

Income Statements
 Year ended 31 December 2020

	Group		Bank	
	2020 BS'000	2019 BS'000	2020 BS'000	2019 BS'000
Profits from financing, leasing and investments	315,806	364,919	265,682	318,120
Profits paid/payable to depositors	(39,789)	(69,693)	(36,809)	(66,339)
Net profit margin	276,017	295,226	228,873	251,781
Fee and commission income	36,479	38,524	35,849	37,897
Fee and commission expense	(8,888)	(7,358)	(8,888)	(7,358)
Net fee and commission income	27,591	31,166	26,961	30,539
Gain/(loss) from derivative and investments	36,592	14,480	36,592	14,480
Net foreign exchange loss	(30,988)	(21,771)	(30,988)	(21,771)
Other operating income	19,643	23,809	45,314	49,679
Total income	328,855	342,910	306,752	324,708
Less:				
Personnel expenses	(73,346)	(74,070)	(65,146)	(66,950)
Other expenses	(68,068)	(61,319)	(64,325)	(58,859)
Total operating expenses	(141,414)	(135,389)	(129,471)	(125,809)
Operating profit before allowances	187,441	207,521	177,281	198,899
Less:				
Allowance for impairment on financial assets	(17,997)	(13,791)	(15,180)	(12,149)
Operating profit	169,444	193,730	162,101	186,750
Share of profit of associate and joint ventures	1,455	1,819	-	-
Profit before zakat and tax	170,899	195,549	162,101	186,750
Less:				
Zakat	(3,141)	(3,112)	(3,141)	(3,112)
Income tax expense	(31,731)	(37,070)	(26,170)	(29,828)
Total zakat and income tax expense	(34,872)	(40,182)	(29,311)	(32,940)
Profit for the year	136,027	155,367	132,790	153,810
Profit for the year attributable to:				
Equity holders of the Bank	136,027	155,367	132,790	153,810
Profit for the year	136,027	155,367	132,790	153,810
Earnings per share				
Basic earnings per share (dollars)	0.19	0.21		
Diluted earnings per share (dollars)	0.19	0.21		

Statements of Comprehensive Income
 Year ended 31 December 2020

	Group		Bank	
	2020 BS'000	2019 BS'000	2020 BS'000	2019 BS'000
Profit for the year	136,027	155,367	132,790	153,810
Other comprehensive income:				
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
Fair value reserve:				
- Net change in fair value	8,311	11,706	8,311	11,750
- reclassified to profit or loss	(946)	(925)	(946)	(925)
Share of other comprehensive income of associate	(2,444)	2,925	-	-
Tax on other comprehensive income	(997)	(2,087)	(997)	(2,087)
Other comprehensive income for the year, net of tax	3,924	11,619	6,368	8,738
Total comprehensive income for the year	139,951	166,986	139,158	162,548
Attributable to:				
Equity holders of the Bank	139,951	166,986	139,158	162,548
Total comprehensive income for the year	139,951	166,986	139,158	162,548

Statements of Financial Position
 As at 31 December 2020

	Group		Bank	
	2020 BS'000	2019 BS'000	2020 BS'000	2019 BS'000
Assets				
Cash and cash equivalents	2,622,110	3,732,366	2,621,144	3,731,579
Balances with Autoriti Monetari Brunei Darussalam	488,898	435,026	449,900	400,380
Placements with and financing and advances to banks	1,045,882	1,129,582	1,463,555	1,522,236
Government sukus	10,000	9,897	10,000	9,897
Investments	1,263,279	1,048,863	1,263,279	1,048,863
Derivative financial assets	48,393	42,505	48,393	42,505
Financing and advances	4,009,238	3,997,148	3,282,279	3,290,992
Finance lease receivables	12,588	12,615	12,588	12,615
Investments in subsidiaries	-	-	32,844	32,844
Investments in associate and joint ventures	41,843	43,194	22,358	22,358
Other assets	47,996	101,763	46,311	127,122
Property and equipment	89,654	98,023	76,271	83,466
Investment property	23,927	24,038	23,927	24,038
Deferred tax assets	6,268	5,653	5,026	5,100
Total assets	9,710,076	10,680,673	9,357,875	10,353,995
Liabilities and equity				
Deposits from customers	6,736,910	8,451,495	6,631,417	8,352,247
Deposits from banks and other financial institutions	749,206	537,389	622,480	438,411
Placements from other financial institutions	733,824	121,469	733,824	121,469
Derivative financial liabilities	11,511	13,125	11,511	13,125
Other liabilities	132,708	214,620	126,813	200,193
Zakat	3,285	3,253	3,285	3,253
Provision for taxation	72,751	76,125	59,333	62,034
Total liabilities	8,440,195	9,417,476	8,188,663	9,190,732

Statements of Financial Position (Cont'd)
 As at 31 December 2020

	Group		Bank	
	2020 BS'000	2019 BS'000	2020 BS'000	2019 BS'000
Equity				
Share capital	507,325	507,325	507,325	507,325
Statutory reserves fund	563,516	555,475	520,267	513,627
Other reserves	199,040	200,397	141,620	142,311
Total equity attributable to equity holders of the Bank	1,269,881	1,263,197	1,169,212	1,163,263
Total equity	1,269,881	1,263,197	1,169,212	1,163,263
Total liabilities and equity	9,710,076	10,680,673	9,357,875	10,353,995

Statement of Changes in Equity
 Year ended 31 December 2020

Group	Share capital BS'000	Statutory reserve BS'000	Other reserves			Total shareholders' funds BS'000
			Fair value reserve BS'000	Foreign currency translation reserve BS'000	Retained profits BS'000	
At 1 January 2020	507,325	555,475	11,988	(41)	188,450	1,263,197
Profit for the year	-	-	-	-	136,027	136,027
Other comprehensive income	-	-	3,924	-	-	3,924
Total comprehensive income for the year	-	-	3,924	-	136,027	139,951
Transfers to statutory reserve	-	8,041	-	-	(8,041)	-
Foreign currency movement	-	-	-	(58)	-	(58)
Transactions with owners of the Bank						
Contributions and distributions						
Dividends paid on ordinary shares	-	-	-	-	(133,209)	(133,209)
Total contributions and distributions	-	-	-	-	(133,209)	(133,209)
At 31 December 2020	507,325	563,516	15,912	(99)	183,227	1,269,881

Group	Share capital BS'000	Statutory reserve BS'000	Other reserves			Total shareholders' funds BS'000
			Fair value reserve BS'000	Foreign currency translation reserve BS'000	Retained profits BS'000	
At 1 January 2019	507,325	534,433	369	(30)	142,327	1,184,424
Profit for the year	-	-	-	-	155,367	155,367
Other comprehensive income	-	-	11,619	-	-	11,619
Total comprehensive income for the year	-	-	11,619	-	155,367	166,986
Transfers to statutory reserve	-	21,042	-	-	(21,042)	-
Foreign currency movement	-	-	-	(11)	-	(11)
Transactions with owners of the Bank						
Contributions and distributions						
Dividends paid on ordinary shares	-	-	-	-	(88,202)	(88,202)
Total contributions and distributions	-	-	-	-	(88,202)	(88,202)
At 31 December 2019	507,325	555,475	11,988	(41)	188,450	1,263,197

Bank	Share capital BS'000	Statutory reserve BS'000	Other reserves			Total BS'000
			Fair value reserve BS'000	Retained profits BS'000		
At 1 January 2020	507,325	513,627	5,619	136,692		1,163,263
Profit for the year	-	-	-	132,790		132,790
Other comprehensive income	-	-	6,368	-		6,368
Total comprehensive income for the year	-	-	6,368	132,790		139,158
Transfers to statutory reserve	-	6,640	-	(6,640)		-
Transactions with owners of the Bank						
Contributions and distributions						
Dividends paid on ordinary shares	-	-	-	(133,209)		(133,209)
Total contributions and distributions	-	-	-	(133,209)		(133,209)
At 31 December 2020	507,325	520,267	11,987	129,633		1,169,212

Bank	Share capital BS'000	Statutory reserve BS'000	Other reserves			Total BS'000
			Fair value reserve BS'000	Retained profits BS'000		
At 1 January 2019	507,325	493,429	(3,119)	91,282		1,088,917
Profit for the year	-	-	-	153,810		153,810
Other comprehensive income	-	-	8,738	-		8,738
Total comprehensive income for the year	-	-	8,738	153,810		162,548
Transfers to statutory reserve	-	20,198	-	(20,198)		-
Transactions with owners of the Bank						
Contributions and distributions						
Dividends paid on ordinary shares	-	-	-	(88,202)		(88,202)
Total contributions and distributions	-	-	-	(88,202)		(88,202)
At 31 December 2019	507,325	513,627	5,619	136,692		1,163,263

Statements of Cash Flows
Year ended 31 December 2020

	Group		Bank	
	2020	2019	2020	2019
	BS'000	BS'000	BS'000	BS'000
Cash flows from operating activities				
Profit before zakat and tax	170,899	195,549	162,101	186,750
Adjustments for:				
Dividend income from subsidiaries	-	-	(27,200)	(27,040)
Dividend income from associate	-	-	(362)	(409)
Allowance for impairment on financing and advances	14,498	14,435	12,800	12,872
Allowance for impairment on receivables	352	(327)	352	(38)
Change in fair value of derivatives and investments	(5,604)	7,290	(5,604)	7,290
Depreciation/amortisation of property and equipment and investment property	19,990	19,567	17,092	16,332
Allowance for impairment of investments, net	3,147	(317)	2,028	(685)
Loss on disposal of property and equipment	131	682	-	-
Share of profit of associate and joint ventures	(1,455)	(1,819)	-	-
	201,958	235,060	161,207	195,072
Changes in:				
Deposits from customers	(1,712,576)	836,407	(1,718,821)	845,844
Deposits from banks and other financial institutions	211,817	(14,134)	184,069	13,998
Other liabilities	(82,713)	57,970	(74,296)	53,150
Balances with Autoriti Monetari Brunei Darussalam	(53,872)	10,176	(49,520)	7,072
Placements with and financing and advances to banks	82,518	878,353	58,618	848,353
Government sukus	(102)	10,520	(102)	10,520
Investments	(209,847)	144,365	(209,847)	144,365
Placements from other financial institutions	612,355	(377,406)	612,355	(377,406)
Financing and advances	(26,965)	(331,998)	(4,464)	(332,378)
Other assets	53,780	(62,959)	80,824	(59,183)
	(923,647)	1,386,354	(959,977)	1,349,407
Zakat paid	(3,109)	(3,425)	(3,109)	(3,425)
Taxes paid	(35,570)	(30,295)	(28,647)	(22,759)
Net cash (used in)/generated from operating activities	(962,326)	1,352,634	(991,733)	1,323,223
Cash flow from investing activities				
Purchase of property and equipment	(7,477)	(8,160)	(5,810)	(7,092)
Acquisition of investment property	(1,284)	(715)	(1,284)	(715)
Investment in subsidiary	-	-	-	(5,644)
Dividend income from subsidiaries	-	-	27,200	27,040
Dividend income from associate	362	409	362	409
Net cash (used in)/generated from investing activities	(8,399)	(8,466)	20,468	13,998
Cash flow from financing activities				
Dividends paid	(133,209)	(88,202)	(133,209)	(88,202)
Payment from lease liabilities	(3,622)	(2,249)	(3,261)	(1,965)
Net cash used in financing activities	(136,831)	(90,451)	(136,470)	(90,167)
Net change in cash and cash equivalents	(1,107,556)	1,253,717	(1,107,735)	1,247,054
Cash and cash equivalents at 1 January	3,732,366	2,497,449	3,731,579	2,503,325
Effect of exchange rate fluctuations on cash and cash equivalents held	(2,700)	(18,800)	(2,700)	(18,800)
Cash and cash equivalents at 31 December	2,622,110	3,732,366	2,621,144	3,731,579

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 : 20 March 2021

Tan Pheng Leong
 Chief Financial Officer
 Date : 20 March 2021

Independent Auditors' Report

To the Shareholders of Bank Islam Brunei Darussalam Berhad

Report on the Audit of the Consolidated Financial Statements
Opinion

We have audited the consolidated 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 2020, 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 significant accounting policies and other explanatory information as set out on pages FS1 to FS128.

In our opinion, the accompanying consolidated financial statements are properly drawn up in accordance with the provisions of the Brunei Darussalam Companies Act, Chapter 39 (the 'Act'), Islamic Banking Order, 2008 (the 'Order') and International Financial Reporting Standards ('IFRSs'), so as to give a true and fair view of the financial position of the Group and of the Bank as at 31 December 2020, and the financial performance and cash flows of the Group and of the Bank for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Brunei Darussalam, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises all information in the annual report other than the consolidated financial statements and our auditors' report thereon.

We have obtained the Directors' Report, Statement by Directors and Shariah Advisory Body Report prior to the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the provisions of the Act, the Order and IFRS, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management and directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG
Certified Public Accountants

Sufian bin Zainul Abidin
 Public Accountant

Brunei Darussalam
Date: 20 March 2021