



**Statement of Changes in Equity (Cont'd)**  
**Year ended 31 December 2015**

Bank	Share capital BS'000	Statutory reserve BS'000	-----Other reserves-----		Total equity BS'000
			Fair value reserve BS'000	Retained profits BS'000	
At 1 January 2014	724,750	262,822	(1,379)	77,076	1,063,269
Profit for the year	–	–	–	83,924	83,924
Other comprehensive income	–	–	3,475	–	3,475
Total comprehensive income for the year	–	–	3,475	83,924	87,399
Transfer to statutory reserve	–	41,962	–	(41,962)	–
Additional transfer to statutory reserve	–	48,086	–	(48,086)	–
<b>Transactions with owners of the Bank</b>					
<b>Contributions and distributions</b>					
Dividends paid on ordinary shares	–	–	–	(28,990)	(28,990)
Total contributions and distributions	–	–	–	(28,990)	(28,990)
At 31 December 2014	724,750	352,870	2,096	41,962	1,121,678

**Statements of Cash Flows**  
**Year ended 31 December 2015**

	Group		Bank	
	2015 BS'000	2014 BS'000	2015 BS'000	2014 BS'000
<b>Cash flows from operating activities</b>				
Profit before zakat and tax	138,255	143,796	124,518	108,113
Adjustments for:				
Dividend income	(2,418)	(1,270)	(1,950)	(748)
Allowances for impairment on financing and advances	34,905	18,033	32,261	16,183
Allowances for impairment on receivables	19,460	–	–	–
Change in fair value of derivatives and investments	(19,251)	4,036	(18,618)	3,806
Depreciation of property, plant and equipment and investment property	24,597	16,358	14,593	13,066
Impairment of investments, net	–	350	–	350
Gain on disposal of fixed assets	–	(44)	–	(46)
Share of profit from associate	(2,365)	(2,246)	–	–
Gain on derecognition of financing	–	(2,394)	–	(2,394)
Operating profit before change in operating assets and liabilities	193,183	176,619	150,804	138,330
Change in operating assets and liabilities:				
Deposits of non-bank customers	(193,293)	983,264	(141,414)	1,021,879
Deposits and balances of banks	42,200	83,320	(43,803)	100,653
Other liabilities	9,822	16,212	4,417	10,783
Balances with Autoriti Monetari Brunei Darussalam	(28,587)	(46,507)	(25,726)	(41,840)
Deposits and placements with banks and other financial institutions	122,575	(251,926)	61,275	(381,227)
Government sukuk and treasury bills	35,226	(27,991)	35,226	(27,991)
Investments	104,526	(33,358)	105,222	(33,861)
Placements from other financial institutions	–	(104,401)	–	(104,401)
Financing and advances	(449,548)	(142,640)	(431,528)	(128,992)
Other assets	(13,940)	(6,010)	2,540	(5,771)
Cash from operating activities	(177,836)	646,582	(282,987)	547,562
Zakat paid	(2,632)	(2,356)	(2,632)	(2,356)
Taxes paid	(28,711)	(27,189)	(22,104)	(21,874)
Dividends received	2,418	1,270	1,950	748
<b>Net cash (used in)/ generated from operating activities</b>	<b>(206,761)</b>	<b>618,307</b>	<b>(305,773)</b>	<b>524,080</b>
<b>Cash flow from investing activities</b>				
Purchase of property and equipment	(29,205)	(126,590)	(28,541)	(11,031)
Proceeds from disposal of property and equipment	–	61	–	61
Purchase of investment property	(197)	(679)	(197)	(679)
Purchase of investment in joint venture	–	–	–	(10,199)
<b>Net cash used in investing activities</b>	<b>(29,402)</b>	<b>(127,208)</b>	<b>(28,738)</b>	<b>(21,848)</b>
<b>Cash flow from financing activities</b>				
Dividends paid	(41,311)	(30,990)	(41,311)	(28,990)
Capital (redeemed)/ contributed by non-controlling interest	(1,786)	10,154	–	–
Proceeds from sale of treasury shares	–	2,869	–	–
<b>Net cash used in financing activities</b>	<b>(43,097)</b>	<b>(17,967)</b>	<b>(41,311)</b>	<b>(28,990)</b>
Net change in cash and cash equivalents	(279,260)	473,132	(375,822)	473,242
Cash and cash equivalents at 1 January	1,185,467	690,814	1,286,103	791,340
Effect of exchange rate fluctuations on cash and cash equivalents held	(17,894)	21,521	(17,894)	21,521
<b>Cash and cash equivalents at 31 December</b>	<b>888,313</b>	<b>1,185,467</b>	<b>892,387</b>	<b>1,286,103</b>

**CERTIFICATION:**

We, the undersigned, being the Managing Director and the Chief Financial Officer of Bank Islam Brunei Darussalam Berhad certify jointly that:-

- The above accounts and statements have been prepared in accordance with International Financial Reporting Standards.
- The information contained in these statements has been extracted from the audited financial accounts and statements.

**Mubashar Khokhar**  
 Managing Director  
 Date : 16 March 2016

**Noraini binti Haji Sulaiman**  
 Chief Financial Officer cum Deputy Managing Director  
 Date : 16 March 2016

**Independent auditors' report**

Members of the Bank  
 Bank Islam Brunei Darussalam Berhad

**Report on the financial statements**

We have audited the accompanying financial statements of Bank Islam Brunei Darussalam Berhad ("the Bank") and its subsidiaries ("the Group"), which comprise the statements of financial position of the Group and the Bank as at 31 December 2015, the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and the Bank for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information, as set out on pages FS1 to FS113.

**Directors' responsibility for the financial statements**

The Bank's directors are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Brunei Darussalam Companies Act, Chapter 39 ("the Act") and International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditors' responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion:

- the consolidated financial statements of the Group and the financial statements of the Bank are properly drawn up in accordance with the provisions of the Act and International Financial Reporting Standards to give a true and fair view of the financial position of the Group and the Bank as at 31 December 2015, and financial performance, changes in equity and cash flows of the Group and the Bank for the year ended on that date according to the best of our information and the explanation given to us and as shown by the books of the Bank; and
- we have obtained all the information and explanations that we required.

**KPMG LLP**

Singapore Public Accountant and  
 Singapore Chartered Accountants

**David Waller**

Brunei Darussalam Public Accountant

**Singapore**

16 March 2016