dr Awang Haji Mohd Amin Liew bin Abdullah ("**YB Dato Amin**") an Independent Director, who plays a key role in ensuring the Board operates effectively and fully discharges its legal and regulatory responsibilities.

BIBD also ensures that an Independent Director is independent of Management and free from any business or other relationship which could interfere with his ability to act in the best interests of BIBD. Thus, the Independent Director is able to:-

- provide and enhance the necessary independence.
- ensure checks and balances on the Board.
- mitigate any possible conflict of interest between policy making process and day-to-day business activities.

As the Chairperson, YB Dato Amin also leads the Board in the oversight of the Management and in inculcating the right culture, values and behaviours, both at the top and throughout the entire organisation. The Board delegates responsibility for the overall business and day-to-day management of the BIBD Group to the Group CEO. The Group CEO is responsible for leading Management and for making and implementing operational decisions. In addition, the Group CEO will also be able to track and measure the performance of core programmes against the agreed strategies and roadmap and provide regular feedback and ensure timely course corrections.

In addition to the above, some members of the Board are also appointed as Chairman or as members of the board of BIBD's wholly owned subsidiaries ("**Subsidiary Boards**"). This practice provides a bridge between the Board and Subsidiary Boards, from which the overall goals and objectives of the Group Business Plan and Strategy could be conveyed to the Subsidiary Boards, for better alignment and execution of the Group Business Plan and Strategy.

PRINCIPLE 3

There should be a clear division of responsibilities between the leadership of the Board and those executives responsible for managing the Bank's business. Decision making power should not be concentrated in the hands of one individual.

As explained in Principle 2, the positions of BIBD Chairman and CEO are held by different individuals as shown in the table under the Principle 2 with clear division of roles and responsibilities in line with best practices. This distinction allows for a better understanding and distribution of jurisdictional responsibilities and accountabilities. The clear hierarchical structure with its focused approach facilitates efficiency and expedites decision-making.

PRINCIPLE 4

There should be a formal and transparent process for the identification, assessment, appointment and reappointment of directors to the Board. The Board, not Senior Management, nominates candidates and promotes appropriate succession planning of directors.

The Human Resource Nomination Committee ("**HRNC**") is responsible to make recommendations to the Board on all appointments to the Board and Senior Management including to ensure that the relevant selection processes are complied with.

HRNC will assess of the need to hire a new director or to fill in a vacancy for the board as an independent or non-executive director. The committee will then develop the candidate profile such as the industry they major in, gender and proof of qualification. Selection will be based on the candidacy from the Board, major shareholder and the committee's own search, and shortlisted candidates will be shortlisted.

The shortlisted candidates will be assessed based on the following criteria.

For new directors:

- Knowledge, skills & experience promoting diversity.
- Understands local/regional economy & market.
- Integrity & good repute
- Ability to commit time.
- Character – able to work collectively without affecting independent voice, i.e., avoid group thinking.
- No conflict of issue to join BOD – assess other directorship(s)

(Additional) for independent director:

G. Not disqualified under rules 4 and 5 of the companies (corporate Governance) (Public companies) Rules, 2016.

H. Fulfill independence criteria under principle 2.11 of BDCB Corporate Governance Guidelines for Banks.

Interview process commences before the final assessment prior to submission of recommendation to the Board. Finally, if approved by the Board, the following actions are carried out:

- Submit application for BDCB's approval.
- Issue appointment letter;
- Secure the signing by the new director of the Letter of Undertaking to maintain Confidentiality.
- In the case when the appointment requires Shareholder's approval, the necessary members resolution will be prepared to be tabled to the Shareholders.

Effective from 19 March 2020, BIBD has ceased to have any alternate directorship appointment on its Board.

The key information regarding directors, such as academic and professional qualifications, shareholding in the bank and its related corporations, Board committees served on and date of appointment as a director can be found in the directors' profile section of this Annual Report.

In respect of Principle 4.7 of BDCB's Corporate Governance Guidelines for Islamic Banks relating to Board members' other directorships, the list of Directorships held by Members of the Board of BIBD are displayed below:

YB Dato Seri Setia Dr Hj Awang Mohd Amin Liew bin Abdullah (as of 11 January 2022)

1. Jerudong International School Sdn Bhd
2. Jerudong Park Medical Centre Sdn Bhd (JPMC)
3. Gleneagles Jerudong Park Medical Centre (GJPMC)
4. JPH Sdn Bhd
5. Muara Port Company Sdn Bhd
6. Brunei Shell Tankers Sendirian Berhad
7. Brunei Gas Carriers Sdn Bhd
8. Brunei Shell Marketing Company Sendirian Berhad
9. Brunei Shell Petroleum Company Sendirian Berhad
10. Brunei LNG Sendirian Berhad
11. Lembaga Dana Sustainabiliti (SF)
12. Lembaga Eksekutif Dana Modal Pembangunan Strategik
13. Brunei Fertilizer Industries Sdn Bhd
14. Marzuq Holdings Limited
15. Amann Shipping Group Sdn Bhd
16. Makmur Holdings Limited
17. Hengyi Industries Sdn Bhd
18. Damai Holdings Limited
19. Khazanah Satu Sdn Bhd
20. Sukuk Holdings Properties (SHOP) Sdn Bhd
21. Profin Sdn Bhd
22. Bursa Brunei Darussalam Sdn. Bhd.
23. Bank Usahawan Berhad
24. Brunei Investment Agency
25. Syarikat EVYD Technologies Sdn Bhd
26. Darussalam Enterprise
27. Steering Committee of Fixed Direct Investment (FDI) & Downstream Industry Investment
28. Bank Islam Brunei Darussalam Berhad (BIBD)
29. Pantai Jerudong Specialist Centre (PJSC)
30. Takaful Brunei Darussalam (TBD; TBA & TBK)
31. Brunei Economic Development Board
32. Unitisation Advisory Committee

YM Dato Paduka Iqbal Ahmad Khan *(Resigned as BIBD Director on 1 December 2021)*

1. Fajr Capital Limited
2. Fajr Capital Advisors Limited (UAE)
3. Bank Islam Brunei Darussalam Berhad (BIBD) – until 30 November 2021
4. MENA Infrastructure (GP) Limited
5. Saudi Mechanical Industries Company
6. Cravia Group Holdings Limited
7. Jadwa Investment, Saudi Arabia
8. Syarikat Takaful Brunei Darussalam Sdn Bhd – until August 2021
9. Syarikat Takaful Brunei AM Sdn Bhd - until August 2021
10. Syarikat Takaful Brunei Keluarga Sdn Bhd – until August 2021

YM Hennie van Greuning

1. Bank Islam Brunei Darussalam Berhad

YM Junaidi bin Haji Masri (as of 25 January 2022)

1. Amann Shipping Group Sdn Bhd
2. Amann Shipping Container Line Sdn Bhd
3. Bank Islam Brunei Darussalam Sdn Bhd
4. Barramundi Asia (B) Sdn Bhd
5. BIBD Tamwil Berhad
6. Blue Ocean Tech Sdn Bhd
7. Brunei Energy Services & Trading Sdn Bhd
8. Brunei Fertilizer Industries Sdn Bhd
9. Brunei Methanol Company Sdn Bhd

10. CAE Brunei MPTC Sdn Bhd
11. Darussalam Pilotage Services Sdn Bhd
12. Everbright Adv Investments Sdn Bhd
13. Fajr Capital Limited
14. Hengyi Industries Sdn Bhd
15. Jets Sdn Bhd
16. Jerudong Park Hotel Sdn Bhd
17. Jerudong International School Sdn Bhd
18. Lianfeng Investments Sdn Bhd
19. Piper Aircraft Asia Sdn Bhd
20. Polygel Organometallic (B) Sdn Bhd
21. Progresif Sdn Bhd
22. RBA Golf Club Sdn Bhd
23. RBGCC Sdn Bhd
24. Royal Brunei Technical Services Sdn Bhd
25. SBI (B) Sdn Bhd
26. Simpor Pharma Sdn Bhd
27. Syarikat P3 Sdn Bhd (Syarikat P Cube)
28. Takaful Brunei Am
29. Western Foods & Packaging Sdn Bhd

YM Haji Sofian bin Mohammad Jani (as of 24 January 2022)

1. Tabung Amanah Pekerja
2. Royal Brunei Catering Sdn Bhd
3. Badan Tanmiah Harta Majlis Ugama Islam
4. DST Digital
5. Bursa Saham Brunei Darussalam (BNX)
6. Bank Islam Brunei Darussalam Berhad (BIBD)
7. Oman Brunei Investment Company (OBIC)
8. Pak Brunei Investment Company

YM Mubashar Hanif Khokhar *(Resigned as BIBD Director on 1 December 2021)*

1. Bank Islam Brunei Darussalam Berhad
2. BIBD At-Tamwil Berhad
3. BIBD Securities Sdn Bhd
4. BETTER Sdn Bhd
5. BIBD (Middle East) Limited
6. Brunei Institute of Leadership & Islamic Finance (BILIF)

YM Hjh Noraini binti Hj Sulaiman *(Appointed as BIBD Director on 1 December 2021)*

1. Bank Islam Brunei Darussalam Berhad
2. BIBD At-Tamwil Berhad
3. BIBD Securities Sdn Bhd
4. BETTER Sdn Bhd
5. BIBD (Middle East) Limited
6. Brunei Institute of Leadership & Islamic Finance (BILIF)
7. Jerudong Park Medical Centre Sdn Bhd (JPMC)
8. Pantai Jerudong Specialist Centre (PJSC)

PRINCIPLE 5

The Board should define appropriate governance structures and practices for its own work and put in place the means for such practices to be followed and periodically reviewed for ongoing effectiveness. There should be a formal annual assessment of the effectiveness of the Board as a whole and its Board Committees and the contribution by each director to the effectiveness of the Board.

The BIBD Board of Directors' ("**Board**") primary role is to determine BIBD's strategy and objectives and policies to deliver sustainable value to its shareholders. The Board provides the Management with the guidance and leadership necessary for the Group. As explained in Principle 1, the Board and Management Committees assist the Board in providing effective oversight over the Bank's operations. The Board would review the structure periodically and advise on the current structure if deemed necessary.

The effectiveness of the Board and Board Committees is further strengthened by the majority composition of the Independent Directors on the BIBD Board as well as the chairmanship of the Board Committees which are all held by Independent Directors as set out below:

- ExCom and HRNC – YM Dato Paduka Iqbal Ahmad Khan
- AFRC – YM Dr. Jan Hendrik Van Greuning

On 21 January 2022, following the resignation of YM Dato Paduka Iqbal Ahmad Khan, the Board appointed the following Independent Directors as Chairpersons of the Board Committees below:

- ExCom – YB Dato Seri Setia Dr Awang Haji Mohd Amin Liew bin Abdullah
- HRNC – YM Junaidi bin Hj Masri
- AFRC – YM Dr. Jan Hendrik Van Greuning

In addition to the above, Effendy bin Othman, who is the General Counsel for the Bank and a certified member of the Malaysian Association of Company Secretaries, is also the appointed Company Secretary for BIBD. He and his team provide legal, secretarial and governance support to the Board. The following are some of the key responsibilities of the Company Secretary:

- Administer all Board and Board Committee meetings including the scheduling, taking of minutes, preparation of Board meeting materials and information supplied to the Board.
- Ensure information supplied to the Board such as meeting minutes are accurate, timely and adequate for the Board to carry out its function.
- Ensure proper record keepings off all deliberations and decisions of the Board and Board Committees
- Accord the Board with regular updates and advice on changes to statuary and regulatory requirements including those related to governance matters.
- Facilitate a two-way communication between Senior Management and the Board to ensure Board's decision are communicated in a timely basis.

Minutes of Board and Board Committee meetings are recorded and documented appropriately by the Company Secretary. Such records are made available to any authorities upon request.

Independent Assessment of the Board and Shariah Advisory Body ("SAB").

To ensure that the effectiveness of the Board and the SAB, the Board had approved an independent assessment of the Board and the SAB undertaken by PricewaterhouseCoopers (PWC) which was completed in August 2021. The report and key findings of the assessment is expected to be presented to the Board in March 2022.

This independent assessment exercise is carried out biennially and a self-assessment exercise every other year.

PRINCIPLE 6

In a group structure, the Board of the parent Bank has the overall responsibility for the group and for ensuring the establishment and operation of a clear governance framework appropriate to the structure, business and risks of the group and its entities. The Board and Senior Management should know and understand the Bank group's organisational structure and the risks that it poses.

The wholly owned subsidiaries of the Bank are as follows:

- BIBD Securities Sdn Bhd,
- BIBD At-Tamwil Berhad,
- BIBD (Middle East) Limited
- BIBD Management & Services Sdn Bhd.

To ensure that the BIBD Group adheres to consistent governance framework to manage its business and operational risks, BIBD as the parent company has established a group structure which includes the Bank having Board representation across the subsidiaries to cascade down the Bank's corporate governance values, principles, approach for its subsidiaries to adopt to the extent they do not conflict with the interests of the subsidiaries and their own legal or regulatory requirements.

All major decision which may impact the interest of the Bank, or the Group will be assessed by the Board and the Bank as the shareholder may make decisions for the benefit of the subsidiaries and in line with the BIBD Group Corporate Governance framework.

The Board recognises the responsibilities of the directors of the BIBD subsidiaries to exercise judgement and to make decisions in accordance with the best interest of the subsidiaries even where those interest may conflict with the best interests of the Bank. This is further displayed as the subsidiary board and senior management structure have clearly defined roles and responsibilities.

The Bank's Audit, Risk, Compliance, Finance, Legal and Shariah divisions also have an oversight of the subsidiaries in these areas whereby consultation between these Bank's divisions and the subsidiaries are held from time to time to address any arising matters in those areas. To that end, the BIBD Senior Management is responsible for developing policies, procedures and processes which benefits the BIBD Group. They are responsible for establishing group corporate strategy and direction ("**Group Strategy**").

Once the Group Strategy is approved by the Board of the Bank and its subsidiaries, the management of the respective subsidiaries shall be directed to implement the same and report on the progress of such implementation to their respective Boards. Additionally, the operations of the subsidiaries are reviewed periodically by the Bank's Internal Audit and Risk divisions.

The Control Functions Reporting and Alignment Guidelines ("**CFRA Guidelines**") for the BIBD Group is to enhance the group alignment and to fulfil the Board's obligation under Principle 6 Corporate Governance for Islamic Bank ("**CGIB**") as the parent bank, with specific emphasis on strengthening internal group reporting processes.

The CFRA Guidelines are aimed at formalising:

- The group governance responsibilities of the control functions of BIBD as the parent bank.
- The reporting and consultation obligations of the BIBD subsidiaries to the control functions.
- Centralising the list of policies, framework, guidelines, terms of reference and other governance related documents of BIBD's control functions which are to be adopted by the respective subsidiaries.

The CFRA Guidelines shall form part of the BIBD Group Corporate Governance Framework as required under Principle 6 CBIG.

PRINCIPLE 7

The Board should meet regularly and be duly furnished with complete and timely information.

The Board meets on a regular basis, with a minimum of 4 scheduled meetings in a financial year or more frequently as circumstances dictate. The dates of these scheduled meetings are determined well in advance to enable the Directors to plan ahead.

In 2021, the Board members attended all the quarterly Board and Board Committee meetings are detailed below:

Role	Name	Board Committees for 2021									
		BOD		HRNC		ExCom		AFRC		AGM	
		H*	A**	H	A	H	A	H	A	H	A
Chairman	YB Dato Seri Setia Dr Awang Haji Mohd Amin Liew bin Abdullah	4	4	N/A	N/A	N/A	N/A	N/A	N/A	1	1
Director	YM Awang Junaidi bin Haji Masri	4	4	7	7	6	6	4	4	1	1
Director	YM Dato Paduka Iqbal Ahmad Khan	4	4	7	7	6	6	4	4	1	1
Director	YM Dr Jan Hendrik van Greuning	4	4	N/A	N/A	N/A	N/A	4	4	1	1
Director	YM Haji Sofian bin Hj Mohd Jani appointed on 20 March 2020)	4	4	7	7	6	6	4	4	1	1
Managing Director/CEO	YM Mubashar H. Khokhar	4	4	7	7	6	6	N/A	N/A	1	1

H* = Held
A = Attended**
N/A = Not applicable as the director is not a member of the Committee

Prior to the Board meeting the Company Secretary ensures that the agenda of the meeting and the presentation deck must be issued at least seven (7) days prior to each Board meeting to allow sufficient time for all directors to consider the relevant information. The agenda of meeting includes amongst others matters specifically reserved for the Board's decision. The discussions and conclusions of the Board meetings are minuted, in a clear, accurate, consistent, complete and timely manner. The minutes amongst others record the decisions of the Board, including key deliberations for each decision made. The draft minutes will then be tabled at the following meeting for approval and signing.

In line with proper governance on records, the minutes are entered into the Minutes Register kept by the Company Secretary which may be accessed by the Board at any time. To ensure accuracy and consistency in form and contents, reproduction of any part of the minutes can only be made by way of request to the Company Secretary who will certify the said minutes.

In June 2020, the Board had duly appointed Effendy Othman as the Company Secretary. Prior to joining BIBD, Effendy was in private legal practice in Kuala Lumpur for 24 years, of which 10 years was as a senior partner with the largest regional law firm in Malaysia with presence in all the Asean countries. Effendy's clients ranged from local and international financial institutions, multinational, public and public listed companies.

In addition to acting as counsel in a wide range of commercial and corporate disputes, Effendy also counselled clients on

contractual claims, corporate compliance, shareholders disputes, banking related matters, regulatory investigations, receivership and corporate insolvency. Effendy was also the lead counsel in obtaining the relevant court orders for several restructuring exercises and mergers of public listed companies and financial institutions in Malaysia.
Effendy is a certified company secretary with the Malaysian Association of Company Secretaries.

He is also the co-author of several publications including the Malaysian Company Law: Principles and Practice (2nd Ed. 2018 - *Wolters Kluwer*), the author for the Malaysian chapter on Asian Conflict of Laws - East and Southeast Asia (2017- *Wolters Kluwer*), and the contributor for Malaysia for the Global Perspectives on the Hague principles chapter of the Choice of Law in International Commercial Contracts (2021 – Oxford University Press).

Effendy graduated with First Class honours in law from the International Islamic University, Malaysia. He also holds Masters' Degree in Law from the University of Cambridge and the London School of Economics and Political Science.

PRINCIPLE 8

There should be a formal and transparent procedure for fixing the remuneration packages of Board members, Chief Executive Officers and Senior Management and the remuneration policies and practices should be in line with the Bank's ethical values, objectives and culture.

The remuneration policies for Senior Management and all other employees of the Bank are under the supervision and oversight of the Human Resources and Nomination Committee ("**HRNC**") whereby the implementation of these policies is carried out by the Human Resource and Human Capital Division ("**HRHCD**"). The members of the HRNC are comprised of 2 Independent Directors and 1 Executive Director. The functions of the HRNC in terms of remuneration policy are amongst others-

- ensure that the remuneration policy supports the Bank's objectives, culture and strategy;
- remuneration and employment conditions of the industry;
- the Bank's relative performance for the relevant financial year;
- the performance -related elements of remuneration should form a significant proportion of the total remuneration package of executive directors. However, salary scales should be within the scope of the general business policy and not be solely based on short-term performance to avoid incentives for excessive risk taking;
- to cover all aspects of remuneration including director's fees, salaries, allowances, bonuses, options and benefits-in-kind and termination benefits; and
- other key responsibilities are set out in HRNC Terms of Reference

The philosophy for the Bank's remuneration is to be competitive in the market with the aim to attract the right talents for the organisation. In terms of the local practices and statutory requirements, we ensure that we are aligned, meet the minimum requirement or better than what has been prescribed by both. The business objective is one of the main influences in driving our compensation policy.

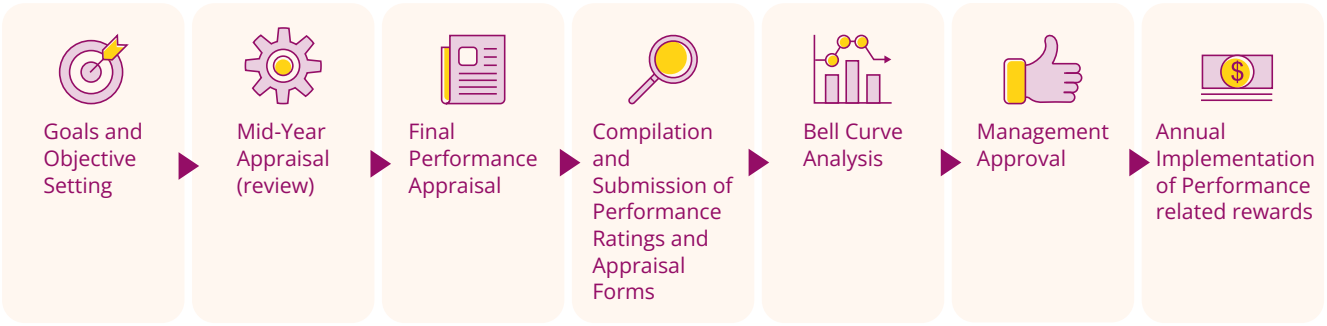
The Bank's values are based on the history and culture, which are derived from the internal culture, the external environment, and the market that we are operating in.

The Bank's remuneration policy is primarily in compliance with international best practices and there is on-going exercise to enhance alignment of its remuneration policy including Board/Committee mandates, treatment of Material Risk Takers and its Performance Management System with these international best practices. To this end,

the Bank will participate in the yearly compensation and benefits benchmarking survey against the practices of our competitors. From this benchmarking exercise, the Bank will be able to assess where the organisation is against its competitors through its benchmark positioning.

This exercise also provides competitive reference on the compensation market rates which can help the organisation to formulate the overall compensation strategies, make decisions on current compensation policies, assist us to provide the right remuneration package for new jobs and diagnose compensation problems.

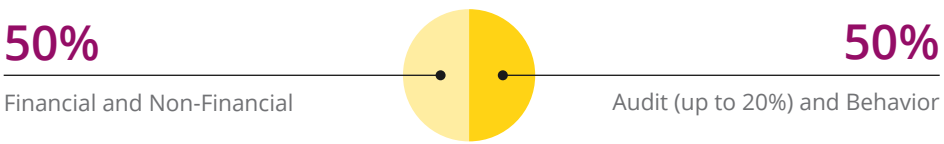
In terms of compensation assessment process, the Leadership Forum/Senior Management and all employees, their compensation is based on the current market practices, and they are assessed yearly for their performance weighted against financial, non- financial as well as behavioral considerations. These considerations are accessed based on performance targets which are generally set at the outset of the financial year. This is further illustrated by the following diagram:



The assessment is based on the following criteria:

Financial and Non-Financial	Audit	Behavior	Learning and Development
Your objectives should provide you with clear direction, priorities and expectations for your performance as well as clarify how your priorities are aligned to your business and BIBD Strategy. Objective settings can be broken down into Financial and Non-Financial. Your objectives should provide the basis for managing and assessing your performance throughout the year.	The Audit Section must be completed by and applies to all Heads of Division, relevant Department Heads and staff who hold the responsibility and tasks in ensuring Audit Section items are acted upon. Staff who do not hold a responsibility for actioning audit section items are exempted from completing this section.	This is MANDATORY for the purpose of assessing the behavior and values of the staff.	Staff and line manager to jointly complete this section to identify development areas to focus on and to help staff achieve their performance and/or career aspirations.

Weighting



The HRHCD will compile the completed performance appraisal from all divisions and business unit of the Bank and will undertake a moderation exercise to ensure a balanced overall appraisal which will then be tabled at the HRNC meeting for its approval.

PRINCIPLE 9

The Board should present a balanced and understandable assessment of the Bank's performance, risk position and prospects.

Overall, the Board has clear understanding, skills and experience to assess BIBD's performance risk position and prospects. The Board too has established a strong internal control governance and risk management framework to facilitate its risk and control oversight responsibilities over the BIBD Group.

To ensure alignment in the appreciation and seamless implementation of the business strategy, risk appetite and other policies approved by the Board in BIBD's business activities and operations by its Senior Management, the Board has established a 2-level Committee within BIBD, namely:

1) Board Level Committees (as detailed in Principle 1):

a) Board
b) AFRC
c) ExCom
d) HRNC

2) Management Level Committees

Types of Management Level Committees	Description
Enterprise Risk Management Committee ("**ERMC**")	Primary purpose is to perform a centralised risk oversight, policy-setting, information gathering, and communication to the Board of Directors, regarding important risks and risk management activities related, monitoring open Audit and Risk Issues. In addition, the Committee will assist the Board in fulfilling its oversight responsibilities related to the company's risk assessment and management processes. ERMC also addresses Capital Adequacy (ICAAP) and Recovery Plan issues. ERMC meetings are held quarterly.
Credit Risk Committee ("**CRC**")	The Committee has a duty to approve credit based on recommendation from the respective recommending authorities. Approvals are made after consideration of various risk perspectives. Risk approvals must be made within the boundaries of BIBD's risk appetite as guided by ExCom and the Board. CRC meetings are held weekly.
Asset Liability Committee ("**ALCO**")	The Committee is responsible to review BIBD Group's liquidity, funding and gapping policies and positions, profitability and efficiency including the assessment and management the Balance Sheet and Capital Management. ALCO meetings are held monthly.

These Management Level Committees' comprise of members of the Senior Management and Managing Director, and they provide input and approvals, and where needed, escalate recommendation to the relevant Board Committees and if necessary, the Board.

PRINCIPLE 10

The Board is responsible for the governance of risk. The Board should ensure that Senior Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Bank's assets and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Group has in place a Risk Management Strategy Document which is a holistic set of Risk Appetite Statements (RAS) to ensure that BIBD remains within acceptable Risk thresholds.

BIBD also has in place the Enterprise Risk Management Framework (ERMF) which functions as a standardised approach to manage its risks. A strong governance structure is equally important to ensure that the ERMF can be implemented effectively.

The Group Risk Management model is based on "Three Lines of Defense" approach, to contain any risk, by keeping an ongoing monitoring process and a proper implementation of respective controls.

The Board is ultimately responsible for BIBD's risk management activities, and it is supported by AFRC and ExCom which convene a minimum of 4 quarterly meetings, as well as the SAB which holds meetings as and when needed.

At Management level, management of the 19 risks for the BIBD Group is undertaken the by the following committees whose functions and frequency of meetings have been detailed in **Principle 9** above:

- **ERMC**
- **ALCO**
- **CRC**

PRINCIPLE 11

Banks should have an effective independent risk management function, under the direction of a chief risk officer (CRO), with sufficient stature, independence, resources and access to the board.

BIBD has a Group CRO with 33 years of work experience in the Banking sector, across six different countries (Mexico, United States of America, Saudi Arabia, Qatar, United Arab Emirates and Brunei). His experience accounts for 23 years in global leading banks, such as Bank of America, Chase Manhattan Bank and Citibank.

The Group has in place the Risk Management Strategy Document, which is a holistic set of Risk Appetite Statements (RAS) to ensure BIBD is within acceptable Risk thresholds. Also, the Group has specific RAS and Key Risk Indicators (KRI) across each unit within the Group, which are reviewed monthly, as part of the Operational Risk Management process.

BIBD has in place the Enterprise Risk Management Framework ("**ERMF**") as a standardised scope or approach to manage all its risks (19 in total) which are reviewed on a quarterly basis by the Enterprise Risk Management Committee ("**ERMC**").

For 2021, the BIBD Group is embarking on a Risk Awareness/ Culture program, which consists of fortnightly risk trainings to the BIBD Group employees, to create Risk Awareness/ Culture among all members of the BIBD Group community.

The Credit Risk control architecture is premised on constant monitoring undertaken by several processes across the BIBD Group daily, weekly and monthly. Any breach must be recognised by the respective approving level, and all such issues are to be discussed by the respective committees.

The Risk Group has 26 personnel which may see growth if such a need arises. External and internal trainings, as well as on the job continuous mentoring are in place to ensure continuous upgrading of skillsets and experience amongst the personnel.

PRINCIPLE 12

Risks should be identified, monitored and controlled on an ongoing bank-wide and individual entity basis. The sophistication of the Bank's risk management and internal control infrastructure should keep pace with changes to the Bank's risk profile, to the external risk landscape and in industry practice.

The Group has in place the Risk Management Strategy Document which is a holistic set of Risk Appetite Statements (RAS) to ensure BIBD is within acceptable Risk thresholds. As explained in Principle 11, BIBD has in place the ERMF which effective implementation can only be realised through a strong governance structure. The Board through its Committee, the AFRC, is ultimately responsible for BIBD's ERMC outcome. The AFRC will review the ERMF on a quarterly basis.

As part of its governance structure, BIBD has different set of policies/guidelines across the Group. Risk related policies/guidelines apply across the Group to cover areas such as Credit, Market Risk, Middle Office, Operational Risk, IT & Cyber and Capital Management, among others are closely monitored and approved by the respective Board committees and related regulators.

- Credit related limits are analysed per risk type, such as funded, unfunded and Pre settlement. Analysis contemplates a qualitative and quantitative approach, coupled with external factors that may affect.
- Liquidity Risk is monitored daily.
- Capital Management is monitored monthly, whereby the Capital Adequacy Ratio is calculated and stressed assuming full credit pipeline available at the time.

Additionally, BIBD has adopted several stress exercises such as ICAAP and Recovery Plan, which are duly submitted to BDCB as required. Different modelling techniques, offered by Standard & Poors, Moody's, Bloomberg, and others, are adopted by BIBD to carry out a more extensive risk assessment.

PRINCIPLE 13

The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties. The Chairman must be an Independent Director and must not be the Chairman of the Board or of any other committee.

On 19 January 2011, the Board established an Audit Committee known as the Audit, Finance & Risk Committee ("**AFRC**"). The terms of reference and the constitution of the AFRC are as provided in Principle 1. The AFRC oversees the Bank's risk management framework and policy. This is further elaborated in Principles 10, 11 and 12 of BIBD's Corporate Governance report.

The Bank's AFRC consists of non-executive directors, all of whom are deemed independent. The Committee Chairman ("**Chairman**") who is an Independent Director is appointed by the Board of Directors of BIBD.

The membership of the two sub-committees of the AFRC has been detailed in Principle 1. The Bank also ensures that at least 1 member of the AFSC is a Chartered Accountant and a member of an accounting body (that is a member of IFAC), and at least 2 members have extensive professional experience in the field of financial reporting, risk management or auditing.

The requirements stated in Principle 13.3 have been incorporated into the TOR of the AFRC.

AFRC meetings are held no fewer than 4 times a year and are held prior to Board meetings. Hence, should there be any deliberations in AFRC meetings requiring approval; or guidance of the full Board, the Chairman of AFRC will escalate such matters at the Board meeting for its approval or guidance.

PRINCIPLE 14

The Bank should establish an effective internal audit function that is adequately resourced and independent of the activities it audits. The internal audit function should provide independent assurance to the board and should support board and senior management in promoting an effective governance process and the long-term soundness of the Bank.

Internal Audit is governed by an Internal Audit Charter. The BIBD Internal Audit Division reports directly to the Audit, Finance and Risk Committee ("**AFRC**"), and provides independent and objective assurance to the AFRC and ultimately the Board of Directors that the internal controls within BIBD and its subsidiaries are designed and operating effectively.

Internal Audit adopts a risk-based approach to audits focusing on high-risk areas across the Bank and its subsidiaries and the frequency of audits vary from one entity to another. Audits conducted are inclusive of compliance to BDCB guidelines, applicable legislative requirements as well as Shariah principles.

Internal Audit executed its 2021 Audit Plan and carried out risk-based audits on the Bank and its subsidiaries. In 2022 Internal Audit will further strengthen the internal audit function based on International Standards for the Professional Practice of Internal Auditing of The Institute of Internal Auditors and its Code of Ethics, and compliance with regulatory guidelines on Internal Audit Function and Corporate Governance for Banks (Principle 14).

PRINCIPLE 15

The Bank's board of directors is responsible for overseeing the management of the Bank's compliance risk. The board should establish a compliance function and approve the Bank's policies and processes for identifying, assessing, monitoring and reporting and advising on compliance risk.

BIBD's Compliance Division acts as a trusted advisor on matters related to regulations, anti-money laundering, sanctions and terrorism financing and supports BIBD by protecting its value and image through the monitoring transactions and ensures compliance with relevant laws and regulations.

The division is made up of four sections:

1) Regulatory Compliance ("**RC**"), which is the centralised point for all regulatory matters, through effective engagement between regulators and Divisions within the BIBD organisation;
2) Financial Crime Compliance Policy, Advisory and Training ("**FCC PAT**") which oversees compliance risk management through ensuring effective policies are in place, articulating the Group's compliance risk and coordinating training for the wider organisation to ensure effective Compliance culture is in place;
3) Financial Crime Compliance Operations ("**FCC Ops**") ensures effective oversight of compliance risk in relation to transactions; and
4) Compliance Assurance which conducts monitoring and testing to ensure ongoing compliance with regulations.

The Compliance Division's focus for 2021 was to ensure ongoing enhancements and improvements to the Compliance programme which involved ongoing review of the different systems and platforms in place. In addition, the Division was actively involved in the effective management of audit and audit-related engagements, with a focus towards identifying further improvements needed to ensure a quality Compliance Framework for the BIBD Group.

BIBD continues to invest in Compliance with a drive towards training and certification of the compliance personnel. Engagement with international experts in the field of financial crime compliance continue to take place, with the aim of aligning BIBD's compliance framework with global standards.

PRINCIPLE 16

Banks should treat all shareholders 1) fairly and equitably, and 2) should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

In compliance with R18(1) – (3) of the SMR 2015, BIBD ensures that all relevant and material information or changes in the Bank's financial information, operations or businesses are clearly stated in its Annual Report.

In relation to the status of the BIBD's share ownership, the list of its major shareholders is set out in the following Table:

Shareholder Name	Percentage of Shares Held
Khazanah Satu Sdn Bhd	33.87%
Salam Investments Limited	29.73%
Yayasan Sultan Haji Hassanal Bolkiah	25.24%
Public	11.16%

Furthermore, in ensuring that there is transparency and full disclosure of material information including the Bank's financial information and information relating to the operations and businesses of the Bank, the shareholders may access this information through BIBD's website which is updated regularly to factor in material changes as they occur.

As part of the BIBD's efforts to ensure that there is a meaningful and informed engagement between the shareholders and BIBD's Board at the Annual General Meeting ("**AGM**"), the Annual Reports are made available on the BIBD's website to the shareholders twenty-one (21) days prior to the convening of the AGM. The shareholders are thus given sufficient opportunity to review the Annual Report and the Financial Statement and raise any concerns or issues on any aspects relating to the Bank's operations or management at the AGM.

Additionally, BIBD has put in place proper and systematic procedures to ensure that:

1) All procedural aspects of the AGM are carried out in accordance with the law.
2) Shareholders who are not able to attend the AGM in person are entitled to appoint proxies to attend the AGM.
3) Prior to the commencement of any physical AGM, shareholders are properly briefed of the voting procedures and as explained above are subsequently given the opportunity to raise any issues or concerns to be addressed by the Chairman of the AGM or if required, by members of the SAB or senior management. Where the AGM is not able to be convened physically, detailed instructions relating to the voting process and appointment of proxies are set out in the AGM Notice.

PRINCIPLE 17

Banks should actively engage their shareholders, depositors and other relevant stakeholders and put in place an investor relations policy to promote regular, effective and fair communication with stakeholders.

As part of the BIBD's efforts to ensure effective, transparent and fair communication with its stakeholders, all information relating material changes or developments in the Bank's financial information, its operations and/or businesses, is disseminated through various communication channels including its website.

BIBD's website is maintained by its Chief Marketing Office ("**CMO**") and is regularly updated to ensure that its stakeholders are kept abreast with any development relating to BIBD's financial information, operations and businesses. Further, BIBD is also acute to the critical; role which social media platforms have assumed in recent years in the area of information communication. To that end, as and when considered appropriate, news, and notices relating to its operation, business and products are relayed to its customers through its official social media platforms such as Instagram and Facebook.

BIBD's Annual Report which is published annually coinciding with its AGM provides material information relating to the constitution of the Board and its Committees, their roles, functions and responsibilities, relevant information on its financial performance for the preceding accounting period, as well as updates on its corporate governance initiatives and actions.

With regard to BIBD's compensation policy, this has been addressed under Principle 8 of this Report whilst its risk exposure and risk management strategies have been explained in detail under Principles 9 to 12 of this Report.
With regard to its dividend policy, this has been disclosed under the note "Capital Adequacy - Capital Management" in the Audited Financial Statements for the financial year ended 31 December 2021 which states as follows:

"The Group and Bank has a dividend policy to distribute dividend which takes into consideration capital requirements, available distributable retained profits, liquidity and other factors while ensuring compliance with the prevailing laws and regulations".

PRINCIPLE 18

Banks should encourage greater shareholder participation at general meetings of shareholders and allow shareholders the opportunity to communicate their views on various matters affecting the Bank.

As explained in Principles 16 and 17, BIBD has put in place the necessary legal and procedure-based governance features to encourage a meaningful and informed shareholders participation and engagement at its AGMs.

For AGMs which are convened physically, the Share Registrar will provide hand-outs to the shareholders on the use of the voting devices prior to the commencement of the AGM. Results of voting on each resolution, showing the number of votes cast will be announced and displayed during the AGM.

In 2021, due to the COVID-19 pandemic restrictions on mass physical gathering, the AGM was convened by the attendance of designated proxies nominated by the shareholders to attend on their behalf. As part of the pre-AGM procedure, the Company Secretary provided the necessary explanation to the present Board members, management representatives and designated proxies on the AGM process.

The Chairman and members of the Board including the representatives of the SAB are generally present at the AGMs

and are readily available to address any issues or concerns raised by the shareholders. BIBD's external auditors are also present at the AGMs to address any queries pertaining to the conduct of audit and any matters relating thereto. For AGM 2021, physical attendance was limited to designated proxies, and a smaller number of Board and management representatives whilst the rest of the attendees joined the AGM virtually.

All the agenda items for the AGM are raised and dealt with separately. There are separate resolutions passed for each agenda item which requires the shareholders' approval. The proceedings of the AGM including the comments or queries raised by the shareholders are properly recorded. The Corporate Secretary is tasked with the preparation of the minutes of the AGM. Shareholders are entitled to request for a copy of the minutes of the AGM and shall be duly provided with the same.

PRINCIPLE 19

Persons empowered with decision-making authority (including directors) should exercise care to avoid situations that may give rise to a conflict of interest situation.

Policy on Conflict of Interest & Fiduciary Duty

BIBD through its Board has put in place a Conflict of Interest ("**COI**") Policy which applies across the board, from members of the Board to all employees to ensure that its business is conducted ethically with transparency.

COI situations can affect the ability of a person to act objectively in the best interest of BIBD and may occur in the following situations:

- Where they have a private or personal interest and may influence their performance of their duties.
- Director of the Board or a Bank's employee receiving from any source any benefit, reward, remuneration or gift in excess of a customary or negligible amount whether financial or non-financial.
- Non-disclosure of any financial interests which a member of the Board or a BIBD's employee may directly or indirectly possess.
- A Board member's participating in any discussion or decision-making process with respect to matters where there is or a potential COI situation.
- When reporting lines and information flow between the Bank, and/or other subsidiaries can lead to the emergence of conflicts of interest situations.

To manage the potential COI situations, BIBD has in place the following policies:

- BIBD Group Corporate Governance Policy;
- BIBD Gifts Borrowing & Corporate Hospitality Policy;
- "Fitness and Propriety/Conflict of Interest Questionnaire" administered by the HR and Human Capital Division;
- the mandate for a full disclosure by any member of the Board who has interest in the subject-matter of a decision or contract made by BIBD of the nature of his her interest at the first meeting of the Board after the relevant facts have come to his/her knowledge and such disclosure will be recorded in the minutes of meeting of the Board;

A breach of the COI policy by any director, member of the SAB or employee is viewed seriously by BIBD and BIBD will take all necessary action to ensure that its interest and that of its customers are preserved. Where a COI situation cannot be prevented, it shall be responsibly managed and disclosed to BDCB in accordance with BDCB's notification procedure.

Policy on Related Party Transactions ("**RPT**")

In addition to the COI, BIBD also has a RPT Policy which applies to any financial transaction or relationship where BIBD or its subsidiaries is a participant, and a director (including nominee), senior manager, 5% shareholder, an immediate family member or primary business affiliate has or will have a direct or indirect material interest ("**Related Party Transaction**").

The AFRC plays a central role in ensuring effective implementation of and compliance with the RPT - it is responsible to review, approve, ratify, or reject any RPT.

AFRC will review the following information when assessing an RPT:

- The terms, related person's interest, and purpose and timing of such transaction.
- Whether BIBD is a party to the transaction, and if not, the nature of the Bank's participation in the transaction.
- If the transaction involves the sale of an asset, a description of the asset, including date acquired and costs basis.
- Information concerning potential counterparties in the transaction.
- The approximate monetary value and the related person's interest in the transaction.
- Description of any provisions or limitations imposed as a result of entering into the proposed transaction.
- Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction.
- Any other relevant information regarding the transaction.

Except with the approval of the AFRC, no Director or senior manager may invest in a 3rd party entity if the investment opportunity is made available to him or her as a result of such individual's status i.e., a Director, or a senior manager of BIBD.

The AFRC shall consider all relevant facts and circumstances set out above, and shall evaluate all options available to BIBD, including to ratify, revise or reject the RPT. In the event of any non-disclosure of a RPT, the AFRC may seek the advice of the General Counsel on the appropriate action to be taken.

2.2 Shariah Advisory Bodies

Membership

The members of the BIBD Shariah Advisory Body (SAB) are:

- YM Dato Seri Setia Dr Awang Haji Mazanan bin Haji Yusof (Chairman)
- YM Dr Abdul Nasir bin Haji Abdul Rani (Deputy Chairman)
- YM Dr Hajah Mas Nooraini binti Haji Mohiddin (Member)
- YM Dayang Hajah Noraini binti Haji Buntar (Member)
- YM Dr Haji Mohd Aidil Yusrie bin Haji Shari (Member)

The SAB members of BIBD were appointed for a 3-year term from 1st February 2020 until 31st January 2023.

The members of the BIBD At-Tamwil (BIBD ATW) SAB are:

- YM Dr Abdul Nasir bin Haji Abdul Rani (Chairman)
- YM Pg Dr Md Hasnol Alwee Pg Haji Md Salleh (Member)
- YM Haji Md Syahiran bin Haji Md Sofian (Member)

The SAB members of BIBD ATW were appointed for a 3-year term from 1st September 2020 until 31st August 2023.

The members of the BIBD Securities (BIBDS) SAB are:

- YM Dr Haji Mohd Aidil Yusrie bin Haji Shari (Chairman)
- YM Dr Amnisuhailah binti Abarahan (Member)
- YM Dr Ahmad Lutfi bin Abdul Razak (Member)

The SAB members of BIBDS) were appointed for a 3-year term from 1st September 2020 until 31st August 2023.

The SABs members' appointments are approved by the Syariah Financial Supervisory Board (SFSB) of Ministry of Finance and Economy (MOFE) for the period of 3 years term.

Duties and Responsibilities

The primary duties and responsibilities of the SAB are to:

1. Oversee Shariah matters related to the Bank's operations and business activities.
2. Attend any training as required by the Bank from time to time.
3. Advise the Board and Management on Shariah related matters in order for the Bank to comply with Shariah rules and principles at all times. The SAB members are responsible and accountable for all Shariah decisions, opinions and views provided by them.
4. Approve Shariah related policies and guidelines.
5. Advise related parties such as the Bank, clients, legal counsel, auditors or consultants on Shariah matters upon request.
6. Provide written Shariah resolutions and/or opinions in circumstances where the Bank refers to the SAB for further deliberation or where the Bank submits application to BDCB for new product approval.
7. pprove the Zakat calculation methodology and distribution of Zakat of the Bank.
8. Approve the channeling of Shariah Non-Compliant income to charity.
9. Approve products and services to ensure compliance with Shariah rules and principles which includes:
   (a) Validating the terms and conditions contained in the forms, contracts, agreements or legal documents used in executing the transactions; and
   (b) Validating the products manual, marketing advertisements, sales illustrations and brochures used to describe the products and services.
10. Assess the works carried out pursuant to Shariah review and Shariah audit which form part of the SAB duties in providing the assessment report on of Shariah compliance and assurance in the Annual Report of the Bank and its Group upon consultation with the Bank's subsidiaries' SAB.
11. To review findings and reports carried out by the Shariah review and Shariah audit functions in order to ensure compliance with Shariah financial matters.

12. To advise the bank on matters to be referred to the SFSB. The SAB may advise the Bank to consult the SFSB on Shariah financial matters which cannot be resolved.
13. To provide an annual assurance that the operations of the Bank are in compliance with Shariah rules and principles to the Board.

The primary duties and responsibilities of the BIBD ATW SAB are to:

1. Oversee Shariah matters related to the Bank's operations and business activities.
2. Attend any training as required by the Bank from time to time.
3. Advise the Board and Management on Shariah related matters in order for the Bank to comply with Shariah rules and principles at all times. The SAB members are responsible and accountable for all Shariah decisions, opinions and views provided by them.
4. Approve Shariah related policies and guidelines.
5. Advise related parties such as the Bank, clients, legal counsel, auditors or consultants on Shariah matters upon request.
6. Provide written Shariah resolutions and/or opinions in circumstances where the Bank refers to the SAB for further deliberation or where the Bank submits application to BDCB for new product approval.
7. Approve the Zakat calculation methodology and distribution of Zakat of the Bank.
8. Approve the channeling of Shariah Non-Compliant\ income to charity.
9. Approve products and services to ensure compliance with Shariah rules and principles which includes:
   (a) Validating the terms and conditions contained in the forms, contracts, agreements or legal documents used in executing the transactions; and

   (b) Validating the products manual, marketing advertisements, sales illustrations and brochures used to describe the products and services.
10. Assess the works carried out pursuant to Shariah review and Shariah audit which form part of the SAB duties in providing the assessment report on of Shariah compliance and assurance in the Annual Report of the Bank and its Group upon consultation with the Bank's subsidiaries' SAB.
11. To review findings and reports carried out by the Shariah review and Shariah audit functions in order to ensure compliance with Shariah financial matters.
12. To advise the bank on matters to be referred to the SFSB. The SAB may advise the Bank to consult the SFSBon Shariah financial matters which cannot be resolved.
13. To provide an annual assurance that the operations of the Bank are in compliance with Shariah rules and principles to the Board.

The primary duties and responsibilities of the BIBD ATW SAB are to:

1. Oversee Shariah matters related to BIBDS operations and investment business activities.
2. Attend any training as required by the BIBDS from time to time.
3. Advise the Board and Management on Shariah related matters in order for BIBDS to comply with Shariah rules and principles at all times. The SAB members are responsible and accountable for all Shariah decisions, opinions and views provided by them.
4. Approve policies and procedures in respect of its Islamic investment business.
5. Advise related parties such as BIBDS's clients, legal counsel, auditors or consultants on Shariah matters for advice upon request.
6. Provide written Shariah resolutions and/or opinions in circumstances where BIBDS make reference to the SAB for further deliberation or where BIBDS submits application to BDCB for new product approval.
7. Approve the Zakat calculation methodology.
8. Inform the BIBD SAB of the channeling of SNC income to the BIBD Maslahat Fund for charity.
9. Approve investment business activities to ensure compliance with Shariah rules and principles which include:
   (a) Validating the terms and conditions contained in the forms, contracts, agreements or legal documents used in executing the transactions; and

   (b) Validating the product manual, marketing advertisements, sales illustrations and brochures used to describe the investment business activities.
10. Assess the work carried out pursuant to Shariah review and Shariah audit which form part of the SAB duties in providing assessment of Shariah compliance and assurance information in the annual report of BIBDS.

11. To review findings and reports carried out by the Shariah review and Shariah audit functions in order to ensure compliance with Shariah financial matters.
12. To advise on matters to be referred to the SFSB. The SAB may advise BIBDS to consult the SFSB on Shariah financial matters which cannot be resolved.

Frequency and Attendance of Meetings

The SABs meets on a regular basis with minimum attendance of at least 75% of the meetings held in 2021.

BIBD SAB meetings held in 2021 were:

No	Name	Positions (Terms)	SAB Meetings	
			Held	Attendance
1	YM Dato Seri Setia Dr Awang Haji Mazanan bin Haji Yusof	Chairman (2020-2023)	6	6
2	YM Dr Abdul Nasir bin Haji Abdul Rani	Deputy Chairman (2020-2023)	6	5
3	YM Hajah Mas Nooraini binti Haji Mohiddin	Member (2020-2023)	6	6
4	YM Hajah Noraini binti Haji Buntar	Member (2020-2023)	6	6
5	YM Dr Haji Aidil Yusri bin Haji Shari	Member (2020-2023)	6	6

BIBD ATW SAB meetings were held in 2021 were:

No	Name	Positions (Terms)	SAB Meetings	
			Held	Attendance
1	YM Dr Abdul Nasir bin Haji Abdul Rani	Chairman (2020-2023)	2	2
2	YM Pg Dr Md Hasnol Alwee Pg Haji Md Salleh	Member (2020-2023)	2	2
3	YM Haji Md Syahiran bin Haji Md Sofian	Member (2020-2023)	2	2

BIBDS SAB meetings were held in 2021 were:

No	Name	Positions (Terms)	SAB Meetings	
			Held	Attendance
1	YM Dr Haji Mohd Aidil Yusrie bin Haji Shari	Chairman (2020-2023)	2	2
2	YM Dr Amnisuhailah binti Abarahan	Member (2020-2023)	2	2
3	YM Dr Ahmad Lutfi bin Abdul Razak	Member (2020-2023)	2	2

Summary of Meetings in 2021

The SAB has reviewed, advised and approved all the proposals including legal documentations for products and services submitted by the respective BIBD and subsidiaries' businesses.

Total of 50 proposals were mooted and deliberated in the respective SABs meetings between January to December 2021

No	Proposal by Businesses and Subsidiaries	No. of Proposal
1	Retail Banking Group (RBG)	7
2	Corporate Banking Group (CBG)	2
3	Treasury and Global Markets (TGM)	1
4	Internal Audit Division (IA)	2
5	Finance and Strategy Group (FSG)	3
6	Shariah Division (SD)	9
7	Government Relation and Special Project Division (GRSP)	2
8	Corporate Social Responsibility (CSR)	2
9	Chief Operating Officer Office (COO)	1
10	Legal and Corporate Secretarial Division (LCS)	1
11	Risk Management Division (RMD)	4
12	BIBD At-Tamwil Berhad	9
13	BIBD Securities Sdn Bhd	7
Total		**50**

SAB Member Training Summary

The SAB's member attended various virtual forums and trainings to enhance their knowledge and understanding as well as keeping them abreast of the latest development in Islamic Finance industry.

No	Training Details	SAB BIBD Members and its Subsidiaries								
		YM Dato Dr Haji Mazanan	YM Dr Abdul Nasir	YM Dr Hjh Mas Nooraini	YM Hjh Noraini	YM Dr Hj Mohd Aidil	YM Dr Ahmad Lutfi	YM Dr Amnisuhailah	YM Pg Dr Hj Mohd Hasnol Alwee	YM Hj Md Syahiran
1	Brunei Darussalam Islamic Capital Market (BICAM) Conference					•	•	•	•	
2	14th Regional Shariah Scholars Dialogue (Muzakarah 2021)	•	•	•	•	•	•	•	•	•
3	AAOIFI 19th Shariah Boards Conference	•	•	•	•	•	•	•	•	•
4	Shariah Advisory Series II-Islamic Capital Market: Insight and New Innovation	•		•	•	•	•	•		
5	Syariah Advisory Series-Putting Theory into Contemporary Applications			•	•	•	•	•	•	•

CHAPTER 03

2021 In Review

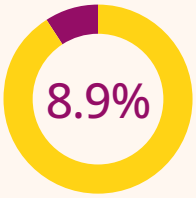
3.1 BIBD At A Glance 83

3.2 Group Financial Highlights 84

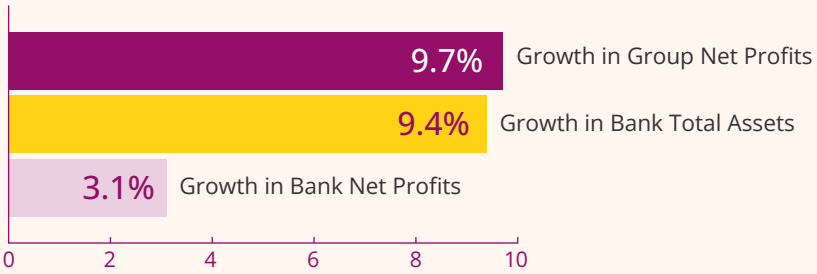
3.3 Awards & Recognition 85

3.1 BIBD At A Glance

Growth



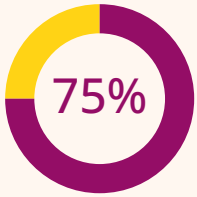
Growth in Group Total Assets



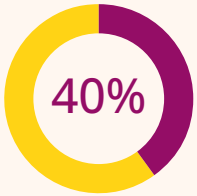
Retail Banking

>250,000

Retail Banking Customers



Cards Penetration

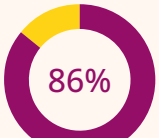


Cards Online Transaction Growth

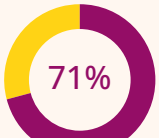
Corporate Banking

>11K

No. of Bruneian Corporate Customers



% of Corporate Customers that are SMEs

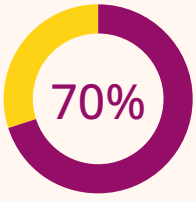


BizNet Penetration Rate (%)



Growth of Annual Corporate Digital Banking Transactions (%)

Digital Banking



Digital Penetration



20M

No. of Digital Transactions

B$2B

Value of Digital Transactions

3.2 Group Financial Highlights

Tier 1 Capital (B$ Millions)

YR2021	1,284.70
YR2020	1,269.88
YR2019	1,263.20
YR2018	1,184.42

Total Assets (B$ Millions)

YR2021	10,570.89
YR2020	9,710.08
YR2019	10,680.67
YR2018	10,061.62

Net Profits (B$ Millions)

YR2021	149.17
YR2020	136.03
YR2019	155.37
YR2018	147.90

Total Income (B$ Millions)

YR2021	316.96
YR2020	328.86
YR2019	342.91
YR2018	325.86

Return on Equity – After Tax

YR2021	11.6%
YR2020	10.7%
YR2019	12.3%
YR2018	12.5%

Return on Asset

YR2021	1.4%
YR2020	1.4%
YR2019	1.5%
YR2018	1.5%

Capital Adequacy Ratio

YR2021	20.5%
YR2020	20.0%
YR2019	18.3%
YR2018	17.2%

Cost-to-income Ratio

YR2021	44.9%
YR2020	43.0%
YR2019	39.5%
YR2018	40.0%

Net Non-Performing Financing Ratio

YR2021	2.0%
YR2020	2.5%
YR2019	1.9%
YR2018	1.9%

Total Deposits (B$ Millions)

YR2021	8,949.94
YR2020	7,486.12
YR2019	8,988.88
YR2018	8,172.66

Total Financing (B$ Millions) - Gross

YR2021	4,246.69
YR2020	4,076.46
YR2019	4,066.74
YR2018	3,754.90

Financing to Deposit Ratio

YR2021	47.4%
YR2020	54.5%
YR2019	45.2%
YR2018	45.9%

3.3 Awards & Recognition

International Awards & Recognition

In 2021, we received several accolades from renowned international publications.

Each award is a testament to our commitment to deliver excellence for our shareholders and customers, as part of our values. These accreditations are critical as a means for us to also validate our hard work by independent industry experts and to ensure we remained robust in all aspects of our business and governance when compared to the industry landscape regionally and globally.

As we aim to be the Best Islamic Bank in Asia Pacific, we will continue to seek this independent assessment and accreditations.

S&P Global A- Rating (Since 2015)

ISO 9001:2015 Certification

Signatory to United Nations Principle of Responsible Investing

The Banker Bank of the Year 2021

The Asset Triple A Islamic Asset Manager of the Year

Global Finance Best Bank in Brunei 2021

Global Finance Best Islamic Financial Institution in Brunei 2021

Global Finance Safest Bank in Brunei 2021

The Asian Banker Best Retail Bank 2021

The Asian Banker Strongest Bank by Balance Sheet 2021



Global Good Governance Award Best CSR Initiative



Global Good Governance Award Best Community Development Initiative



Employee Experience Award (Bronze Award) Best Graduate Management Trainee Program

Asia Asset Management Best of the Best Award Best Institutional House

Asia Asset Management Best of the Best Award Best Investor Education

Asia Asset Management Best of the Best Award Best Islamic Fund House

Global Banking & Finance Review Best SME Bank

Global Banking & Finance Review Best CSR Bank

CHAPTER 04

Supporting the Nation

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4.1 Towards a Sustainable Future

Sustainability is a key underlying value that will determine and shape our future. With the global movement and increasing awareness on transitioning to a sustainable economy, through the Sustainability Framework, BIBD strives to be a catalyst of change for the nation, by being a responsible business that actively works to make the world a better and greener place.

Commitment to Sustainability

As a Partner in Progress for Brunei, BIBD has always actively supported the Government of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam to achieve the country's national aspiration of developing a dynamic and sustainable economy. Being the largest financial institution in the country, the Bank has never shied away from being a thought-leader and change-maker.



SCENE SETTING PANEL DISCUSSION ON ASEAN

In October, during the ASEAN Business and Investment Summit, the BIBD Group announced the beginnings of a journey which would bring the Bank closer to fortifying our roots on the principles of Maqasid Shariah, through the **BIBD Sustainability Framework (SF)**.

The SF is strongly aligned with the Maqasid Shariah — the fundamental principles and values that shape BIBD as an Islamic financial institution — and a wider set of sustainability principles; the 17 United Nations Sustainable Development Goals (UN SDGs). Supporting these principles is also deeply intertwined with our 'Bruneian at Heart' DNA that aims to preserve the well-being of our people and society.

The framework marks the Bank's clear focus and strategic decision to support a wider commitment to sustainability and will be adopted into BIBD's overall business strategy through 3 pillars, namely **Environmental Protection**, **Responsible Entrepreneurship**, and **Inclusive Social Impact**.

With the concerted efforts by the Sustainability Transformation Group, BIBD is aiming for a **target commitment of B$2 billion towards sustainability funding by 2030**. Through this target commitment, and the Bank's Sustainability Framework, BIBD seeks to take the lead on business practices and activities in the domestic market by promoting stewardship among Brunei corporates, supported by digitalisation, sustainability funding, community education and social inclusion by BIBD.

We were honoured to showcase our commitment and efforts towards sustainability during the *Majlis Ramah Mesra & Bersama Rakyat* for the Brunei Muara district where His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam was presented with an outline of the various business initiatives and corporate sustainability programmes that align with the UN SDG's, with 9 key focus areas, specifically SDGs 1 (No Poverty), 2 (No Hunger), 3 (Good Health and Well-Being), 4 (Quality Education), 8 (Decent Work and Economic Growth), 9 (Industry, Innovation and Infrastructure), 12 (Responsible Consumption and Production), 13 (Climate Action) and 17 (Partnership for the Goals).

In the drive towards a more sustainable future, BIBD is pledging to work together with society by supporting all the 17 UN SDG's. These goals are already instrinsically aligned with BIBD's banking practices and CSR activities, with the Bank committing to do more to accelerate progress towards achieving these goals in the near future.

Aligned with the belief that youth empowerment and education is a key element of sustainability, BIBD will also continue to support youth-driven initiatives that aim to achieve the national goal - Brunei Vision 2035, as well as the global issues addressed in the UN SDG.



Ensuring Sustainable Consumption and Production Patterns: Plastic Free Brunei







BIBD continued to step up its efforts in encouraging the country to fully embrace green practices through its Plastic Free Brunei initiative. In collaboration with the Ministry of Culture, Youth and Sports as well as the Ministry of Home Affairs, the Bank handed out 1500 pieces of reusable shopping bags at the *Gerai Ramadhan* at the Hassanal Bokiah National Stadium and Jalan Bendahara.

The handover and distribution of the reusable bags was directly linked to supporting United Nations Sustainable Development Goals 12 which is to ensure sustainable consumption and production patterns. At the same time, BIBD also hopes to complement the Government's efforts to achieving the UN SDGs and realizing Brunei Vision 2035.

In terms of our business practices, BIBD has already committed to take several steps towards fulfilling SDG12 by pledging to reduce the use of paper while at the same time advocating for plastic-free practices. The Bank has stopped subscribing to printed newspapers and swapped for digital

subscriptions instead. In April, the Go Green promotion was launched to encourage customers to opt for e-statements rather than printed paper statements. Customers were also incentivized to go digital with lucky draw prizes of the latest Apple and Samsung gadgets.

The Bank also pledged to reduce single-use plastics by replacing all plastic water bottles on every floor within the BIBD Headquarters with reusable glass bottles.

This year, BIBD began reducing printable and brochures, while making a pledge to use digital means where possible. QR-code based brochures are now in place to serve our customers at all our branches as well as roadshows and events. Office-issued calendars and notebooks as well as annual festive Hari Raya packets were all printed on recycled paper, with recycle bins provided at selected branches to encourage recycling of these materials.

Life Below Water: Coastal Marvel



Over 180 representatives from BIBD took part in cleaning up marine debris at several beaches in the nation to support the Coastal Marvel event held in conjunction with World Environment Day.

The event, organised by the Department of Environment, Parks and Recreation (JASTRE), Ministry of Development, in collaboration with BIBD, was also to complement the Government's efforts to achieve the United Nation SDG's; namely the SDG12 (Responsible Consumption and Production), SDG13 (Climate Action), SDG14 (Life Below Water) towards realising Brunei Vision 2035.



Present at the inaugural event at Muara Beach were the Minister of Home Affairs Yang Berhormat Pehin Orang Kaya Seri Kerna Dato Seri Setia (Dr) Haji Awang Abu Bakar bin Haji Apong; the Minister of Health cum co-chair of the Main Committee on Cleanliness Issues, Yang Berhormat Dato Seri Setia Dr Haji Mohd Isham bin Haji Jaafar; Minister at the Prime Minister's Office and Minister of Finance and Economy II cum Chairman of BIBD Board of Directors Yang Berhormat Dato Seri Setia Dr Awang Haji Mohd Amin Liew bin Abdullah and Minister of Development Yang Berhormat Dato Seri Setia Ir Awang Haji Suhaimi bin Haji Gafar.

A total of 2,785.5 kilogrammes of trash was collected from Muara Beach, Lumut Beach and Danau Beach - 1,309.5kg of which were plastic bottles, 619.5kg general plastic waste, and 853.5kg of other types of rubbish.

A further 2,826 kilogrammes of marine debris, including 1,957 kilogrammes of plastic bottles collected by at the second Coastal Marvel clean-up campaign at Meragang Beach, organised by the Department of Environment, Parks and Recreation (JASTRe) under the Ministry of Development in collaboration with BIBD.



4.2 Complementing Brunei's Regional Commitments

"We Care, We Prepare, We Prosper": Brunei Darussalam's Chairmanship of ASEAN

2021 marked a momentous occasion for Brunei Darussalam as the nation chaired the 38th and 39th ASEAN Summits and Related Summits. Carrying the theme **"We Care, We Prepare, We Prosper"**, the summit will seek to bring together ASEAN Member States and Dialogue Partners to focus on harnessing the caring nature of people in the region, preparing ASEAN for a post-pandemic future, and enabling sustainable economic prosperity in a region that is home to approximately 660 million people.

As ASEAN Chair for 2021, Brunei Darussalam's main focus was on three priority areas, namely: caring for the people and each person's well-being; preparing for future opportunities and challenges; and prospering together in a unified region.

13 Priority Economic Deliverables (PEDs) were endorsed, falling under the ASEAN Economic Community (AEC) Pillars anchored on three strategic thrusts of Recovery, Digitalisation and Sustainability. The PEDs also seek to push the agenda for economic integration forward with ASEAN's recovery efforts. To date, seven PEDs have been completed.



Building Our Sustainable Digital Future

"As the Chair of ASEAN for 2021, Brunei Darussalam has the honour of leading the region towards economic recovery. The theme, 'We Care, We Prepare, We Prosper' affirms ASEAN's collective commitment to care for its people and prepare for future challenges and opportunities to ensure that the whole ASEAN Community can sustainably prosper... Under the ASEAN Economic Community, Brunei Darussalam's 13 Priority Economic Deliverables shows our determination to focus our efforts towards the region's economic recovery post-pandemic while leveraging the new technologies and digitalisation to ensure that we are able to achieve further technological advancement and sustainable economic growth in ASEAN."

Titah by **His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah ibni Al-Marhum Sultan Haji Omar 'Ali Saifuddien Sa'adul Khairi Waddien Sultan and Yang Di-Pertuan of Brunei Darussalam** at the opening of the ASEAN Business and Investment Summit 2021



In a precursor to the series of meetings, the ASEAN Business and Investment Summit (ABIS) was held virtually, bringing together Heads of State, Presidents, Prime Ministers as well as business and thought leaders to discuss the challenges and opportunities facing the region and beyond for the coming years. Delivering a keynote address at the opening of the ABIS, His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah, Sultan and Yang Di-Pertuan of Brunei Darussalam touched on how, in combatting the COVID-19 pandemic, it is more important than ever for ASEAN member states and its dialogue partners to enhance solidarity and cooperation, and to encourage continued engagement between the private and public sectors.

This year's theme, "**Building Our Sustainable Digital Future**" highlights how both governments and the business community can come together to build back better and recover stronger together.

Organised by the ASEAN Business Advisory Council (ASEAN-BAC), the ASEAN Business and Investment Summit 2021 takes place against a backdrop where a pandemic has caused the world to stop, rethink business models and social contracts and reconsider the future of work and education.

BIBD was honoured to act as Co-Lead Sponsor for the ASEAN Business Investment Summit, supporting the ASEAN-BAC through the series of meetings and roundtable discussions held as part of the summit, becoming one of the key players supporting the government in achieving Brunei Vision 2035, in line with the Bank's role as a Partner in Progress for the nation, and advancing the nation's objectives in achieving the UN SDG.

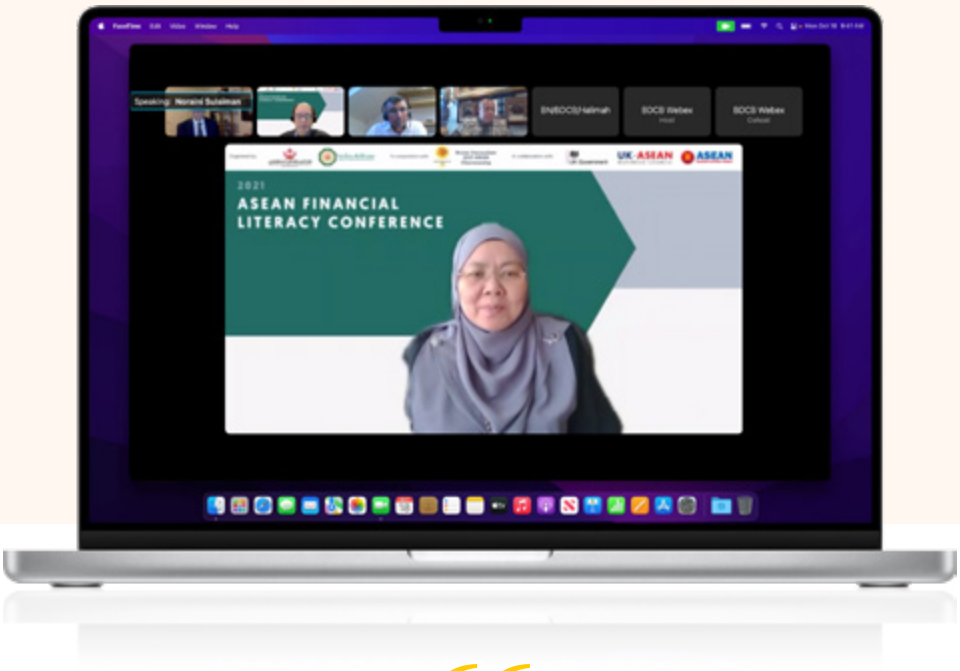


The theme of this year's summit strongly resonated with the values that BIBD, as an Islamic financial institution, hold. Delivering opening remarks at the opening ceremony of ABIS, BIBD's Managing Director and CEO, Mubashar Khokhar reflected on digital transformation and sustainability are among several key opportunities that have emerged from this pandemic, as region begins to emerge out of the shadow of COVID-19 and looks to rebuild their economies in a post-COVID world.

It was during the ASEAN Business and Investment Summit that BIBD announced a target commitment of B$2 billion towards sustainability funding by 2030, as part of the Group's Sustainability Framework (SF).

Through this target commitment, and the SF, BIBD seeks to take the lead on business practices and activities in the domestic market by promoting stewardship among Brunei corporates, supported by digitalisation, sustainability funding, community education and social inclusion by BIBD.

FinTech and Financial Literacy: Crucial Elements for Society's Well-Being



From an Islamic standpoint, financial literacy is a critical skill needed to fulfill one's religious responsibilities. This is why financial institutions play a vital role in educating individuals, establishing justice and promoting welfare that are in line with Maqasid Shariah.

Yang Mulia Hajah Noraini binti Haji Sulaiman
Deputy Managing Director

Among the issues highlighted during the roundtable was the role of digital financial solutions in ensuring inclusive and sustainable delivery, both in Brunei and in the ASEAN region.

The half-day virtual session featured panel discussions focusing on fintech, environmental, social and governance (ESG) investing and digital financial literacy.

Speaking as a panelist in a discussion titled 'The Role of Financial Literacy in ASEAN's Economic Prosperity', BIBD's then-Deputy Managing Director, Hajah Noraini binti Haji Sulaiman explained that Islamic finance views financial literacy as a core component in the well-being of not only individuals but the society as a whole.

ASEAN Business Awards 2021: Recover, Strong, Together, Sama-Sama.



While the pandemic is far from over, we hope that our continuous efforts will establish the foundations for a sustainable, resilient and inclusive recovery for all. Our hope is that all businesses being celebrated here tonight will be well-placed to capitalise more effectively on the opportunitties rising in the post COVID-19 recovery, and continue winning their marketplaces as greater certainty and stability return.

Yang Mulia Hajah Noraini binti Haji Sulaiman
Deputy Managing Director

Brunei Darussalam's ASEAN Chairmanship year acknowledges the struggles of businesses amidst COVID-19 and has translated this into the ASEAN Business Awards (ABA) 2021 theme; "Recover, Stronger, Together, Sama-Sama". These awards provide a strategic approach for businesses to survive during a pandemic as it elevates their presence and provides increased credibility and respect within the regional and global business communities.

The ABA's objectives are to showcase home-grown ASEAN globally competitive companies that will become role models for aspiring ASEAN companies while also giving a spotlight to proming SMEs which have the potential of becoming global players.

As Co-Lead Sponsor of ABIS, BIBD was honoured to play a part in supporting the ABA, whose objectives in supporting the development of SMEs align so closely with ours.

Then-Deputy Managing Director, Hajah Noraini binti Haji Sulaiman presented the award for the Priority Integration Sector: Finance Award, as well as presenting the Brunei Special Award: Emerging Social Enterprises to BIBD's own CSR initiative, Community for Brunei.

In conjunction with Brunei Darussalam's ASEAN Chairmanship 2021, the exclusive Brunei Special Award aims to give recognition to deserving ASEAN-registered and based NGOs that have notably played a significant role in promoting and driving social, environmental and community development at both national and regional level.

The criteria are excellent vision and strategic direction; clear leadership and management of the organisation; show sustainability in terms of profit and growth; good brand awareness and communication outputs; a creative approach to problem-solving; operation and creating social impact by addressing social needs across ASEAN.

The awards provide a strategic approach for businesses to survive during the pandemic, as it elevates their presence and provides increased credibility and respect within regional and global business communities.

4.3 Flattening the Curve Together

On 7th August 2021, the nation saw the emergence of cases after a record of 457 days without a single locally transmitted case of COVID-19, which set off the second wave of the pandemic in the country up to this day.

The government reinstated several control measures when the second wave of COVID-19 hit Brunei to minimise the spread of the virus.

Prioritising the Health and Safety of our Staff, Customers and the Public

Essential staff were positioned at the BCP site in Mentiri as well as our Headquarters, to ensure that business remains on-going while still assuring our staff's safety. Work From Home (WFH) arrangements were implemented, in adherence of the Ministry of Health's capacity requirements.

At the start of the second wave, 844 staff were WFH while 253 essential workers comprising our frontliners and our support functions remained on site, ready to serve our customers.

The Bank also swiftly reduced our operating branches and limited banking hours as part of our efforts to support the government and reducing the risk of infection among our staff and customers. Early opening hours for pensioners and the elderly were introduced during peak periods to reduce overcrowding and ensure that those who were most vulnerable would be protected.

By December, however, with the beginning of de-escalation and the start of the early endemic phase, 723 staff had returned to work on-site, while those who were considered vulnerable and high risk continued to work from home.

The Bank also introduced compulsory Antigen Rapid Kit (ART) testing prior to entering any of the Bank's premises with strict Standard Operating Procedures (SOP) on mask-wearing and social distancing put in place.

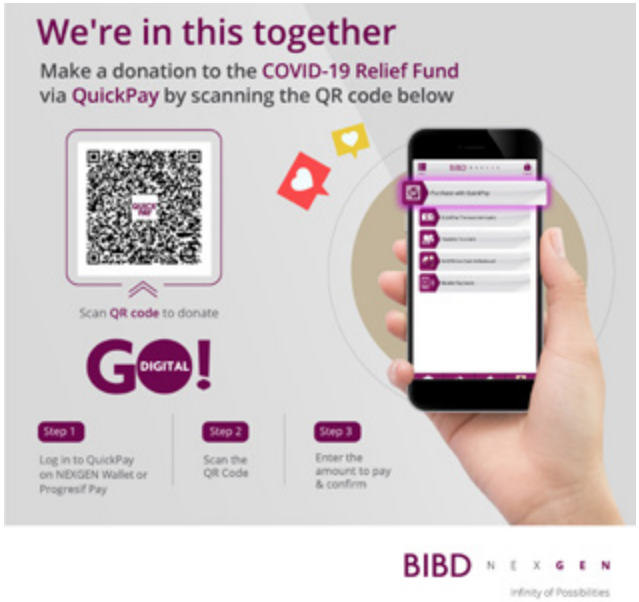
As an added layer of protection, BIBD continued to encourage all staff to get vaccinated against COVID-19. As of the end of 2021, 99.82% of staff have been fully vaccinated.





Supporting the COVID-19 Relief Fund

In the spirit of national solidarity and support, BIBD also leveraged on it's digital services in order to ease contributions to the COVID-19 Relief Fund. Simply by scanning a QR code via the BIBD NEXGEN Wallet, members of the public would be able to donate directly into the COVID-19 Relief Fund, without the need to key in an account number manually. Progresif Pay customers were also able to use the QR code to donate directly from the Progresif Pay app.



Go Cashless! Go Digital!

In attempting to minimise the impact of COVID-19 to our customers, the Bank continued their Go Cashless! Go Digital! Campaign, to promote the habits of banking through the full range of digital and cashless services available under the BIBD NEXGEN banner.

Greater emphasis on MSMEs to decash the economy helped us gained more merchants especially during the pandemic with the use of the QuickPay payment system, and large corporates were introduced to BizNet to push their transactions digitally particularly payroll services.



4.4 Sharing Our Blessings

Fulfilling Our Obligations

BIBD and its group of subsidiaries performed its obligation as a business by handing over Zakat on Business for the financial year 2020, along with Zakat for customer deposits to the Brunei Islamic Religious Council.

BIBD's Zakat on Business for 2021 amounted B$1,894,504.82 whilst Zakat for customers deposits for the period of May 2020-April 2021 came in at B$592,132.17

The Zakat was derived from obligations paid by the bank and its customers and in order to help Muslim customers meet the obligation, BIBD has provided customers with the convenience of paying their Zakat for customer deposits at all branches nationwide.



Caring for the Less Fortunate

As part of the Bank's commitment to be a Partner in Progress, BIBD handed over B$209,850.00 to over 4000 orphans registered under the Community Development Department (JAPEM).

In accordance with COVID-19 guidelines, the distribution of donations was conducted separately at eight different venues, in order to maintain the appropriate physical distancing procedures.

Handing over the donations at the Sungai Kebun Sports Complex in Bandar Seri Begawan was the Minister of Culture, Youth and Sports, Yang Berhormat Major General (Rtd) Dato Paduka Seri Haji Aminuddin Ihsan bin Pehin Orang Kaya Saiful Mulok Dato Seri Paduka Haji Abidin. Joining the Minister to distribute the donation was BIBD's Managing Director and CEO, Mubashar Khokhar.

Another event was held concurrently at the Kampong Mentiri Community Hall, attended by the Permanent Secretary at the Ministry of Culture Youth and Sports, Yang Mulia Hajah Nor Ashikin binti Haji Johari. Also in attendance was BIBD's Deputy Managing Director, Yang Mulia Hajah Noraini binti Haji Sulaiman.



The donations to orphans are part of an annual event organised by the Ministry of Culture, Youth and Sports in collaboration with the District Offices under the Ministry of Home Affairs as well as BIBD. Typically held in the month of Ramadhan, the donations are hoped to lessen the financial burden of families preparing for the upcoming festive season.



BIBD continues to be a key strategic partner for the Ministry of Culture, Youth and Sports in various community-based initiatives. BIBD's unwavering support to government agencies, combined with the bank's ongoing CSR initiatives are, among others, part of the bank's commitment to be a Partner in Progress as the nation strives towards achieving Brunei Vision 2035.



BIBD also handed over B$14,900 to 37 students as part of the Excellent Students Incentive Award Scheme 2020. Handing over the contributions on behalf of BIBD was the Minister at the Prime Minister's Office and Minister of Finance and Economy II, Yang Berhormat Dato Seri Setia Dr Haji Mohd Amin Liew bin Abdullah in his capacity as Chairman of BIBD and its Group of Companies.



The recipients comprised of orphans registered under the Minister of Culture, Youth and Sports who obtained excellent academic results in their General Examinations in 2020.

2 GCE A'Level students received BIBD Savings accounts worth B$800 each, while 11 GCE O'Level students received BIBD Savings accounts worth B$500 each. Meanwhile, 3 students who obtained excellent results in their Brunei Islamic Examination Certificate and 21 students who obtained excellent results in the Primary School Assessment Examination also received monetary incentives under the scheme.

As a Partner in Progress, BIBD is committed to fulfilling the Maqasid Shariah, which is concerned with the preservation and promotion of faith, life, the mind, progeny and of wealth. Through its business activities and values, BIBD will be taking concrete steps to uphold these values, while at the same time, finding ways to complement the Government's efforts to achieving the United Nation's Sustainable Development Goals (SDGs) and realising Brunei Vision 2035. This incentive directly contributes to SDG 4, to achieve high quality education for all.



Uplifting Communities through Sirah Amal

BIBD also continued its annual Sirah Amal activities for the 11th year running in the spirit of welcoming the holy month of Ramadhan.

The bank's employees banded together to visit families, contribute relief items and donations such as household goods, prayer necessities, raya items and others to support preparations during Ramadhan and for the upcoming Syawal. The 11th Sirah Amal began with a visit to families in the Brunei-Muara District and was extended to all four districts.

Due to the COVID-19 outbreak, all the bank's personnel dutifully observed and ensured strict adherence to preventive measures including social/physical distancing. During the charity drive, only two staff per household were assigned to hand over donations to the families.



Commemorating Aidil Adha

The bank also held an *Ibadah Korban* ceremony to commemorate Hari Raya Aidil Adha at Pengiran Muda Abdul Mateen Mosque in Kampong Mulaut. Three cows were sacrificed and the meat distributed 20 families comprising underprivileged members of the community and BIBD ALAF recipients.





CHAPTER 05

Supporting Our Industry

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5.1 Helping Businesses Build Back Better and Sustainably

Fulfilling Our Obligations

In December 2021, BIBD launch a refreshed "SME 360°" which has been redesigned to better serve the business community through a broader Vision and Mission as well as a series of initiatives including a new web platform and community engagement campaign aimed at helping micro, small and medium-sized enterprises rebound from the hardships of two years of pandemic-related challenges.

Through the SME360 Series, BIBD hopes to assist in the growth of a more vibrant, dynamic and sustainable entrepreneurial scene through the "BIBD SME360° Series" while at the same time, playing a part in the sustainable regrowth of small business in Brunei, in line with the Bank's role as a Partner in Progress.

As part of the multi-pronged campaign,a new microsite is to be launched in 2022, complemented with a 10-part series of industry-specific talks and networking forums which will begin in December 2021 and continue through to May 2022. Also launched in December was a three-month community engagement program involving numerous community groups of all ages.

Highlighting ten predominant industries in which local startups, including Food & Beverage, Service Industry, Education, Fitness, Tourism, Construction and Oil & Gas, the SME360° platform will use the new microsite to function as a Startup Toolkit and Knowledge Hub that provides information, directories and guides on how to navigate towards setting up and sustaining a business in Brunei. By including a library of helpful information, BIBD hopes to help cut through some of the difficulties startups face and empower more of Brunei's youth to develop successful business ventures.

The initiative has seen BIBD partner with a handful of startups from across industries to bring the idea to life. With overall curation of the initiative coming from collaboration with strategic marketing startup Firelight Sdn. Bhd., the project also draws from the experience of Curious Minds Sdn. Bhd. who specialises in thought leadership and networking events to run the 10-part series of virtual forums, inviting business owners, thought leaders, industry experts and relevant stakeholders to discuss common challenges, share best practices, exchange market insights to establish business opportunities within and outside of Brunei.

The collaborative effort also draws on the experiences and efforts of Community for Brunei, BIBD's community based social enterprise that was set up during the early days of the first wave in order to help small businesses reach their customer base digitally and at a distance. Through this program, community members can look forward to a number of engagements and events that aim to expose people new opportunities for skills-building, eco-projects and health programs.

> ***It is no secret that success in the small and medium-sized business space is integral to a healthy and competitive economy, and as the nation's largest financial institution, we have a responsibility to support the more than 6,000 registered SMEs in the country and foster the growth of many more in the in the coming years.***
>
> Yang Mulia Koh Swam Sing
> Head of Corporate Banking Group



5.2 Introducing Sustainable Investments to the Local Market

In December 2021, BIBD Securities marked a significant milestone with the launch of Brunei's first Shariah-compliant, Environmental Social Governance (ESG) Fund.

The Arabesque Q3.17 Global ESG Momentum Flexible Allocation Fund is a globally diversified multi-asset strategy that integrates material sustainability criteria and bottom-up, AI-driven stock analyses within a rules-based investment process. In strict compliance with the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) guidelines, the strategy ensures the Shariah-compliancy of the underlying funds.

Through this fund, clients whose values are heavily focused on Shariah compliancy and sustainability will be able to invest for their future without having to compromise on their personal values.

To mark the launch of the fund, BIBD Securities held a virtual client event, bringing together almost 100 selected clientele as well as representatives from Arabesque Asset Management.

The launch of the ESG fund is one of the many initiatives that the BIBD group is embarking on as part of the Group's Sustainability Framework, which aims to support a wider commitment to sustainability which will be adopted into an overall business strategy which emphasises Environmental Protection, Responsible Entrepreneurship and Inclusive Social Impact.

> ***Within our core values is the Maqasid Shariah and the offerings that we provide to our clients are Islamic (Shariah-compliant products). So when we look at this Fund, a Shariah ESG Fund, we see that there is a compelling proposition for our clients, not only in the fact that it is Shariah-compliant and supports ESG, but if we go down to the fundamental values that underpin what is Shariah and ESG, there are a lot of shared values***
>
> Yang Mulia Haji Muhammad Yazid bin
> DP Haji Mahadi
> BIBD Securities Managing Director



5.3 Empowering the Future with Sustainability & Digitalisation

Empowering the Future with Sustainability Goals and Digitalisation", complements the theme for the 2021 ASEAN Summit, "We Care, We Prepare, We Prosper", as the pandemic accelerates a paradigm shift in the global economy, with a particular focus on digital transformation and more conversation around sustainability.

Yang Mulia Haji Sofian bin Mohammad Jani
Acting Managing Director of Brunei Investment Agency & BIBD Board Member

BIBD was privileged to host the 11th Executive Board Meeting of the China-ASEAN Interbank Association (CAIBA) and the ASEAN Plus Three Interbank Cooperation Mechanism (APTIBCM). The meeting, which was convened virtually, carried the theme "Empowering the Future with Sustainability & Digitalisation", with representatives from leading financial institutions from ASEAN Member Countries as well as the People's Republic of China, Japan and the Republic of Korea.

Delivering his opening remarks at the meeting was Acting Managing Director of the Brunei Investment Agency, Haji Sofian bin Mohammad Jani, in his capacity as a member of the BIBD Board of Directors, who touched on the resiliency of the ASEAN banking institution, despite the challenges and uncertainties of the past few years, through the establishment of strong capital bases and disciplined risk management.

The 11th CAIBA Executive Board Meeting and 2nd APTIBM Executive Board Meeting heard keynote addresses from Hajah Rokiah binti Haji Badar, Managing Director of Brunei Darussalam Central Bank (BDCB) as well as His Excellency Deng Xijun, Ambassador Extraordinary and Plenipotentiary of the People's Republic of China to ASEAN. During the discussion session, the member banks shared information, experiences and in-depth assessments on topics of interest, including digitalisation transformation amid a global pandemic, engaging the next generation of bankers towards sustainable development and the integration of ESG into banking practices.

CAIBA was established on the basis of a proposal initiated by China at the ASEAN-China Foreign Ministers' Meeting on July 22, 2010 in Hanoi. Members of CAIBA include 11 major banks from ASEAN countries and China including: Bank Islam Brunei Darussalam - BIBD (Brunei), Canadia Bank (Cambodia), Bank Mandiri (Indonesia), Lao Development Bank (Laos), CIMB Group (Malaysia), Bank for Foreign Trade of Myanmar (Myanmar), Banco De Oro (Philippines), DBS (Singapore), Kasikorn Bank (Thailand), BIDV (Vietnam) and China Development Bank CDB (Trung Quốc).

The ASEAN + 3 Interbank Cooperation Mechanism was established based on a Memorandum of Understanding (MOU) signed by 10 existing ASEAN member banks of the CAIBA Association and the China Development Bank (CDB), Japan Bank for International Cooperation (JBIC), Korea Development Bank (KDB) at CAIBA Executive Board Meeting held in Bangkok, Thailand in 2019.



CHAPTER 06

Supporting Our Customers

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6.1 Enabling a Cashless Society

In a bid to further drive Brunei's aspiration of becoming a highly developed and cashless economy as well as in fulfilling Maqasid Syariah and achieving the United Nation's Sustainable Development Goals (UN SDGs) the Bank has continuously introduced initiatives to promote nationwide adoption of cashless payments across all segments of the society.

In 2021, BIBD once again introduced an innovative spin to an age-old tradition with the launch of e-Duit Raya. The function, which is integrated within the BIBD NEXGEN Wallet mobile app, enables customers to send and receive funds digitally by scanning a QR code or transferring directly to a Virtual Mastercard (VMC).

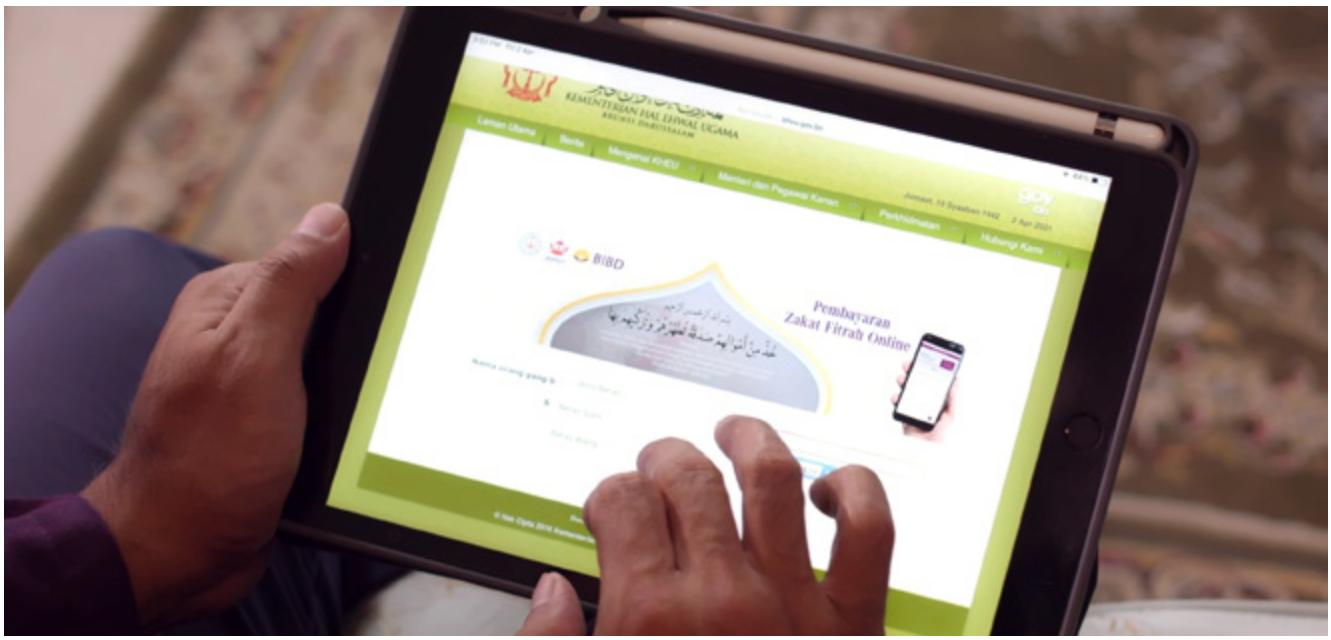
Our efforts of promoting the use of the *duit raya* digitally, and using recyclable materials in our physical Hari Raya packets is related to SDG 12, which is promoting sustainable consumption and production.

Through a collaboration with BIBD and the Brunei Islamic Religious Council (MUIB) under the Ministry of Religious Affairs, we introduced an alternative payment method for Zakat Fitrah through the Zakat Fitrah Online Payment Service.

The Zakat Fitrah Online Service will provide convenience to all Muslims in Brunei Darussalam in fulfilling their Zakat Fitrah obligations with efficient and secure mode of payment through BIBD QuickPay.

The introduction of these solutions is one of BIBD's branchless banking initiatives that uses BIBD's NEXGEN platform to create more collaboration and alliance which encourages the creation of a cashless economy.





6.2 Promoting Financial Literacy

Financial literacy is at the heart of what we do at BIBD and we completely recognise the importance of raising awareness on better financial literacy as early as possible. Islamic finance views financial literacy as a core component in the well-being of not only individuals but the society as a whole. From an Islamic standpoint, financial literacy is a critical skill needed to fulfill one's religious responsibilities.



During the year in review, the BIBD Aspirasi, which was introduced to support both national and the BDCB objectives of improving better financial literacy and management among Bruneians as well as inculcate the habit of savings, continued into its 3rd cycle.

The programme makes savings easier, more accessible and more convenient as subscriptions and redemptions can be carried via the BIBD NEXGEN Wallet mobile app. In response to public feedback and to enable more people to save, the minimum deposit for Aspirasi 3 was lowered to $50 with maximum deposit capped at $250,000.







At the virtual ASEAN Business Advisory Council Business and Investment Round Table 2021 which was held in August, BIBD, who was Co-Lead sponsor of the event, touched on the nature of Islamic finance and the role that we play in promoting inclusivity and sustainability through financial literacy and fintech.

Financial literacy leads to financial awareness and the increased demand for financial products that are linked to the real economy, as Islamic funds are used to drive the growth of real economic activities.

To coincide with the ASEAN-related forums and events agenda on financial literacy, through a collaboration with a reputable agency, we also produced regular financial literacy educational materials that were disseminated across our various social media channels and platforms. This underscores BIBD's commitment to continue its pursuits in investing through education for its customers and the general public.

In Brunei, financial literacy and the importance of savings are emphasised across all levels of society – thanks to the Brunei Government and the regulator, Brunei Darussalam Central Bank (BDCB).

More importantly, Brunei has made Islamic financial literacy as part of its national policy which is included in the Brunei Darussalam Financial Sector Blueprint 2016-2025.





6.3 Enhancing Customer Experience

As part of its continuous efforts to further enhance the customer experience, BIBD deployed Service Ambassadors to selected BIBD premises to assist customers in utilising BIBD's Self Service Terminals, specifically ATMs and Cash Deposit Machines (CDM).



Service Ambassadors present at these locations would be able to assist customers at the Self Service Terminals and will be able to provide on-the-spot support to improve availability of both the ATMs and CDMs.

The Service Ambassadors were deployed to 10 self service centres, with plans to expand to more locations soon.

At the same time, as part of BIBD's ongoing commitment to continuously enhance and improve customer experience, the Bank undertook a comprehensive and holistic refresh of the Bank's Service DNA, known as R.I.S.E (Reliable, Innovative, Simple and Ever-caring), to better serve their customers.

In July, the Bank embarked on a Blueprinting exercise which aims to focus on the processes related to the customer experience and provides a structured approach to serving customers while always maintaining a human touch.





The exercise involved customer focused groups, service excellence training, coaching of front-liners in application of service standards, up-skilling internal trainers, producing initiatives to enhance service delivery from both internally and externally, and enhancing the customer journey blueprints for key products and services.

Following this, an event was held to celebrate the successful completion of the "Art of R.I.S.E Experience Internal Trainers". This event was held to convey our appreciation and gratitude to internal trainers, their respective supervisors, managers and leaders for their commitment towards training all employees and instilling the R.I.S.E service mindset.

CHAPTER 07

Supporting Our Community

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7.1 Empowering the Youth



As part of BIBD's commitment to empowering youth, the Bank once again took the mantle of host sponsor for the BIBD Youth Empowerment Summit (BIBD YES!) 2021.

At the opening ceremony of BIBD YES! 2021, Yang Berhormat Dato Seri Setia Dr Awang Haji Mohd Amin Liew bin Abdullah, Minister at the Prime Minister's Office and Minister of Finance and Economy II in his capacity as the Chairman of BIBD, identified resilience and the ability to adapt during challenging times as an essential skill set for the youth of Brunei to cultivate in a time of unpredictable future and change.

BIBD YES! 2021 carries the theme "Developing Resilient Future Leaders" and builds upon the momentum of last year's summit, despite being conducted virtually. From a total participation of 32 institutions last year, BIBD YES! grew to a total of 66 institutions in representation, with 965 students registered in total. This year, the event was also attended by 72 teachers and 20 international participants from 15 different countries.

The number of sponsors for BIBD YES! 2021 has doubled compared to last year, despite economic challenges. All 5 sponsors from last year, continued their commitment to support the summit along with 5 additional companies showing their support.

> ***"It is the younger generation who have the capability to develop and transform the country as we work to achieve Brunei Vision 2035. It is hoped that this summit will provide a meaningful platform for young people in Brunei Darussalam to learn from outstanding role models, both locally and abroad, on how to manage adversities, how to advocate for change and also how to communicate with empathy, openness and kindness."***
>
> Yang Berhormat Dato Seri Setia Dr Awang Haji Mohd Amin Liew bin Abdullah
> Minister at the Prime Minister's Office and Minister of Finance and Economy II
> Chairman of BIBD

For the second year in a row, BIBD took the leading role as the Host Sponsor in a collaborative effort to help develop resilient future leaders, together with Double Platinum Sponsor, Total Energies Brunei, Platinum Sponsors - Brunei Gas Carrier, Brunei LNG, CIC Environmental Services, Insurans Islam Taib and Progresif, Gold Sponsor Jerudong Park Medical Centre, and Silver Sponsors Teck Guan Holdings and McDonald's. This is also the third year in which Curious Mind organised this youth empowerment event with the endorsement of the Ministry of Culture, Youth and Sports and the Ministry of Education's support.

The summit kicked off with interactive activities over a period of 3 weeks. 180 of the 880 attendees attended as Core Participants with the added responsibilities of group projects and presentations assisted by senior executives from each of the sponsors as their mentors. Mentoring the youth on Week 1 was our Chief Financial Officer, Tan Pheng Leong who guided a team through the topic of a Circular Economy during the pre session breakout meeting as well as during the presentation. The Core Participants are made up of more than half of the attendees that came from the Ministry of Education's CentrE For The Development of Gifted and Talented Education (EDGE) Program.

Participants of the Day 1 program heard from classical Music Director, Chiya Amos joining in from St Petersburg, Russia, who shared his experience in overcoming the challenges of COVID-19 where, due to the prolonged cancellation of shows, Chiya was forced to return to Singapore and take on the job as a Go-Panda food delivery runner. Chiya underscored the importance of remaining adaptable in the time of crisis as a crucial survival skill that everyone needs to master, regardless of their social status or background.

BIBD YES! continued with a focus on Communications and Relationships, with Vivek Mahbubani, Hong Kong's top comedian and Young Person of the Year 2018 as the keynote speaker, along with Nadzri Harif, renowned local radio DJ and entertainer, speaking on the Art of People.

BIBD views education and youth development as a crucial pillar of the Bank's corporate social responsibility (CSR). The summit is an investment for the country's future, and BIBD is grateful for other corporations that share the same sentiment to rally together in this meaningful yearly endeavor.



7.2 Commitment to Lifelong Education

BIBD's flagship education-community funding initiative aims to provide the necessary support to realise His Majesty's Vision 2035 of turning Brunei Darussalam into a nation widely recognised for its people's quality of life and the accomplishments of its well-educated citizens.



The BIBD ALAF Programme strives to provide education and learning, the essentials of individual growth and key indicators of national development, to less fortunate children in Brunei Darussalam so that opportunities for success remain abundant for the underprivileged. Besides constant tutoring and counselling, our ALAF programme also provides for necessities such as school and tuition fees, stationeries, transportation, and meals.

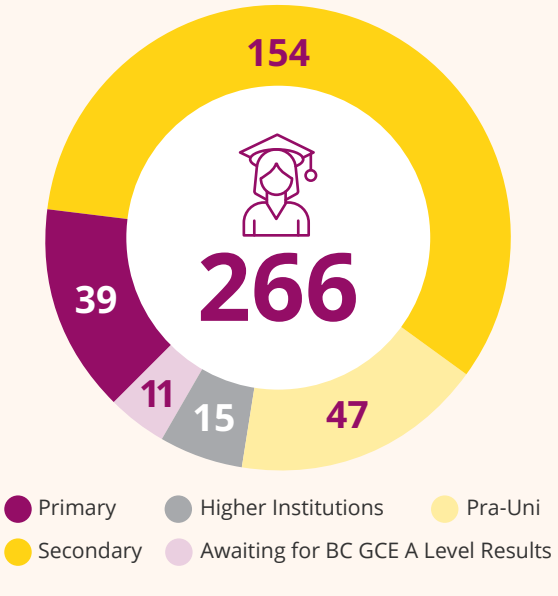
As a result of the close collaboration and cooperation between BIBD, the Ministry of Religious Affairs and Ministry of Education along with the support of local corporates and members of the public, the BIBD ALAF programme currently supports 266 students.



> ***The BIBD ALAF programme is a manifestation of BIBD's belief in the value of life-long learning in line with the objectives of Brunei Vision 2035, to develop into a nation which will be widely recognised for the accomplishments of its well-educated and highly-skilled people.***

Yang Mulia Hajah Noraini binti Haji Sulaiman
Deputy Managing Director,
Chairperson of the BIBD ALAF Programme
Board of Trustees

Total of Students Academic Year 2022



Despite disruptions brought about by COVID-19, BIBD ALAF students sitting for major public examinations such as the GCE 'A' Level Examinations, GCE 'O' Level Examinations and the Lower Primary Assessment (PSR) Examination recorded excellent results. The achievement rate at the highest levels, for example the percentage of students who achieved 5 A's in the PSR exam and 3 A' Levels in the GCE A' Level exam, was either better or on par with the national rate. This is evidence of both the individual capabilities of the BIBD ALAF students as well as the collective impact of BIBD ALAF's support and capacity building efforts.





The BIBD ALAF programme aims to produce students that are educated, well-rounded and equipped with the appropriate skills and knowledge to be industry-ready. In 2021, activities focused around developing student's life skills, academic learning, mental health, awareness on sustainability and entrepreneurship. The ALAF students attended career talks at BIBD Headquarters, virtual and physical engagement sessions with Kilang Reroot, urban farming activities, mental health awareness talks and Muratal Al-Quran group sessions.



7.3 Nurturing Entrepreneurship

BIBD SEED

The "Special Underprivileged Mothers Empowerment Entrepreneurship Development" programme (BIBD SEED) aspires to enhance the livelihood of underprivileged mothers in Brunei Darussalam by empowering and facilitating their development as competitive, resilient, and successful entrepreneurs in the local and international markets.

In collaboration with the Ministry of Religious Affairs and Ministry of Culture, Youth, and Sports, the BIBD SEED programme also aims to create more opportunities in Brunei Darussalam, especially for the less fortunate, and support their progress towards becoming highly-skilled individuals as measured by international standards.



10 successful female entrepreneurs graduated from the bank's programme, which began in August 2020. The 3rd cohort includes 4 entrepreneurs from the creative industries, namely fashion design and make-up artistry, being the first time the creative industries have been included as part of the programme, with the remaining 6 entrepreneurs pursuing their passions in the F&B industry.

Each of the 10 participants successfully completed the 4 phases of the BIBD SEED programme. BIBD arranged various training workshops focused on entrepreneurship skills, practical skills as well as product development workshops. Participants also participated in showcases and marketplaces to gain practical experience in interacting with customers and building a customer base.



As part of their practical training, BIBD engaged the Fashion Designers Alliance Brunei (FDA) for knowledge-sharing and mentorship specifically for the 4 entrepreneurs in the creative industries. The two BIBD SEED entrepreneurs, Zuzain Couture and Asyumi Boutique, underwent an on-site attachment with established local fashion designers under the FDA to deepen their knowledge and skills in their respective fields. Meanwhile, Esma D'Khatizzah Enterprise and Elahs Beauty Enterprise will also be receiving mentorship for make-up artistry with relevant members of the FDA.

The BIBD SEED programme signifies BIBD's commitment towards social inclusion for nation-building, not just as a financial institution, but also as a responsible citizen contributing towards the success of Brunei and its society.



BIBD Catalyst

5 local fashion and beauty entrepreneurs are currently enrolled in BIBD Catalyst, a corporate social responsibility initiatve that focuses on providing acceleration programs for up and coming entrepreneurs. Baitaal Hijab, Mumtaz Collections, Rozai Hijab, Mukaku Cosmetics and Mudaser were selected based on their ability to export their products, to be coached by FashionValet and have a proven track record of growing and marketing brands successfully through their platform.

The aim of BIBD Catalyst is to be able to develop high potential local micro, small and medium enterprises (MSMEs) in different industry sectors to be able to export and to serve customers beyond the Brunei borders.

Through our partnership with Darussalam Enterprise, our BIBD Catalyst participants participated in the Retail Zone at the Brunei Darussalam Pavillion of the Expo 2020 in Dubai, United Arab Emirates, which will run for 6 months.



7.4 Caring for the Community



Community for Brunei continues to mature as a community-based platform since its launch in April 2020 with the launch of a new digital donation and an enhanced volunteerism feature. These features were presented to His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah ibni Al-Marhum Sultan Haji Omar Ali Saiffuddien Sa'adul Khairi Waddin, Sultan and Yang Di-Pertuan of Brunei Darussalam during the National Youth Day celebrations in August 2021.

Community for Brunei's newly refreshed website now enables non-governmental organisations (NGO's) to raise funds through a digital platform. Members of the public who visit the Community for Brunei platform will be able to see which NGO's are currently raising funds, where these funds will be channeled to and how much is required for the NGO's to meet their goals.

The Community for Brunei website currently features 4 main components; firstly, a virtual marketplace for local micro and small enterprises, which includes an integrated digital payment gateway and logistics partner to handle deliveries directly to the customer; secondly, an Events page which can serve as a central directory for local community events; thirdly, an enhanced Volunteer page where organisations can call for members of the public to volunteer and interested volunteers can register their interest; and finally, a Donation page where local community organisations and non-governmental organisations can raise funds to specific causes in a systematic, secure and transparent manner.





During the second wave of COVID-19 infections in the second half of 2021, Community for Brunei stepped up to its mission to serve the community through various initiatives, and supporting NGOs in collecting over B$52,000 in donations which was channeled towards extending support to medical frontliners and those impacted by COVID-19.





The platform also continued to support micro enterprises by onboarding them into the Community for Brunei ecosystem, complete with an integrated digital payment gateway and zero (0) Merchant Discount Rate (MDR) as part of the Bank's efforts to boost online payments and help micro enterprises sustain their business during the pandemic.



Community for Brunei's efforts were recognised at the ASEAN Business Awards when the initiative was named as the winner of the Emerging Social Enterprise Award in the Brunei Special Award Category. In conjunction with Brunei Darussalam's ASEAN Chairmanship 2021, the exclusive Brunei Special Award aims to give recognition to deserving ASEAN registered and based NGOs that have notably played a significant role in promoting and driving social, environmental and community development at both national and regional level.

CHAPTER 08

Supporting Our Employees

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8.1 Celebrating Our Loyal Employees



The Bank celebrated 243 of its loyal and long-serving staff, who have collectively contributed to the success of the bank in positioning itself as Brunei's largest financial institution.

Yang Berhormat Dato Seri Setia Dr. Awang Haji Mohd Amin Liew bin Abdullah, Minister at the Prime Minister's Office and Second Minister of Finance and Economy, in his capacity as Chairman of BIBD Group presented awards to employees who had completed 30 and 35 years of service with the Bank.



> ***I am extremely proud of the resilience and commitment that has been shown by our entire BIBD family, who came together in the face of uncertainty, adapting admirably to this new normal during these unprecedented times. Especially during the COVID-19 outbreak, all our employees continued to show courage, dedication and care with a true 'Bruneian at Heart' spirit which embodies our Core Values, to serve on the front line and ensure that we continued to serve the needs of our customers.***
>
> Yang Mulia Hajah Noraini binti Haji Sulaiman
> Deputy Managing Director





Meanwhile, Awang Junaidi bin Haji Masri, Managing Director, Strategic Development Capital Fund, Investment Division, Ministry of Finance and Economy and Haji Sofian bin Mohammad Jani, Acting Managing Director of Brunei Investment Agency who were present as members of the BIBD Group Board of Directors, presented the awards to employees who completed 25, 20 and 15 working years respectively.

As BIBD seeks to position itself as the best Islamic Bank in Asia Pacific, the bank strongly believes that the foundation of its success and indeed the country's future relies significantly on the quality and efficiency of its people.

Thus BIBD, which has over 1000 employees, will continue to invest and celebrate its excellent workforce.

BIBD also stands firm in its commitment and support to BDCB's Financial Sector Blueprint and Brunei Vision 2035 to further harness and develop the human assets which will play such a vital role in the success of our beloved nation.





Supporting Our Employees

8.2 Commitment to Digital Learning





BIBD launched "Digital Fikra", a dedicated space for digital learning, dynamic ideation and collaborative innovation, which aims to support BIBD's Digital Transformation journey. The space is a manifestation of BIBD's commitment to going digital, in support of Brunei Darussalam's Smart Nation Initiative and ensuring that their workforce is ready and able to meet the changes brought on by the 4th Industrial Revolution (IR4.0).

An internal competition was run to name the new space, with Mohammad Ismail bin Haji Abu Bakar and Riana Pertiwi binti Abu Bakar's creative and well thought out submissions inspiring the name 'Digital Fikra'. The word Fikra is Arabic for thoughts or ideas, paired with 'Digital 'the name of the space signifies its purpose; to encourage employees to have a digital mindset, ideate and innovate.

With the launch of the dedicated space, employees will have access to two ideation spaces, the first is a mini-amphitheater equipped with a smart tv which can connect to employees' devices wirelessly, perfect for knowledge sharing sessions. The second ideation space is designed to facilitate group discussions and encourage innovation. The ideation spaces were designed to have a modern and minimalist feel, coupled with views of Kampong Ayer and lush green hills, it is a conducive environment for out-of-the-box and innovative thinking. Digital Fikra also features an e-learning hub that is equipped with full internet access for employee to complete online learning and do research.

The launch of Digital Fikra and the objectives behind it are in line with the Bank's focus on increasing learning accessibility by leveraging on digital learning platforms. Currently, BIBD offers a wide range of online learning programs coveringtopics such as: Islamic finance and capital markets, customer service, anti-money laundering, cyber security, and much more.

> ***"Employee learning is a vital part of the Bank's digital transformation journey. Our hope is that providing a dedicated space for employees to access online learning platforms, and discuss ideas openly and collaboratively, will further enhance the Bank's learning culture and encourage an innovative mindset."***
>
> Yang Mulia Habibah binti Haji Harry
> Chief Human Resources Officer

As BIBD seeks to position itself as the best Islamic Bank in Asia-Pacific, the bank strongly believes that the foundation of its success and indeed the country's future relies significantly on the quality and efficiency of its people. Thus, BIBD will continue to invest in efforts to develop its excellent workforce. As a Partner in Progress, BIBD also stands firm in its commitment and support of BDCB's Financial Sector Blueprint and Brunei Vision 2035, in harnessing and developing the local workforce which will play such an important role in the success of the nation.

8.3 Graduate Management Trainee Programme

I think what's unique about BIBD's GMT programme is that upon joining, the graduates are immediately tasked with driving their own business improvement projects, which upon successful completion, can be incorporated into real work, hence adding value to the organization. This forces them to be proactive and resourceful, to work independently yet creatively, and of course to quickly learn to network and build relationships with their colleagues, leaders and others.

Yang Mulia Habibah binti Haji Harry
Chief Human Resource Officer

BIBD's Graduate Management Training (GMT) programme was recognised as among the region's best at the inaugural Employee Experience Awards 2021.

The Employee Experience Awards is a distinguished platform that rewards top- notch HR teams and individuals with business stories that inspire, educate and move the dial on EX. This award is deeply rooted in the three pillars that are cornerstones for a positive EX: leadership, learning and employee engagement. The awards were evaluated by the most eminent senior HR experts and thought leaders in Asia. BIBD's recognition as a winner in the Best Graduate Management Training Programme category comes on the back of the Bank recently welcoming five graduates under the programme. This specific award, which sees participation from regional multi-national organisations across various industries, recognises the efforts of organisations in developing high caliber graduates that are either recent school leavers or those with one to two years of work experience. The nominees are evaluated by their ability to display success in grooming young talents to become future leaders through an accelerated learning environment, formal training, purposeful business opportunities and professional development.

BIBD's GMT programme has a rigorous selection process which pools together some of the best young talents and graduates in Brunei.

This recent win is a testament to BIBD's commitment to support the nation in achieving Brunei Vision 2035, and to achieve the wider goals outlined under the United Nations Sustainable Development Goals (SDG), specifically SDG 4: Quality Education and SDG 8: Decent Work and Economic Growth. Underpinning these efforts is BIBD's continuous support for Maqasid Shariah, which speaks to the preservation and promotion of faith, life, the mind, of progeny and of wealth.





8.4 Promoting Wellness and Work Life Balance



As an organisation that is always committed to employee wellness and promoting Work-Life Balance, BIBD now has its own multi-purpose hall where employees can hold various sporting and recreational activities in support of a healthy lifestyle. The Mahabbah Hall, located in the PGGMB Building, was launched recently as part of its commitment to the BIBD Family.

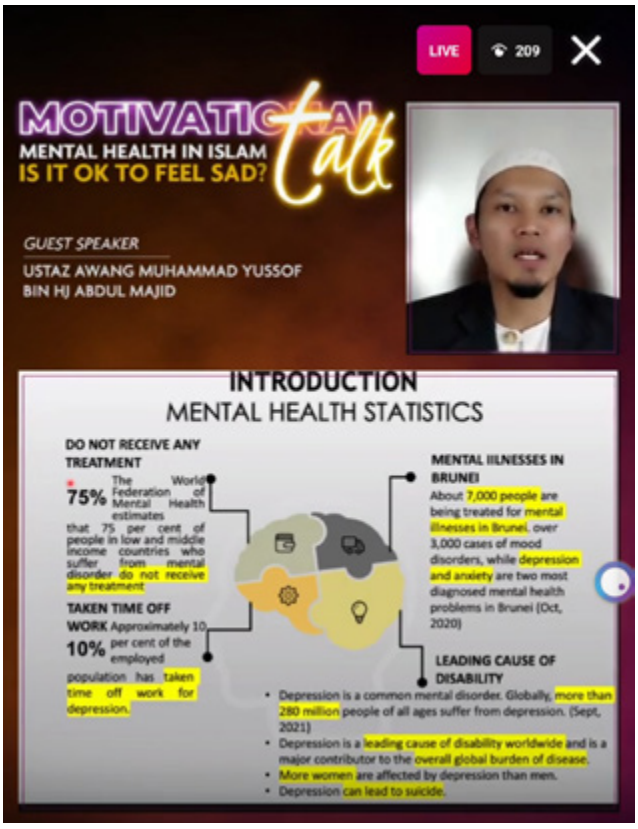
BIBD also initiated several initiatives for its staff and the public to raise awareness about the importance of mental health especially at a time when the nation is battling against the impact of COVID-19.

BIBD conducted several virtual motivational talks for staff on the importance of mental health and how to better manage mental health in view of the current pandemic situation. The talk covered a holistic view of mental health from medical and Islamic perspective.

In this fast-paced and dynamic industry, BIBD understands that there are times when employees might feel overwhelmed and under emotional pressure which may lead to excessive stress at work.

As the Bank puts great emphasis on the well-being of its employees, it has made arrangements with Jerudong Park Medical Centre (JPMC) to provide voluntary 'Stress Management' consultation with a certified psychologist for staff who need help in managing their stress.

BIBD has always believed in and advocated the importance of mental health as part of its Maqasid Shariah and in supporting the UN SDG 3 Goals of ensuring the good health and well-being of the global population by among others, ending epidemic and other communicable diseases such as COVID-19.



CHAPTER 09

Our Business Activities

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9.1 Retail Banking Group

Our vision of becoming Brunei's leading financial institution and a benchmark for Islamic finance remains true with strong financial figures and market share. BIBD currently holds over 56% of all in-country deposits and over 65% of all retail financing. On top of maintaining our S&P rating of A- since 2015, we were also recognised as the Best Retail Bank for the ninth year running and Strongest Bank in Brunei by The Asian Banker, Safest Bank in Brunei by Global Finance and Bank of the Year 2021 by The Banker.

BIBD continues to solidify its position as the leading provider of retail banking services in Brunei Darussalam by maintaining the largest banking network in Brunei with eighteen branches and more than 100 self-service terminals strategically located across Brunei Darussalam. BIBD is also the largest payment card issuer with the largest base of active Debit and Credit Cards.



Key Initiatives in 2021

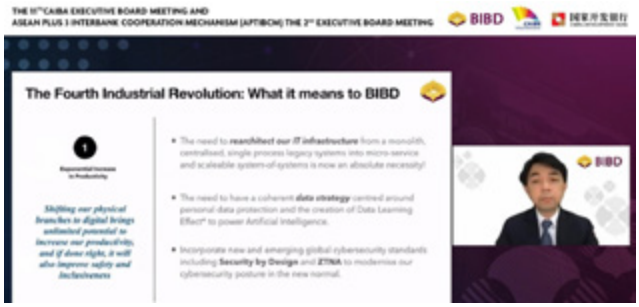
Supporting Sustainability through Digital Transformation

At BIBD, digital has always been the cornerstone of how we do business. Our digital banking ecosystem provides a range of cashless payment methods, many of which have been a first for Brunei.

With the launch of our Sustainability Framework, the Bank has intensified our efforts to provide our customers with even more ways to Go Digital in the hopes of reducing our environmental footprint.

Earlier this year, we began migrating our customers from physical banking statements into e-Statements which would be emailed directly to customers in support of this.

We also launched the payment of zakat via QuickPay, in partnership with the Ministry of Religious Affairs and the Brunei Islamic Religious Council. With just their smartphones, members of the public can scan and pay their zakat digitally using BIBD QuickPay and Progresif Pay. Apart from giving greater convenience, this method brings greater security by reducing the risk of loose cash.



We continued to expand the offerings our our BIBD NEXGEN platform, with the additional of local telco Imagine, enabling mobile top ups and bill payments directly from our mobile app or online banking. This makes BIBD the first and only bank in Brunei to offer the full suite of mobile top-ups from all local telcos on our digital platform.

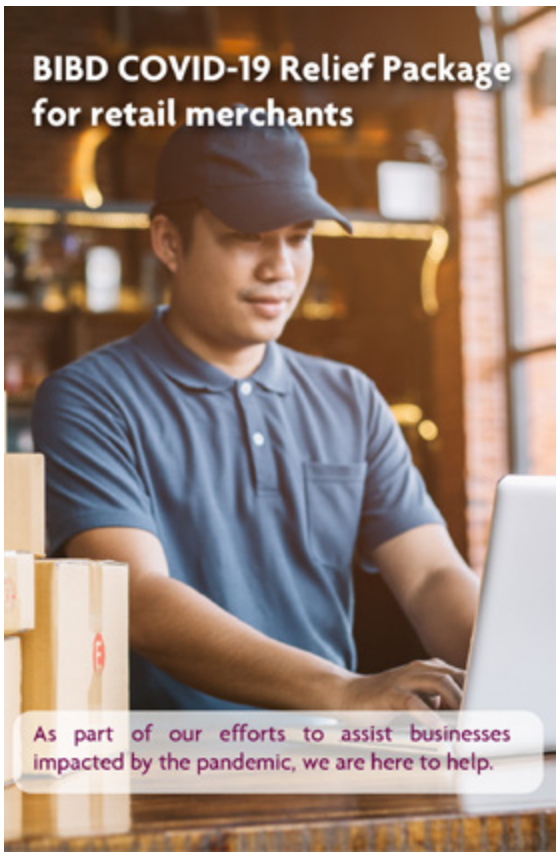


Serving Our Customers During COVID-19

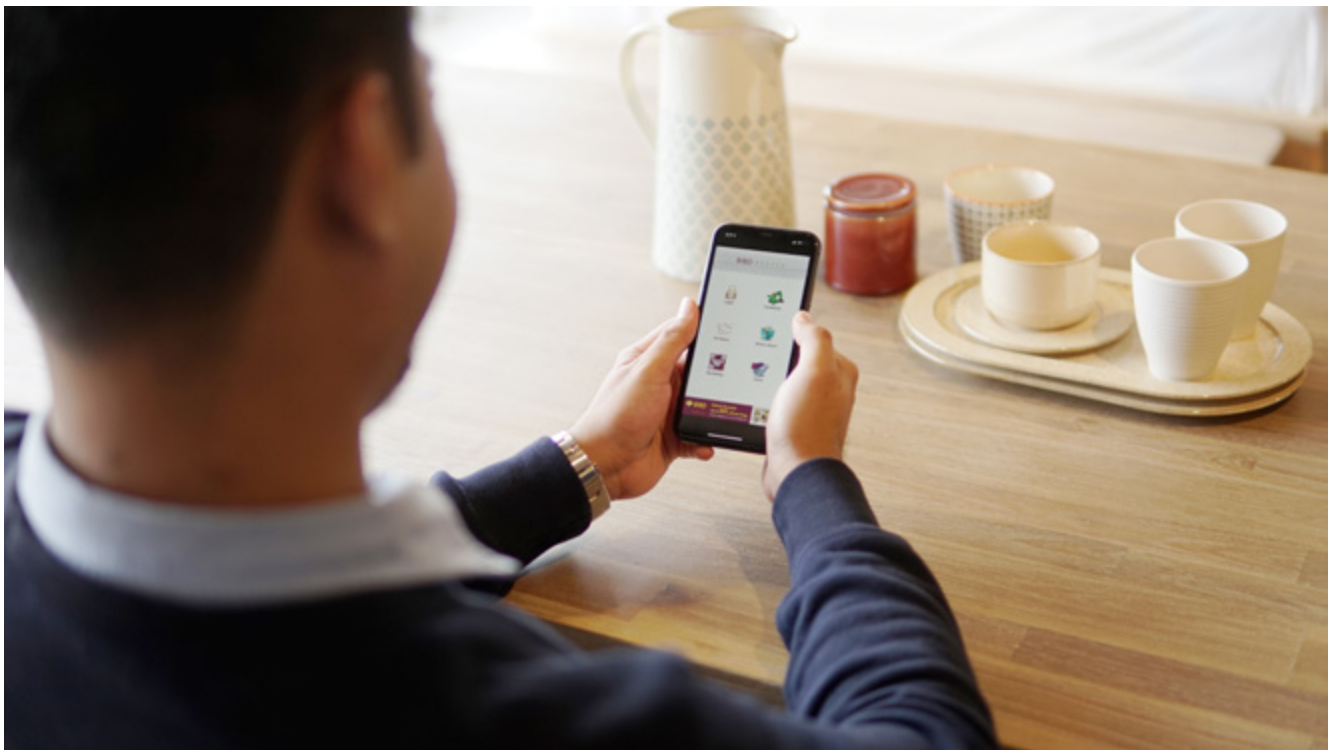
BIBD, as the largest financial institution and a Partner in Progress for the country, has continued our strong support for our customers during this time. With the outbreak of the second wave and the activation of our BCP, the Bank managed to stay open and serve our customers, albeit with a limited number of branches and shorter working hours.

We turned to digital means to support our customers; the Bank introduced an online booking system using a third-party service known asn QueUp for ease of booking for services within the branches, being the only bank in the country to do so. This was further supplemented with appointment booking via Whatsapp as well as a dedicated email for appointments and applications for specific retail services.

The Bank also extended our COVID-19 Relief Package aimed at businesses and individuals who have been financially impacted by the pandemic, and also extended this relief to retail merchants.



Looking Ahead



Priorities in 2022

- Continuing to support the Smart Nation Development with focus on increasing the adoption of digital services.
- Continuing to enhance governance to safeguard both customers and employees without compromising services.
- Re-engineering our product and service offerings to keep up with the changing needs of today's customers.

Supporting Sustainability

With the launch of the Sustainability Framework, RBG will endeavour to to encourage digital adoption of Retail banking products and services with use of the BIBD's digital platform (BIBD Online, BIBD NEXGEN, self-service terminals) and at the same time reducing the carbon footprints from the use of resources.



9.2 Corporate Banking Group

Corporate Banking Group (CBG) offers a range of banking services that are catered to MSME and corporates.
These services include the financing, cash management facilities, digital banking & transaction as well as business advisory.



Priorities & Focus Areas

Supporting MSMEs through SME360

The Group focuses on providing support to Micro and Small Medium Enterprises (MSMEs) through an all-in-one financial product service, SME360.

SME360 is a comprehensive banking solution that complements the needs of businesses, especially SMEs, which includes a dedicated relationship management team, financial solutions and digital payments.



Enabling Efficient and Seamless Digital Business Transactions

CBG is also actively promoting digital banking services through the BIBD BizNet platform which caters to all corporate clients, from MSMEs to Corporates, GLCs as well as NGOs.

Introduced in 2018 as part of BIBD NEXGEN's suite of online banking solutions, BIBD BizNet comes with an array features including bulk payment management for payrolls, making enquiries and checking transaction histories for Current, Investment and Financing Accounts, conducting transactions in multiple foreign currencies and to make donations, among others.

In the wake of the COVID-19 pandemic and in support of the Ministry of Health's calls to practice social distancing, many consumers have been carrying out their purchases online and online-based businesses have been seeing surge in sales a trend that is currently experienced not just by local businesses in Brunei but also across the globe.

With BizNet, large businesses as well as micro, small and medium enterprises (MSMEs) will be able to manage their accounts easily in just a few clicks away; via the app and website.



Promoting Sustainability

In line with BIBD's Sustainability Framework, CBG also works to inclulcate SDG initiatives by introducing and educating on green protocols to both internal and external stakeholders.

Supporting our Clients through the COVID-19 Crisis

To mitigate the potential risks of COVID-19, BIBD had activated its Business Continuity Plan (BCP) and scaled down certain business operations. Nevertheless, the Corporate Banking Group (CBG) was able to seamlessly meet with the demands of our customers, embodying the Bank's values of Customer-Focus and proving that BIBD has the ability to function in whatever circumstances.

With the 2nd wave of COVID-19 infections once again causing significant disruptions to corporate business activities, CBG also helped businesses that were impacted by COVID-19 throughour COVID-19 Relief Package. Through this measure, clients were offered a moratorium on their financing obligation. The bank has also taken part in the Government's initiatives to waive charges of interbank transfer made by our clients to spur the usage of online transactions during the pandemic period.



Key Initiatives in 2021

Encouraging Digital Transactions

Throughout 2021, CBG focused on encouraging more of our customers to make use of our digital banking solutions. Through targeted campaigns and more awareness on the benefits of going digital, the Group saw a 6% increase in the numbr of companies onboarded to BIBD BizNet. Total BizNet transactions in 2021 also increased.

CBG also repackged and remarketed BIBD BizNet into two main packages, offering a wide arrange of online services at more affordable prices to serve all clients' needs, whether they are MSMEs or large corporates. Significant changes to the packages include the offering of online fund transfer facilities and online payroll services without subscription fees to all clients.

We also continued to increase the number of online bill payees on the NEXGEN platform as part of efforts to further encourage digital transactions. Currently there are 111 total online billers available to customers.

Customer Satisfaction and Quality Services

Customer satisfaction and quality product services are two prominent priorities for CBG. In 2020, BIBD was certified ISO:9001 for payroll/bulk payment services and Corporate Credit Card processes. This year, CBG continued to work closely with the Service Quality Department to enhance overall processes as part of the on-going internal quality review of ISO9001:2015 certification.

BIBD was once again awarded Best SME Bank Brunei 2021 by Global Banking and Finance Review, in recognition of BIBD's focus on delivering comprehensive solutions making banking more efficient, cost-effective and readily accessible to SME clients as well as creating long-term support and sustainable change through education, community and development of local entrepreneurs.

Parter in Progress for Entrepreneurs

Despite the pandemic, the Bank continued its commitment to being a Partner in Progress for the nation by sharing our knowledge on business financial literacy.

The 1 Kampung 1 Product initative (1K1P) a collaboration between Ministry of Home Affairs and BIBD, saw the Corporate Banking Group mentoring the selected entrepreneurs. This mentorship is aimed to transform their cottage businesses into a dynamic and thriving company producing premium local products.



As part of the Bank's collaboration and support for the Ministry of Religious Affairs through the Islamic Dakwah Centre, we also delivered several talks to *Muallafpreneurs* to introduce them to BIBD's wide range of products and services that cater to entrepreneurs and small businesses as well as brief them on the importance of Islamic Financial Planning.

BIBD strongly believes that entrepreneurship is a form of empowerment which can transform the nation and support the Brunei Vision 2035 of diversifying the economy and producing highly skilled human assets.

By empowering all segments of society with entrepreneurial skills, entrepreneurship can bring about self-independence, access to opportunities and choices and the ability to transform one's life and influence others to do.

Entrepreneurship is one of the key pillars of BIBD's Corporate Social Responsibility and is one of the areas in which the bank regularly collaborates with key government agencies to affect positive change and undertake as our corporate sustainability agenda.

BIBD's full support of the event also demonstrated its dedication and commitment to support the United Nation Sustainable Development Goals (UN SDG) – particularly goals No. 1 and 8 that aim to eradicate poverty and encourage entrepreneurship for inclusive and sustainable economic growth as well as job creation.

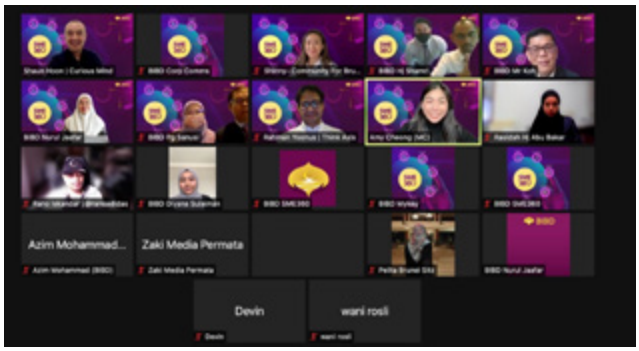
Looking Ahead to 2022

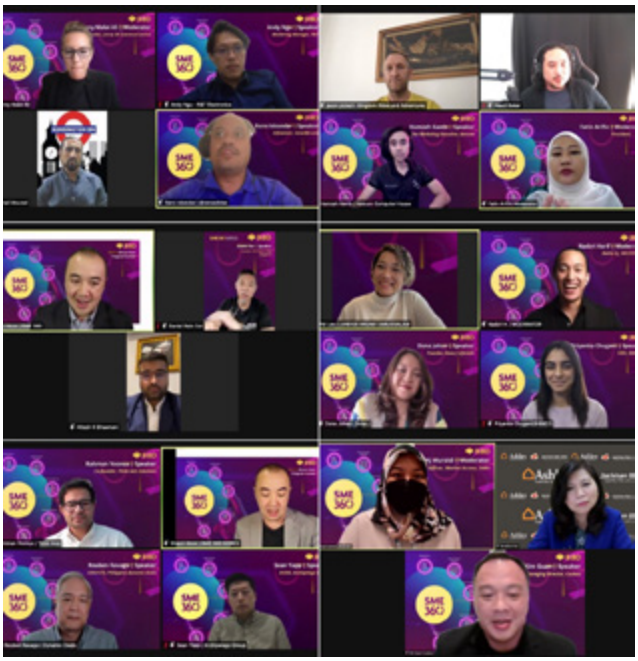
As the nation begins to recover from the COVID-19 pandemic and looks to rebuilding better and more sustainably in the new normal, CBG's main focus will be supporting the nation's corporates as they navigate the post-pandemic era.

Despite the pandemic, the Bank will continue its commitment to being a Partner in Progress for the nation by sharing our knowledge on business financial literacy. Our support will also encompass education and knowledge sharing of good business practice with MSMEs as part of efforts to support them as they grow their businesses. We will also be focusing on mentoring by sharing our expertise with start ups and young entrepreneurs in order to give them a good foundation to succeed. This initiative will be further complemented by plans to collaborate with educational institutions in order to promote an entreprenurial spirit amongst the younger generation, in further alignment with Bankwide efforts to encourage entrepreneurship.

Through the SME360 brand refresh, we hope to reposition our SME360 offerings to assist businesses who have been affected by COVID-19. CBG will be working closely with government agencies and regulators in sustaining affected businesses by introducing special packages that suit the current business condition.

We will also be focusing on encouraging further digitalisation by MSME's through our BizNet services. This is also in line with the BIBD's Sustainability Framework, to promote digital solutions to reduce our environmental footprint. CBG is already planning on transitioning to e-statements and ceasing the use of printed paper statements by Q1 2022.





9.3 Treasury & Global Markets

BIBD's Treasury and Global Markets (TGM) is responsible for the management of the bank's funds, providing BIBD with ready access to liquidity and ensuring that the bank meets all its financial obligations as and when they fall due.

As the first line of defence, TGM plays a pivotal role in insulating the bank against financial market stresses through the robust management of capital and liquidity. In addition, TGM plays its part as a brand ambassador for the bank in the global financial markets by continuously seeking to foster closer ties with our international banking partners, both regionally and internationally.

There is no doubt that 2021 has been a challenging year for TGM with the resurgence of COVID-19 waves hitting most parts of the world resulting in renewed restrictions and increasing uncertainties on the recovery path coupled with the low yield environment. Alhamdulillah, the TGM team has been resilient during these tough times and managed to elude major volatilities whilst adapting to the new normal of hybrid working arrangement.

TGM's objectives have always been focused on yield optimization. With the support of a robust risk management as well as the diversification of investment products and target markets, TGM has managed to achieve its overall objectives. In 2021, we have seen substantial increase in the volume of unfunded transactions, simultaneously, increasing the revenue stream from this line of business, whilst the structured product portfolio continues in its stride to diversify exposures to new markets which previously have not been ventured into. TGM also continued to explore for bilateral and syndicated opportunities with its counterparts, with 2021 seeing an increasing involvement from TGM in this space.

TGM's emphasis in diversifying its funding sources continued in 2021 through the addition of more repo transactions to its books and creating more lines for new and existing counterparties. This was also achieved through BIBD's international offices in Dubai and Singapore which was instrumental in forging new relationships for the Bank and cementing existing ones. With the ongoing plans to upgrade the offices' capabilities, TGM believe that this will further reinforce BIBD's footprint in the international markets.



TGM values the role it plays in promoting the Bank in the international markets. In 2021, the TGM team had played a vital role in the success of the 11th Executive Board Meeting of the China-ASEAN Interbank Association (CAIBA) and the ASEAN Plus Three Interbank Cooperation Mechanism (APTIBCM). The virtual meeting, jointly hosted by BIBD and the China Development Bank, carried the theme 'Empowering the Future with Sustainability and Digitalisation', was attended by the Managing Director of Brunei Darussalam Central Bank along with representatives from leading financial institutions from ASEAN member states as well as the People's Republic of China, Japan and the Republic of Korea. Through this, TGM hope will further foster BIBD's relationship with the international players and gain further insights from industry experts.

TGM remains committed in delivering an excellent customer experience for our existing and potential clientele, so as to help them in meeting their financial goals. TGM manages several key client relationships for the Bank and has always endeavor in providing best in class service and solutions for their every financial needs. TGM team places utmost priority in safekeeping of customers deposits, which is a key component to building and maintaining the trust that BIBD has with its stakeholders. As part of its strategy, TGM continues in building its foreign exchange suite of solutions to its clients. This has been a success where TGM had seen an uptake in the volume in 2021 and focus will remain on this strategy as an important revenue stream for the division.

TGM's focus for 2022 is to increase end-to-end digital solutions and promote sustainable growth of the Bank's international asset book. This is in addition to continuous improvement of the net profit margin which has always been the forefront of TGM's business objectives. TGM believes in evolution and the never-ending need to constantly change. There is always a need to create new processes which would further enhance the returns and create more efficiency in managing the Bank's liquidity. Thus, TGM understands the need to bring in a robust system that not only provides in-depth analysis and forecasts on the cashflows, it would also have the ability to adapt to new regulations.

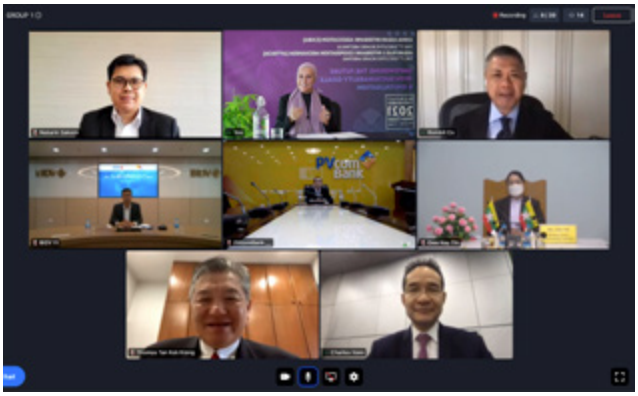
There will still be lingering uncertainties in 2022 although TGM see some bright spots. With the opening and recovery of economies, onboarding of new counterparties and opening of new markets in tandem with the expertise and experience of both BIBD Brunei and overseas personnel, TGM will continue building and enhancing its trade portfolio. TGM's market research and analysis of the financial markets ensures TGM is kept abreast with the current market news and trends. With inflationary pressures and interest rate paths in focus for 2022, it is imperative to ensure that the value of the TGM portfolio remains in tack and always be ready to rebalance if there is a need.

TGM has been instrumental in developing alternative funding and investment opportunities in the international financial market. Diversification has been the key driver for these initiatives. Through continuous innovations and new ideas, BIBD TGM will continue to enhance its suite of structured products and is aiming to be the first Islamic Bank in Brunei to offer reverse Repo transaction with its counterparts.

TGM in 2022 remains committed to the Bank's mission in becoming the Best Islamic Bank in Asia Pacific and will strive to strengthen our product offerings and service delivery capabilities in meeting this goal. We aim to provide solutions that cater to our clients' liquidity needs while offering optimized returns based on their risk appetite. We will continue to foster, strengthen and build long-lasting relationships with our depositors and be their trusted partner, as being the number one priority.

Recognizing the importance of sustainable investing, TGM is starting to revolutionize its investment journey. For every investment decision, there will be an emphasis on the need to balance the traditional aspect of investment (risk vs return) while also considering the environmental, social and governance ("ESG") long term positive outcomes.

TGM as a division is fully behind BIBD's commitment of BND2billion in sustainable funding by 2030. TGM will ramp up its stride in building its books towards more sustainable investments.



9.4 BIBD Securities

BIBD Securities Sdn Bhd ("BIBDS") was established in 1993 and is the first securities company in Brunei. BIBDS provides investment solutions to both retail and institutional clients (via BIBD Asset Management) and is a wholly owned subsidiary of BIBD Berhad.

On the retail side, BIBDS provides both brokerage services to clients wishing to trade BIBD shares and shariah compliant securities listed on the Singapore Stock Exchange and Bursa Malaysia, and distribution of shariah compliant mutual funds.

On the institutional side, BIBD Asset Management ("BIBD AM") services clients through its asset management arm. BIBD AM was set up in 2019 and is the first fully Brunei-licensed Shariah-compliant asset manager. BIBD AM offers capabilities in sukuk through professional in-house sukuk management, equities and multi-asset through strategic alliances with renowned investment management partners with a global footprint.



2021 was a year of growth for BIBDS & AM – specifically growth in corporate responsibility, assets-under-management (AUM), capabilities, product offerings, and strategies. Some key highlights include:

BIBD AM being recognised as an United Nations Principles for Responsible Investments (UNPRI) signatory.

As part of BIBD Group's overall Sustainability vision, BIBD AM was recognized as the first UNPRI signatory in Brunei in 2021. This indicates our commitment to investing in a sustainable and responsible manner.

To aid in this journey, BIBDS has introduced our ESG values in 2021 as well: Alignment, Continuity & Education (ACE).

Our ESG values are designed to create for our Planet, Society, Family, Investors and Employees

A

ALIGNMENT

Our ideals and governing principles are aligned with the Brunei's BNCCP, our Shariah principles and our local community

C

CONTINUITY

Our goals and actions are focused on creating sustainable, achievable and impactful outcomes

E

EDUCATION

We aim to facilitate learning both externally through financial literacy and internally via personal development

Our ESG values and commitment to responsible investing highlight our overall objective of building and investing into a more equitable and sustainable future for all.



Significant asset growth

BIBDS is proud of the significant growth in both retail and institutional segments. This strong increase in asset under management indicates a growing awareness of the importance of investing as well as increasing market demand for Shariah-compliant investment solutions.

Global recognition

BIBD has won 4 global awards in 2021: (1) Best Islamic Fund House (Brunei) – from Asia Asset Management (AAM); (2) Best Institutional House (Brunei) – from AAM; (3) Best Investor Education (Brunei) – from AAM; and (3) Islamic Asset Manager of the Year (Brunei) – from The Asset Triple A Islamic Finance Awards.

These awards are a strong indication of our successes in 2020 and 2021.

Development of new strategies & products

As part of the global markets, we understand the importance in keeping ahead of the curve and developing new investment strategies and products for our clients. In 2021 – we introduced 3 new offerings: (1) Our ESG Sukuk strategy; (2) Our Multi-asset Allocation strategy; and (3) The launch of the Arabesque Q3.17 Global ESG Momentum Flexible Allocation fund.

These initiatives highlight our willingness to embrace new trends and technologies – specifically the use of Artificial Intelligence (AI) for the Arabesque Q3.17 fund; and the importance of incorporating ESG values for all 3 new offerings.

Continued commitment to investor education

In line with our ESG values and overall business objective, we remain committed to furthering investor education in Brunei. In 2021, our investor education initiatives were targeted at the grass-roots level in which we have delivered a number of educational initiatives catered to both retail and institutional segments. Some specific examples include:

- BIBDS & AM ran 14 roadshows and over 50 more intimate client pocket events, to showcase the importance of financial planning and ways to achieve the clients' respective financial goals through Shariah-compliant means
- BIBDS & AM has been active in raising financial awareness through radio interviews and social media via our Instagram page.
  As an example – in 2021, we have partnered with local social media influencers to co-develop storyboards and posts on Instagram aimed at educating new investors and introducing financial concepts.
- BIBDS & AM also partnered with the BIBD ALAF programme to facilitate several financial education events during the student's term holidays including: (1) financial literacy talks; (2) an investment challenge; and (3) investment tutorials and sharing the day-to-day responsibilities of portfolio managers.
- Finally, BIBDS & AM has published several thought pieces in 2021 catered for institutional investors which covered various investment topics including our in-house macro views, ESG trends, interest rate outlooks, current market events and asset class sentiment analysis.





BIBDS and AM initiatives are designed to complement the nation's Wawasan 2035 (Vision 2035) and Brunei Darussalam Central Bank (BDCB) Financial Blueprint 2016-2025 initiatives to foster growth in Brunei's Islamic finance and asset management industry.

The overall objectives of BIBDS & AM include:

- To create a world-class sharia asset management platform;
- The development of Brunei's asset management industry and expand its footprint globally;
- To foster local talent pool; and
- To drive growth of Islamic capital markets.

In 2022, our aim is to continue to innovate and push the envelope in terms of new products and strategies. Additionally, our key mandate to drive both financial inclusiveness and the growth of the growth of capital markets in Brunei that is in line with Shariah principles. As such, our goals for 2022 include:

- Continue to develop innovative investment solutions for both institutional and retail clients.
- Drive the financial literacy and financial inclusiveness agenda in Brunei, prioritizing retail investment growth and financial planning initiatives.
- Continue to focus on investor education. We aim to elevate our clients' and overall community's financial literacy to help them understand and achieve their financial goals by combining informative financial education with a suite of handpicked investment products.
- Position us to be at the forefront of the set-up of the Brunei investment management ecosystem – acting as both a financial intermediary and an asset allocator.
- Deliver improved customer experience to our clients through engagement with strategic partnerships and exploring more digital solutions to meet the ever-changing needs of our investors.
- Work closely with our regulators and clients to develop the financial services industry in Brunei. Our key goal is to develop competencies and solutions from within.

BIBDS and AM is at the forefront of BIBD's Sustainability Framework (SF). As Brunei's only United Nations Principles for Responsible Investments (UNPRI) signatory, BIBDS and AM is expected to lead by example in the ESG investing space.

To that end, some key ESG goals we have for 2022 include:

Skill-set building – we have 4 current candidates for the Chartered Financial Analyst (CFA) ESG Qualification. We believe that this will allow us to achieve our intention of developing competencies from within.

ESG infrastructure – we are constantly building and improving our ESG infrastructure in BIBD, including our commitment to ESG research, investment analysis and management.

Responsible investors – ESG stewardship is key for BIBDS and AM. We aim to be responsible investors and to represent our investors ESG interests appropriately.

ESG strategy developments – together with our strategic partners, we're keen to lead the development of new ESG investment strategies in Brunei and globally. Our successful introduction of Brunei's first Shariah-compliant ESG fund, the Arabesque Q3.17 fund, will pave the way for further strategies in 2022.



CHAPTER 10



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10.1 Chief Operating Office

The Chief Operating Officer (COO) Division develops, supports and executes the operational strategic plan and performance management plans that align with the bank's objectives and strategies. These plans support the businesses and all the other divisions in the bank. It also manages the business contingency planning, activation and deployment. The COO Division's focus is to provide full support to businesses and divisions across the bank towards achieving its strategic goals and targets.

The COO Division consists of Branch Banking Operations & Services, Service Quality, Operations & Customer Service, Project Management Office, Business Intelligence & Support, Credit Operations & Administration, Digital Solution, and Collection & Recovery. The Division's focus is to provide full support to businesses and divisions across the bank towards achieving its strategic goals and targets.



Priorities & Focus Areas

In 2021, COO Divison's activities focused on the following key priorities:

Enhancing Customer Experience

As a bank that is Bruneian at Heart, fulfilling the needs of our customers is at the core of everything we do. COO is committed to servicing the needs of customers at our branches with accuracy and in a timely manner. This includes monitoring and ensuring that customer feedback is handled according to service standards. Effective management of fraud prevention was also a key focus area to ensure that our customers continued to feel safe when banking with us.

Driving Digital Transformation

COO continued to explore ways to promote usage of the vast range of digital services available to our customers. The division worked together with Retail and Corporate Banking Groups to strategise and execute plans in reducing branches' over the counter transactions and increasing transacting via online channels. This includes putting in place actions to increase uptime of ATMs and CDMs.

Internally, we pushed forward with our commitment to promote a digital economy by improving and increasing payments conducted through the BIBD NEXGEN Wallet. The division worked with various stakeholders in understanding problem statements and identifying where digitization can make improvements in efficiency and overall service quality. COO continued to work with stakeholders on the strategy, processes and workflows for bank wide digital initiatives by advising them on the latest banking technological trends and identifying the right fit for the bank.

Ensuring Excellent Service Delivery

Our key priority was to maintain the Bank's ISO9001:2015 certification in "Provision of Retail Customer Onboarding, Financing (Personal & Home), Payments (Payroll & Bulk Payments) and Card Services" for the 2nd year.

COO also continued to support business departments with the administration and operations of credit facilities, with an aim to maximise revenue while minimising risk generated by the credit facilities. Activities included preparation of financing agreements, disbursement of financing, and limit and collateral monitoring.



Key Initiatives in 2021

Lessons in Preparedness: Our Response to the Second Wave of COVID-19



In order to mitigate the risk of COVID-19 among our staff, customers and members of the general public, BIBD branches were quick in responding to the new norms' requirements. Since August 2020, when the first COVID-19 infections in Brunei were recorded, front-line staff were equipped with Personal Protective Equipment which included face masks, gloves for cash handling and the installation of Acrylic Protection Screens for counters. This initiative continued into 2021, in anticipation of further infections.

In April, the division successfully conducted an annual Business Continuity Planning (BCP) exercise drill. When COVID-19 control measures were introduced in August 2021, the division successfully activated BCP by splitting work locations between staff working from home (WFH) and working from office (WFO), with minimal impact to BAU operations. In total, 222 WFH kits were distributed to essential staff in order to support the new working arrangements.

In view of the Ministry of Health's COVID-19 control measures, and as part of our efforts to assure the safety and health of our staff and customers, walk-ins were discouraged and services were provided on an appointment basis. The Bank introduced a 3rd party online booking app, QueUp, which allowed customers to book appointments ahead of time, directly on their mobile device.

Although branch operating hours were limited, anticipating an increase of customers at the bank during certain periods, branches opened earlier during Government Pay periods to cater specifically to pensioners who may be more vulnerable; this enabled them to conduct their transactions while avoiding large crowds of customers.



Encouraging Digital Transactions

Within COO, the Service Quality Department and Branch Banking Operations and Services worked closely with Retail and Corporate Banking Groups in reducing Branches' cash transactions by encouraging customers to make use of our digital banking solutions. Coordinated initiatives such as upgrades to the BIBD NEXGEN Wallet to encourage online bill payment and top ups were rolled out in 2021.

COO continued to focus on the migration of over the counter and other manual transactions such as remittances and payroll, towards BIBD's e-channels, i.e., ATM/CDM, BIBD NEXGEN or BIBD Biznet.



Digital Week was introduced in early 2021 to promote BIBD's digital platforms and to create awareness. This also contributed to the improved Self-Service Terminal (SST) uptimes. With the roll out of E-Journals to ATM we were able to increase the uptime of ATMs bank wide since the 2nd half of 2021. About 95% of ATMs bank wide had an uptime of 98% since July 2021. Uptime of CDMs also improved by 36%, comparing 1H2021 to 2H2021.



In light of the pandemic, BIBD increased its presence and enabled more options for customers to transact online and do cashless payments.

Key success indicators were based on the following achieved:

- 82% of 2021 target for new BIBD NEXGEN, Online and Progresif Pay subscribers
- 150% of 2021 target for merchant sign-ups for card terminals
- 133% of 2021 target for merchant sign-ups for QuickPay
- 117% of 2021 target in $ volume of transactions via mobile banking
- 103% of 2021 target in number of online payroll transactions.
- 71% of corporate customers have subscribed to BIBD Biznet (including SME customers)

The holistic approach mentioned above resulted in:

- 1% of number of transactions were conducted over the counter in Q4 2021, with a drop of 2% from Q1 2021.
- 20% of $ volume of transactions were conducted over the counter in Q4 2021, with a drop of 15% from Q1 2021.

Maintaining BIBD's ISO9001:2015 Certification

This certification was confirmed after the completion of BIBD's second year surveillance audit, completed in November 2020. BIBD continues to be ISO9001:2015 certified in Provision of Retail Customer Onboarding, Financing (Personal & Home), Payments (Payroll & Bulk Payments) and Card Services. This expansion makes BIBD the only bank in Brunei Darussalam to be awarded this certification consistently across all its branches.

In 2021, the division focused on continual improvements as an outcome of on-going internal quality review of ISO9001:2015 certification, to enhance overall service performance. We saw improvements made to six processes:

1. Complaints Management Process

- Creation of classification of the severity of the customer complaints
- Detailed comprehensive resolution recording in Orlig

2. Vendor Management Process:

- Yearly assessment of vendor performance
- Implemented contract monitoring tools to assist in managing contracts (IT and FMSU)

3. Risk Process

- Increased number of Risk Coordinators
- More risk awareness briefings and improvement in risk awareness amongst BIBD staffs
- Improvement in Post Implementation Review in Operational Risk Management Policy and New Product Service policy (NPSP)

4. Facilities Management Process

- FMSU policy document now includes clear identification of categories for each priority level
- Implementation of new CMS monitoring tool to monitor CCTVs

5. Corporate Payroll/Payment Process

- Standardised Call back for payment instructions
- Centralised payroll submission at CBG offices

6. Credit Card Process

- Improvement in Credit Card Underwriting Standard for foreigners applying for credit cards.
- Improvement in Card inventory management process by shortening the process
- Improvement in the Personalisation certificate renewal process - includes clear definition of workflow and responsibilities

Ensuring Service Excellence

In 2021, the Service Quality Department launched Customer Excellence program to review and refresh BIBD's service values and standards. This involved customer focused groups, service excellence training, coaching of front-liners in application of service standards, up-skilling internal trainers, producing initiatives to enhance service delivery from both internally and externally, and enhancing the customer journey blueprints for key products and services.

Overall, 254 frontline staff received training on the ART of R.I.S.E and service excellence. 10 staff from various departments throughout the bank successfully completed the Train-The-Trainer program.

The department also oversaw 2 collaborative customer excellence bootcamp activities involving middle management employees, of which 6 customer experience improvement initiatives were identified and to be implemented by 2022. Service blueprint initiatives were also created to improve customer handling for Corporate and Retail onboarding, Perdana Privilege Banking Experience, Post service - customer complaint handling, service recovery, empowerment and financing, to be further implemented by 2022.

Furthermore, as part of efforts to ensure service excellence, a number of SOPs were introduced and/or amended to provide more consistency and controls in the branch network.







Looking Ahead to 2022

Encouraging Digital Transactions

- Continuing our focus on migrating customers to digital, onboarding new customer to digital platforms such as NEXGEN, Biznet, Internet Banking, etc.
- Continuing to improve the uptime of Self-Service Terminals and the availability of its machines to serve customers.
- Continuing to embrace digital advancements by continuing to introduce more E-learnings and meetings to be conducted virtually.
- Other digital initiatives include:
  - BIBD NEXGEN Mobile 4.0
  - An internal chatbot to handle queries, provide information, and execute functions
  - Gamification - A gamification platform to encourage productivity and fun

Customer Service Excellence

- Focus on reducing the turnaround time to attending to complaints or queries received from Customer Complaint Resolution Unit.
- Commitment to doing things right the first time and creating consistency from branch to branch.
- Ensure that branches are customer friendly and are ready to serve all types of customers, including physically handicapped individuals and senior citizens, among others.
- Carrying out an initiative to update the personal particulars of customers to ensure data collected is accurate and will be beneficial for other stakeholders within the bank.
- Our R.I.S.E Recharge program which involves customer service training, implementation of enhanced customer journey blueprints and other initiatives to improve employee's productivity and overall service engagement
- Continual improvements on key processes under the scope of ISO9001:2015 certification. A re-certification audit is scheduled to be conducted in 2022.
- Implementation of SWIFT ISO20022, an emerging global and open standard for payment messaging. ISO20022 enables richer, better structured, and more granular data end-to-end to be carried in payment messages. It provides more transparency and more remittance information for customers which in turn means better customer service.
- Increase usage and migration to digital channels

Business Continuity Planning (BCP):

- To appoint a consultant to conduct a triennial independent review on the Business Continuity Management (BCM) with the following:
  - o Conduct documentation review to assess the completeness and comprehensiveness of documented policies and procedures.
  - o Review and improve the effectiveness of pandemic plan with respect to the staff well-being and enhancement to cyber security awareness.
  - o Sharing the industry's best practices in the implementation of BCM.

Commitment to Sustainability

COO Division will continue to be a fully aligned strategic partner on BIBD's digital transformation and is committed to contributing towards BIBD's Sustainability Framework. COO strives to digitise and automate core manual processes and reporting to reduce paper consumption, thus, reducing carbon footprint.

All Departments under COO Division will also be running scheduled activities throughout the year that supports the sustainability framework, such as arranging awareness talks and conducting activities to encourage staff to start reusing, recycling, selfcare and health management.

10.2 Finance & Strategy Group

Finance and Strategy Group (FSG) has 2 main departments, namely Finance and Strategy Departments. The Finance Department is responsible for the group financial reporting, budgeting, vendor payments and financial information. The Strategy Department is responsible to provide support and facilitate Group level strategy, economic research and resources for strategic projects of the Group.

Financial Data plays a pivotal role in FSG as FSG provides management intelligence for strategic review and various Leaderships Committee and Board Committees. Financial Data are also used for statutory reporting to external stakeholders such as shareholders and regulators. The usefulness of Financial Data is enhanced with the implementation of strong management controls and the continued investment in human resource within FSG to achieve the key goal of providing timely and accurate data and intelligence.



Focusing FSG Support Role for Business

This includes the creation of a new supportive role in partnering with Businesses, enhanced analytical insights and data management. The aim is to provide a valuable impact in bringing BIBD closer towards achieving its mission, vision, and strategic plan. This partnership continues and improves over time with Finance team leads have better understanding on business products and continue to provide better insights that enhances the Division and Business Units collaborative initiatives.

Showing Resiliency in Challenging Times

2021 was a challenging year not only for FSG but also bank-wide when the 2nd wave of Covid started. Work from home kit started to be distributed slowly and each unit within FSG was not being exempted from doing the Business as Usual (BAU) activities. Regulatory returns had to be submitted according to its deadlines, payment to Bank vendors had to be made, dividends to shareholders that was scheduled to be paid during the 2nd wave had to be paid, internal bank project testing had to be completed according to timeline, reports to Senior Management and Board of Directors to be submitted for the meetings as usual. Interim audit for financial year 2021 began in September with communications and sharing of fully secured documents through Teams and OneDrive.

The development of Talented and Committed Finance Practitioner forms the core of FSG.

BIBD aims to play a strong role in the development of Islamic banking and continuously demonstrating specialized talent in diversified areas. With this objective, FSG continue to fortify the team's development and competency in alignment to Bank's journey in innovation and digital. Further with the evolution of Islamic banking and finance, developing the team includes their exposure in understanding more complex Islamic finance transactions and digital services. As such, investment in team's capability via training with accredited accounting certifications has always been a continuous focus.



Looking to a Sustainable Future

FSG contribution to BIBD's Sustainability Framework where we will play a role to build a safe and sustainable future for the next generations and as mentioned above, we aspire to develop talented and committed Finance practitioner where education enables upward socioeconomic mobility and is key to escaping poverty. We also aspire to give opportunities to the citizens regardless of gender to promote employment and decent work for all. Improve health-related quality of life and well-being is also one of the critical issues that FSG addresses by each line managers of the units listen and inquire on staff's well-being and continuously provide a supportive environment to live a full, satisfying and productive life.

10.3 Human Resources & Human Capital Division



The Human Resources and Human Capital Division (HRHCD) continues to play a strategic role through its active contribution and support to BIBD's business directives and goals. In 2021, the People Agenda covers the following 5 Key HR Priorities:

•**Strategic Talent Acquisition, Retention and Development** to maximize the potential of the workforce to meet BIBD's current business goals and future plans.

•**Upgrade And Build Employees' Knowledge and Skills**, particularly in Digitalization, Banking and Finance, Corporate Governance and Customer Service Excellence

- **Highly Engaged Workforce** through open dialogues and engagement sessions led by top management, regular visits to various office locations and on-point employee surveys to improve communication, promote team unity, performance alignment, collaboration
- **Reinforcing the BIBD Work Culture** and placing greater emphasis on performance excellence, practicing the I-CUE values and compliance to BIBD's corporate governance
- **Involvement and support for BIBD's strategic initiatives** including the Sustainability Development Goals Initiative, Cost-Alignment, Business Expansion and Customer Service Excellence.

The unforeseen second outbreak of COVID-19 in August necessitated the HRHCD team to address COVID matters as priority. Despite the challenges, HRHCD successfully delivered the following KPIs:

Digitalisation

Digital Academy (Phase 2) – Building employees' digital knowledge and skills on the the latest technology

The aim of the Digital Academy is to explore ways to equip the BIBD workforce so that employees are adequately ready to face, adapt and thrive in the new digital landscape by addressing the gap between the growing expectations of new technologies and customers and what the organization is able to deliver. Phase 2 of Digital Academy Learning was launched bank-wide to upskill employees' digital literacy. 19 programmes covering 6 subject areas were rolled out to 377 employees from various Divisions. Over 86% of the employees successfully completed their assigned programmes.





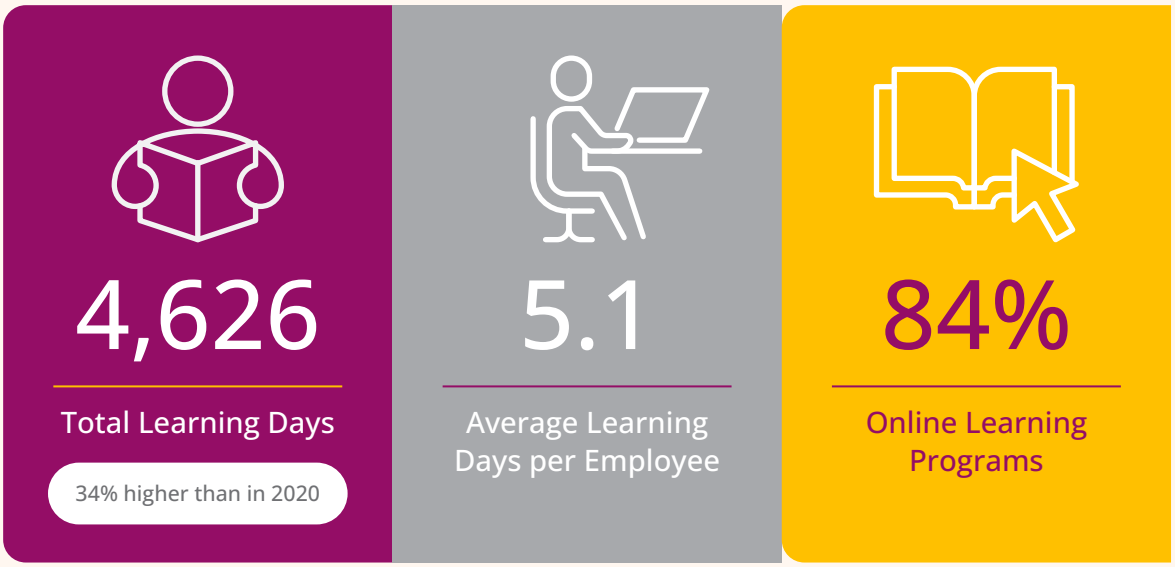
To expand employee access to virtual and self-learning, a dedicated e-Learning and ideation space named 'Digital Fikra' was launched. Additionally, e-Learning kits were provided to employees in branches.





HRHCD achieved new milestones in 2021 as staff learning have significantly increased, especially during the COVID-19 crisis where many employees had to work from home (WFH). This was a result of careful planning of relevant learning programs by the Learning & Development department and their pro-active initiatives and actions in keeping track of employees' learning progress and providing assistance and the occasional nudge via small rewards when benficial to do so. Their positive collaboration with the Line's Learning Liaisons had also freed up more time which used to be spent fire-fighting and now can be spent for useful analysis work and development of learning strategies for addressing pressing current or future business needs.

New Milestones in Staff Learning & Development



Strategic Talent Acquisition & Development – Graduate Management Trainee Programme

As BIBD grows in strength, and in its effort to maintain its excellent business performance and market competitiveness, talent acquisition, development and retention becomes a top priority. In the Brunei talent market, the competition for the best local talent is extremely fierce.

BIBD's Graduate Management Trainee (GMT) Programme is part of the human capital development strategy to create a highly competent future BIBD leadership talent pipeline. The objective is to attract top Bruneian graduate talents and groom them through an accelerated learning environment with an emphasis on leadership development and high performance as well as instilling in them the right behaviour and attitudes through BIBD's core values of Integrity, Customer Focus, Unity of Purpose and Excellence.

The immense value of the GMT programme is manifested in the high percentage of graduate talents recruited under the programme who demonstrate high performance and valuable contributions. In 2021, hundreds of graduate applications were received. Short-listed candidates underwent the Graduate Assessment Centre and those who ranked in the Top 5 were selected for the programme.

During the year, BIBD participated, for the first time, in the Employee Experience Awards, which is a distinguished platform that rewards top-notch HR teams and individuals in the region. The BIBD Graduate Development Programme won a bronze medal in recognition of the bank's significant effort to create the best working place and environment for the Graduates Management Trainees, especially in terms of building people capabilities and fostering a high-performance culture. This award also amplifies BIBD's role as a flagship Islamic financial institution that progresses through diversity, inclusivity, and equality.



Strengthening Positive Work Ethics and Corporate Governance Culture

Corporate governance continues to be a key agenda in 2021 and the Division successfully administered a BIBD Group online survey to gauge BIBD employees' familiarity with policies, perceptions of ethical conduct, and comfort in reporting non-adherence, which achieved a high response rate of 91%. The survey demonstrated that BIBD remains to be a highly engaged organization and committed to practice effective corporate governance. This is evident in the results where 97% of employees have the right values that drive the decisions in their role.

To reinforce employee knowledge and compliance to corporate governance, a number of risk and compliance training programmes and briefings were conducted for all BIBD staff.

As Brunei's flagship Islamic financial institution, embedding Islamic Finance and Shariah knowledge and culture remain the key focus area and to this cause, a bank-wide training programme was successfully launched for all BIBD employees and an astounding 98% completed the programme.

BIBD Group Employee Ethical Culture Survey 2021

HIGHLIGHTS



91%

Response Rate



75%

Average Favourable Score



70%

Of questions received favourable score of 51% and above

High awareness & knowledge of ethical conduct, values & policies
Good perception of work environment with existing pyschological safety
Observing & reporting misconduct is good but needs further strengthening

POSITIVE WORK ETHICS CULTURE

Managing 2nd Wave COVID-19 Crisis

The unforeseen second outbreak of COVID-19 in August 2021 necessitated the HRHC team to take on and address COVID-19 matters as priority. From August onwards, the HR team was re-organized to manage and support essential services during the COVID-19 crisis. With BCP activated, work arrangements for staff were adjusted and a high percentage of employees were assigned to work from home (WFH). Planned staff engagement activities for Q3 and Q4, specifically those that involve big staff groups e.g. Kueh Events, IGNITE sessions, Annual Dinner, HR Roadshows, were cancelled. Other HR functions remain operational and wherever possible, were conducted virtually online, for example recruitment interviews, new joiner onboarding, leave management and staff payroll.

HRHCD was tasked with the following responsibilities:

Ensuring HRHCD Readiness for Crisis Management

- HRHCD team was organized into 5 main groups to manage the crisis (Communication, MIS, Employee Assistance, Policy and Procedures)
- Centralization of Key HR Data
- Activation of HR Emergency Email & Help Line

Providing Essential Support to the COVID-19 Action Team (CAT), BCP, Operations & IT Teams

- Producing COVID-19 Staff Status Daily Dashboards for CAT
- Distribution of WFH Kits & Ensuring Protection of BIBD Assets and Information Confidentiality
- Daily monitoring of on-site staff health conditions. Staff are required to scan and fill in a form before entering any BIBD premises.

Ensuring Continuity of HR Critical / Functional Tasks

- Maintaining Staff Communication
- Maintaining Staff Payroll
- Maintaining Staff and Organization Data
- Daily / Weekly Reporting of Staff Status to Central Bank BDCB
- Other key HR Functions – Recruitment, Leave Management, On-Boarding, Off-Boarding, etc

Ensuring High Engagement with Employees – Managing Welfare, Productivity and Motivation

- Keeping Staff Informed - Dissemination of Important Updates & Reminders
- Providing assistance & support
  - Care for COVID-Positive and Close-Contact Staff Under Quarantine Order
  - Distribution of Care Packages
  - Administration of Frontliners' Vaccinations
- Maintaining employee morale & productivity
  - Regular check-ins on Employees
  - Packed Lunch for Frontliners and On-site Staff
  - Regular engagement and dialogues between Top Management and Employees
- Conduct employee survey to check on employee well-being, motivation and productivity

Administration & Monitoring of Antigen Rapid Testing (ART) for Frontliners and WFO staff

Preparing Employee Readiness to Return to Work

Various initiatives were taken by HRHCD to ensure employees are ready to return to work. These include ART test scheduling and administration, ensuring adherence to COVID-19 SOPs, regular communication and advice on employee work arrangements for transition and de-escalation stages of the COVID-19 crisis, and coordinating high level engagements between management and employees.



Learning from the previous year when COVID-19 pandemic first hit Brunei, coupled with strong collaboration between the management team, leaders and all employees, BIBD was swift to respond to COVID-related incidents and managed to minimize the risk of infection. There was minimal disruption to business essential services, This was also possible given the guidance and effective communications with the government bodies, regulators and other stakeholders. The result of the BIBD COVID-19 Employee Survey reported very positive feedback from employees. They were satisfied with the various actions taken by HRHCD and BIBD COVID-19 Action Team and feel that the COVID-19 crisis was well-managed.

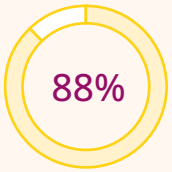
BIBD COVID-19 Employee Survey 2021

79%
Response Rate
801 Respondents

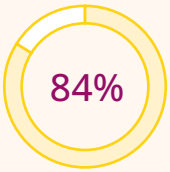
82%
Average
Favorable Score

SURVEY SCORES BY WORK ARRANGEMENT

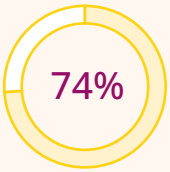
Staff Category	Adaptability and Productivity	Comms & Teamwork	Well-Being	Ready to Return to Work
On-Site (WHO)	68%	84%	78%	87%
WFH	82%	93%	88%	79%
Stay Home/Not Required to Work	80%	88%	91%	87%



Communication & Tearmwork



Well-being



Adaptability & Productivity

DEEPER DIVE

Strong communication at Bank and team-level	93%	Communicating well with their team	90%	Feel they have safe channels to voice concerns	86%	Have right amount of virtual contact with team
Satisfied with Bank's response to crisis and ability to self-manage well-being	92%	Satisfied with Bank's response to crisis	91%	Felt protected and cared for by the Bank	84%	Receives support from the manager to work flexibly to balance needs at home
High adaptability and productivity and work stress is manageable	91%	Adjusted well to changes in work arrangements	84%	Enjoyed learning new ways of working	78%	Able to manage their work stress levels

Looking Ahead to 2022

For 2022, HRHCD will further deliver its People Agenda in the following strategic areas:

Continue to Support BIBD Digitalization Transformation effort

- HRHCD will continue to build digital skills and mastery through the Digital Academy project
- Involvement in the CX Transformation effort to determine Upskilling & Reskilling needs
- Official roll-out of the new CompetencyCore System
- Explore HRIS for HRHCD to provide greater efficiency, data accuracy and data analytics capabilities

Leadership Development

Stronger focus on equipping BIBD local talents for senior and critical roles, especially in hard-to-resource positions. Identification of key talents, and developing workable career paths and succession planning to enable them to build essential technical skills and expertise, job exposure and experience to close skill gaps



Preparing Employee Readiness in Adapting & Responding To The New Normal Post-Covid

- Review HR policies & process to effectively adapt to the new ways of working post-COVID:
  - Working arrangements
  - Mental health
  - New hires on-boarding

Push on Customer Service Excellence

- Monitoring and strengthening frontliners performance and service to customers
- Developing learning aids for frontliners to conduct their work complying with Shariah (learning video / dictionary) Benchmarking Against HR Best Practices in Asia Pacific
- Continue with HR Excellence Awards participation
- Research HR Best Practices and organizations

HRHCD's will assist in promoting SDG awareness and culture through the following activities:

- Providing HR advice on SDG organization design and manpower requirements (numbers + level of expertise required)
- Recruitment of SDG personnel
- Administration and provision of SDG education and training (in collaboration with CMO)
- Promoting staff awareness and culture on SDG via general staff communication and engagement e.g. via IGNITE, Staff Dialogue Sessions, BIBDFamilyIG
- Inclusion of the SDG Framework in the On-Boarding program for new joiners
- Inclusion of SDG as one of the projects in the 3-year GMT Program.

10.4 Chief Marketing Office

The Chief Marketing Office (CMO) Division is a strategic set up aimed at overseeing and managing the holistic development and execution of the Bank's brand strategy, marketing activities, customer experience management and communications for the Group as a whole.

Lead by the Chief Marketing Officer, the CMO Division is responsible for ensuring that the Group's marketing, customer experience and engagement, strategic and corporate communications, strategic campaigns, digital executions, customer touchpoints, brand profiling and brand positioning are all supported through value creation and addition to the requested works.

All the value creation and addition from the CMO Division will be to steer, refine and align every stakeholder's business decisions and plans towards achieving our mission of becoming the Best Islamic Bank in Asia-Pacific, and be at part with reputable and established financial institutions regionally and globally.

The division is also the focal point for the bank's ongoing management of the Corporate Social Responsibility (CSR) and Corporate Sustainability (CS) Initiatives.



Laying the Foundations for a Sustainable Future

In October 2021, BIBD's Sustainability Framework was announced at the ASEAN Business and Investment Summit. In the months leading up to the announcement, CMO played an active role in laying the foundations for the framework through internal initiatives and ongoing collaborations with external parties.



Media Permata

Rencana

BIBD PEMACU AGENDA PERUBAHAN IKLIM

Ringkasan



Borneo Bulletin

Features

Committed to sustainable development

Highlights

The Division organised an ongoing series of editorials and features in the Borneo Bulletin and Media Permata, with educational articles and interviews highlighting different aspects of sustainability running from October 2021 through to February 2022.

BIBD actively supported Big BWN's Plastic Free July initative to reduce consumption and support changes towards climate action. Internally, CMO championed for the transition from printed collaterals to digital channels, as well as the use of reusable glass bottles to single-use plastic.



In collaboration with the Ministry of Culture Youth and Sports and the Ministry of Home Affairs, BIBD also distributed non-woven recyclable bags at various *Gerai Ramadhan* in order to encourage visitors to use less plastic when purchasing at these locations.

Since 2020, BIBD's annual calendars and festive packets for Chinese New Year and Hari Raya Aidilfitri have been printed on recycled paper. In 2021, recycling boxes were provided at key branches for customers to bring in their used packets for recycling.

Over 180 staff participated in a beach clean up campaign held at various beaches throughout Brunei, in support of the Ministry of Development through the Department of Environment, Parks and Recreation (JASTRE).

These efforts were coordinated to signify the Bank's commitment and drive to support sustainable environment activities by fully aligning our business values with the UN SDG that the nation has been supporting since 2015.





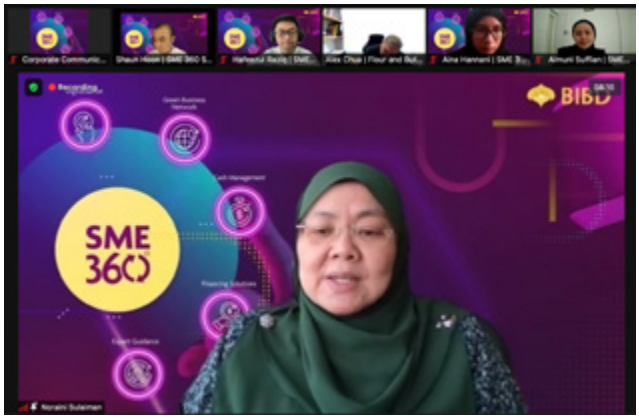
Brand Positioning

Throughout 2021, CMO continued to focus on raising awareness on and encouraging the use of digital solutions through the Go! Digital and Go! Cashless campaign. The campaign, which was launched at the height of the first wave of the COVID-19 pandemic, was particularly relevant when Brunei was again faced with the second wave of infections in mid-2021. Through various mediums and channels, CMO continued to produce marketing assets and collaterals to encourage the public to make use of BIBD's NEXGEN solutions in their daily transactions. The drive towards a cashless economy and BIBD's alignment to support the Smart Nation 2025 initiative has successfully increased digital transaction volumes to new highs.

The division also supported the Bank's drive to raise awareness and understanding on financial literacy among members of the public by conducting a financial literacy campaign through social media. The campaign, which featured easy-to-understand illustrations and narratives, focused on topics such as the importance of savings, investing for the future, the concept of wants vs needs in a relatable manner. To reach a wider audience, the illustrations were posted on BIBD's main Instagram account as well as the BIBD Securities Instagram account. Encouragingly, the posts were well received with high engagement rates among both accounts' followers.

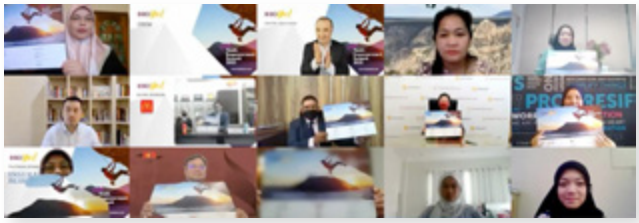
CMO worked closely with the Corporate Banking Division to refresh the SME360 brand, with the launch of a refreshed "SME 360°" which has been redesigned to better serve the business community through a broader Vision and Mission as well as a series of initiatives including a new web platform and community engagement campaign (SME 360 Series) aimed at helping micro, small and medium-sized enterprises rebound from the hardships of two years of pandemic-related challenges. The brand refresh also incorporated the sustainability agenda (Sustainable Nation) ensuring alignment of business operations will have this as a fixed goal especially with BIBD's target commitment of B$2 billion funding by 2030, as announced during the ASEAN Business Investment Summit 2021.

On the CSR front, CMO supported the development of Community for Brunei as a central hub for community causes with the launch of a refreshed online platform with new functionalities such as a volunteerism register, fundraising capabilities for NGO's in addition to the virtual marketplace for micro enterprises. This will evolve slowly to a corporate sustainability role as the enablement of the



platform to MSMEs and NGOs will help pivot their role to a more impactful medium and platform that shall empower a sustainable operations of their respective organisations.

BIBD was once again a host sponsor for the BIBD Youth Empowerment Summit (BIBD YES!) whose format was adapted to align with the prevailing sitution. BIBD YES! 2021 marks the Bank's commitment to education and youth development, and is part of BIBD's contribution to the nation as a Partner in Progress in realising Brunei Vision 2035.



Realising the challenges during the 2nd wave of the pandemic, CMO also initiated various sessions for staff and public to be aware on the concerns of mental health. A collaboration with Health Promotion Center, particularly the Mental Health Strategy team under Ministry of Health, helped us create various guides and topics, and leveraging on the large number of followers, we communicated through BIBD's social media to help bring awareness on the 145 Mental Health Line and direct those in need to professionals. We also worked with a certified speaker from Brunei Islamic Religious Council to speak about motivational topics when handling stress and mental health issues from the Islamic perspectives live on the social media, which was well received by our staff as well the public.

Brand Reputation

CMO Division is also responsible to manage all the preparation and pitch for highly reputable awards such as the Bank of the Year (The Banker), Best Retail Bank (The Asian Banker), Best Bank in Brunei and Best Islamic Financial Institution in Brunei (Global Finance), and provide campaign awareness to accreditations such as A- rating by Standard & Poor's and the ISO9001:2015.

In 2021, BIBD was named The Banker's Bank of the Year for the 2nd year in a row as well as being named Global Finance's Best Bank in Brunei and Best Islamic Financial Institution in Brunei, the first time that the same financial institution has won both awards concurrently. The Bank's CSR work was also recognised, winning the Global Good Governance Awards for Best Community Development Initiative (Community for Brunei) and Best CSR Initiative (BIBD ALAF).

Internally, CMO also focused on introducing more rigorous governance procedures through various processes, procedures and policies in order to optimise the management and execution of Group-wide requests and deliverables. Throughout 2021, CMO Division received 561 work requests with a 100% completion rate.



Towards a Sustainable Future

Aligned with the Groups's efforts in carrying out the Sustainability Framework, CMO Division will continue providing support to all stakeholders to elevate the profile of our brand and take the lead on business practices and activities in the domestic market by promoting stewardship among Brunei corporates, supported by digitalisation, sustainability funding, community education and social inclusion by BIBD.



10.5 Shariah Division

The Shariah team jointly develops, reviews and enhances new and existing products and services with businesses and conduct rigorous and diligent research on Shariah to ensure all aspects are in compliance to Shariah principles. This is imperative to ensure it conforms to the Shariah governance and inline with international best practice.

The role of Shariah Division, supervised by the Shariah Advisory Body (SAB) is to ensure all products, services, transactions, operations, and activities offered and carried out by the Bank and its subsidiaries ("Group") are in compliance to the Shariah principle. This process is managed through consistent and proactive engagement with all relevant business, controls, and support functions group-wide.

The Shariah team, as a business partner and enabler, has been working closely with the relevant business and support divisions to enhance, review and develop existing and new products and services; focusing on providing advice on Shariah structure, issues and documents and ding value by conducting rigorous Shariah research in order to ensure all aspects of the products and services are Shariah compliant. This is imperative to heighten and uphold the Islamic value and to instill customers' confidence towards the Group.



Key Initiatives in 2021:

Strengthening Shariah governance to align with BDCB guidelines

This was an ongoing exercise however, more depth and robust governance has been put in place in 2021 having formulated and implemented several guidelines and of which these guidelines have obtained the approval from the Board of Directors and Shariah Advisory Body respectively.

Supporting the initiatives of BIBD Securities/ Asset Management.

The Shariah Division supported BIBDS AM on the launching of the first shariah-compliant ESG mutual fund, Arabesque by reviewing and obtaining Shariah approvals from BIBDS Shariah Advisory Body as well as Syariah Financial Supervisory Board.

Reviewing business processes to support the re-engineering initiatives to align with the digital journey strategies.

Continuously supporting the business and their customers on their digital journey by providing Shariah advises and reviewed related documentation particularly during the wave of the COVID period. i.e. supported the government on their online Zakat Fitrah.

Focus Areas in 2022:

- Phase 2 implementation Selected Shariah Resolution's Compilation project (Shariah Advisory Body Resolution 2016 - 2022) and complete the second edition of the resolution book for the purpose of sharing the knowledge and SAB's deliberation and decision-making with the public.
- Creation of Group's Shariah compliance policy documents (Shariah Standards based on Shariah concepts) for product and services, regulated investment business dealings, business marketing, etc

To achieve these goals, we will:

- Work closely with key stakeholders within the bank, industry, and regulator (BDCB); Enhancing and developing the capabilities of Shariah personnel through continuous capacity-building and training programs, especially in business knowledge and analytical skills.
- Recruiting additional human resources to support Sharia's key initiatives.

The Shariah Division also strives to support BIBD's Sustainability Framework by participating and supporting BIBD's SDG Goals by giving necessary Shariah advice on the Bank's initiatives, as wella s exploring the use of BIBD's Zakat and Maslahat fund to channel to relevant government or BIBD ESG-related projects.



10.6 Legal & Corporate Secretarial Division

The Legal & Corporate Secretarial Division (LCSD) provides Legal, Corporate Governance and Corporate Secretarial services to BIBD and BIBD Subsidiaries ("BIBD Group").

LCSD operates through the following units with dedicated personnel to attend to Legal, Corporate Governance and Corporate Secretarial services:

•Legal Unit acts as the focal point of reference for all legal matters and services for BIBD Group.
•Corporate Governance Unit assists the respective Board of Directors of BIBD Group to promote and implement corporate governance culture.
•Corporate Secretarial Unit provides comprehensive and efficient corporate secretarial support to the BIBD Group.

LCSD is the central repository of all agreements entered into by the Bank with internal and external parties. In this respect, the original agreements will be safekept by LCSD. LCSD also assumes responsibility as the central coordinator for coordinating the BIBD Group's outsourcing agreements with Compliance Division and Risk Management Division to ensure that the review and assessment of all outsourcing arrangements complies with the Brunei Darussalam Central Bank's ("BDCB") Outsourcing Guidelines. LCSD is the central repository for all outsourcing agreements and maintain the list of outsourcing entities for BIBD Group.

In 2021, LCSD initiated the panel ship framework in respect of the assessment and selection of the Bank's panel of lawyers. The division also initiated the alignment of corporate secretarial services for BIBD Group in order to ensure compliance with the Companies Act Chapter 39 and other applicable laws and regulations. In addition to this, LCSD initiated the framework for Corporate Functions Reporting and Alignment Guidelines ("CFRA Guidelines") for the BIBD Group. Principle 6 of the Guidelines for Corporate Governance for Islamic Banks issued by the Brunei Darussalam Central Bank ("CGIB") provides that *"The Board of the parent Bank has the overall responsibility for the group and for ensuring the establishment and operation of a clear governance framework appropriate to the structure, business and risks of the group and its entities".* The CFRA Guidelines are to facilitate the adoption of Principle 6 of CGIB and to fulfil the BIBD Board's obligation under the same principle.



Looking Ahead to 2022

The following focus areas are planned in the coming year:

- To review and enhance the rules and regulations of the BIBD Employee Handbook.
- To enhance efficacy of contractual arrangements with third parties e.g., vendors, contractors, and suppliers by having standardised templates of contracts in place.
- To enhance legal awareness by providing focused training for various stakeholders within BIBD Group.

In support of BIBD Group's Sustainability Framework, LCSD will work towards digitization by printing less documents and saving them into cloud servers instead and having paperless meetings for both internal meetings as well as Board and Board Committee meetings. LCSD is also working towards the implementation of Document Management System ("DMS"), a cloud-based system whereby all agreements and documents are to be kept, stored and monitored.

10.7 Government Relations and Special Projects

The Government Relations and Special Projects (GRSP) Division continues its commitment in maximizing the Bank's potential through collaboration and partnership with key strategic stakeholders and partners.



The Division ensures that all collaborations and activities coordinated by the Bank and its strategic partners (the Government, Corporate and Private sectors) are aligned and supporting national level strategic initiatives through:

- Wawasan Brunei 2035
- Whole of Nation Approach
- Brunei Smart Nation driven by Digital Government, Digital Economy, and Digital Society
- Brunei Sustainable Development Goals (SDG)
- BIBD Partners in Progress
- BIBD Sustainability Framework initiatives

All these initiatives would eventually contribute towards long-term and sustainable outcomes for all parties involved.

Key Focus Areas

GRSP is committed in ensuring internal business relationships and external client relationship management (with government, corporates, private agencies, and regulators) will enhance the Bank's overall values, reputation, and contribute towards achieving the Bank's strategy and national level efforts under the various initiatives as listed below.

Among the key strategic directions of GRSP include:

- To transform relationships into business opportunities and improving the stakeholder's own contributions and reputations through various initiatives under the Whole of Nation Approach and BIBD Partners in Progress collaborations.
- To continuously maintain and amplify the Bank's reputation through supporting national agendas initiatives advocated by key strategic government agencies, and in the preservation of the BIBD's branding, as well as positioning itself as the Bank of Choice in the country and abroad, by emphasizing on the following approaches and initiatives:
  - Wawasan Brunei 2035
  - Whole of Nation Approach
  - Brunei Smart Nation driven by Digital Government, Digital Economy and Digital Society
  - Brunei Sustainable Development Goals(SDG)
  - BIBD Partners in Progress
  - BIBD SDG Initiatives

Initiatives in 2021

Below are special projects and initiatives implemented by GRSP in collaboration with internal and external stakeholders:



Speaking Invitations

- GRSP was invited to speak at several events to share BIBD experiences in the areas:
  - **Innovation**: Crown Prince CIPTA Award 2021 by Universiti Teknologi Brunei: Driving the Innovation Ecosystem-Partnerships between University and Public Sector as an important driver in moving the innovation ecosystem towards achieving Vision 2035, Brunei's Perspective.
  - **COVID-19**: 18th Second Echelon, Civil Service Exchange Programme Brunei Darussalam & Singapore by Civil Service Institute, Prime Minister's Office: Initiatives and Collaboration To Support Economy, Businesses And Individuals Affected By COVID-19, A BIBD Perspective

Entrepreneurship:

- Advisor for the 1K1P Transformation Programme, Ministry of Home Affairs.
- Assisted Ministry of Home Affairs (1K1P) and Ministry of Religious (PDI) in creating companies; opening corporate accounts and establishing channels through Corporate SME 360.
- Advised and supported participants and Pusat Dakwah Islamiah (PDI) for the Ekspo Souq Al-Qudwah 2.0 by Ministry of Religious Affairs.



Supporting Business

- Assisted the Retail Banking and Corporate Banking Group in acquiring influential clients to open Savings and Corporate Accounts with BIBD.

Publication & Printing

- Co-chaired and collaborated with the Information Department, Prime Minister's Department in producing the publication of a coffee table book entitled "Sultan Haji Omar 'Ali Saifuddien Bridge: Uniting Brunei and the People". This book aims to record important history during the reign of His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah ibni Al- Marhum Sultan Haji Omar 'Ali Saifuddien Sa'adul Khairi Waddien, Sultan and Yang Di-Pertuan of Brunei Darussalam with the construction of the Sultan Haji Omar 'Ali Saifuddien Bridge which connects the people and residents in the four districts.



COVID-19

- Focal point for BIBD with Ministry of Health (MOH) pertaining to Bank's COVID-19 matters and updates on national level SOP to shared with BIBD Senior Management and CAT team.
- Establishment of SWAB OPS Team registered under Brunei Darussalam Red Crescent Society (BRC) to support BIBD and Ministry of Health in COVID-19 related assignments and initiative.
- Formation of BIBD COVID-19 Safety Marshals to handle all COVID-19 related matters within the Bank.



- COVID-19 Workplace Training – a training that is endorsed by SHENA and conducted by BRC for selected BIBD staff, to equip them with relevant knowledge about COVID-19 and basic skill in handling COVID-19 elated concerns in the workplace.

- Assisted Ministry of Health through BRC in setting up the COVID-19 Helpline, Food Aid, Setting up of BIBD Temporary COVID-19 Swab Test Centre.
- Assisted Ministry of Health, Ministry of Culture, Youth and Sports (MCYS) and BRC in procuring and distributing Humanitarian Aid i.e., meals for Health workers and front liners.



- Assisted Ministry of Health, Ministry of Culture, Youth and Sports (MCYS) to procure trolleys to assist volunteers in moving and transferring food aid to be distributed to individuals undergoing Quarantine Order (QO) and Self-Isolation due to COVID-19.
- Sponsorship of Face Shields for Jerudong Park Medical Centre, Pantai Jerudong Specialist Centre andGleneagles Jerudong Park Medical Centre for their frontliners.



Sustainability Initiatives



- Supporting the Ministry of Home Affairs via sponsorship and participation in the Cleaning Awareness Campaign and tree planting initiative. A total of 29 Bucida Green seedlings were sponsored by BIBD and planted at a park in Jalan Residency.



- Supported Department of Environment, Parks and Recreation, Ministry of Development via sponsorship and participation in the nationwide coastal cleaning campaign and launching of The Coastal Marvel, themed: It Takes a Nation to Make Brunei Environment Clean, which was held over a period of 2 months.
- Optimal Temperature Policy & Energy Conservation Monitoring: implemented at BIBD HQ to ensure efficient energy usage.
- Supporting the Community COVID-19 Initiatives: BIBD through the as Friends of BRC MOU, collaborated with Brunei Red Crescent (BRC) in several initiatives, which includes.

- Therapeutic Healing Garden: supported the Mental Health Clinic, Ministry of Health in the construction of a healing garden that aims to provide a comfortable environment that can help improve the mental and well being of patients as part of their healing/recovery process.
- Educational and therapeutic toys and games: supported the Children Development Centre, Ministry of Health by sponsoring items and equipment that can help children's development through learning and activities.

Refurbishment of Projects

- The refurbishment of Taman Muhibbah, Anggerek Desa and Badminton Court, Level 15 PGGMB, providing the bank with the opportunity to generate steady source of income through long-term tenancy and rental of spaces for activities and events, respectively.

Looking Ahead to 2022

GRSP will continue to ensure that in planning and carrying out BIBD special projects, we are guided by the following criteria to ensure that we are constantly on top of all affairs, and to proactively respond to changing dynamic in local and international environment, based on:

- Political changes
- Economic development and initiatives
- Societal related initiatives and programmes
- Technological and digital development and initiatives
- Environmental initiatives
- Legal and local authority development and amendments

Given GRSP's ability in implementing and accomplishing positive outcomes in key collaborative special projects (SP), His Majesty's Government continuously sought the assistance and support from GRSP, making BIBD the point of reference, not only for strategic special projects at national level, but also for banking related matters, that has a critical impact on His Majesty's Government's operations and internal process.

As such, GRSP will continue to work closely with key internal stakeholders such as Corporate Banking, Retail Banking, Chief Operating Office, and Shariah Divisions. With their support, it allows GRSP to:

- Resolve (new, ongoing, or pending) issues encountered by (government, corporates, private agencies, and regulators) that could result to Financial, Reputational and Legal Risks to the Bank.
- Assisting our strategic partners in implementing and accomplishing their KPIs; achieve positive and outstanding results for their initiatives; thus, bringing them closer towards realizing their strategic objective and goals, at the national level.
- Update and improve contents, framework, and governance; sharing information, knowledge, and skill for strategic initiatives and programmes that are implemented by the key stakeholders (of His Majesty's Government), as well as their participants in the following areas:
  - Wawasan Brunei 2035
  - Whole of Nation Approach
  - Brunei Smart Nation driven by Digital Government, Digital Economy, and Digital Society
  - Brunei Sustainable Development Goals (SDG)
  - BIBD Partners in Progress
  - BIBD SDG Initiatives

Bruneian at Heart

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