

Income Statements
Year ended 31 December 2021

	Group		Bank	
	2021 BS'000	2020 BS'000	2021 BS'000	2020 BS'000
Profits from financing, leasing and investments	278,968	315,806	224,887	265,682
Profits paid/payable to depositors	(21,358)	(39,789)	(18,741)	(36,809)
Net profit margin	257,610	276,017	206,146	228,873
Fee and commission income	39,679	36,479	39,135	35,849
Fee and commission expense	(9,539)	(8,888)	(9,539)	(8,888)
Net fee and commission income	30,140	27,591	29,596	26,961
(Loss)/gain from derivative and investments	(63,224)	36,592	(63,224)	36,592
Net foreign exchange gain/(loss)	71,421	(30,988)	71,421	(30,988)
Other operating income	21,009	19,643	43,990	45,314
Total income	316,956	328,855	287,929	306,752
Less:				
Personnel expenses	(74,727)	(73,346)	(64,803)	(65,146)
Other expenses	(67,507)	(68,068)	(64,132)	(64,325)
Total operating expenses	(142,234)	(141,414)	(128,935)	(129,471)
Operating profit before allowances	174,722	187,441	158,994	177,281
Less:				
Allowance for impairment on financial assets	(8,217)	(17,997)	(7,491)	(15,180)
Operating profit	166,505	169,444	151,503	162,101
Share of profits of associate and joint ventures (net of tax)	4,519	1,455	-	-
Profit before zakat and tax	171,024	170,899	151,503	162,101
Less:				
Zakat	(3,322)	(3,141)	(3,322)	(3,141)
Income tax expense	(18,535)	(31,731)	(11,248)	(26,170)
Total zakat and income tax expense	(21,857)	(34,872)	(14,570)	(29,311)
Profit for the year	149,167	136,027	136,933	132,790
Profit for the year attributable to:				
Equity holders of the Bank	149,167	136,027	136,933	132,790
Profit for the year	149,167	136,027	136,933	132,790
Earnings per share				
Basic earnings per share (dollars)	0.21	0.19		
Diluted earnings per share (dollars)	0.21	0.19		

Statements of Comprehensive Income
Year ended 31 December 2021

	Group		Bank	
	2021 BS'000	2020 BS'000	2021 BS'000	2020 BS'000
Profit for the year	149,167	136,027	136,933	132,790
Other comprehensive income:				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
- Net change in fair value of equity investments at FVOCI	3,734	-	3,734	-
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
- Net change in fair value of debt investments at FVOCI	(4,801)	8,311	(4,801)	8,311
- Reclassified to profit or loss	(6,215)	(946)	(6,215)	(946)
- Foreign currency translation differences	(11)	(58)	-	-
Share of other comprehensive income of associate	775	(2,444)	-	-
Tax on other comprehensive income	1,811	(997)	1,811	(997)
Other comprehensive income for the year, net of tax	(4,707)	3,866	(5,471)	6,368
Total comprehensive income for the year	144,460	139,893	131,462	139,158
Attributable to:				
Equity holders of the Bank	144,460	139,893	131,462	139,158
Total comprehensive income for the year	144,460	139,893	131,462	139,158

Statements of Financial Position
As at 31 December 2021

	Group		Bank	
	2021 BS'000	2020 BS'000	2021 BS'000	2020 BS'000
Assets				
Cash and cash equivalents	3,264,565	2,622,110	3,263,506	2,621,144
Balances with Brunei Darussalam Central Bank	492,042	488,898	452,343	449,900
Placements with and financing and advances to banks	1,180,555	1,045,882	1,623,803	1,463,555
Government sukuk	59,986	10,000	59,986	10,000
Investments	1,141,901	1,263,279	1,141,901	1,263,279
Derivative financial assets	27,869	48,393	27,869	48,393
Financing and advances	4,182,666	4,009,238	3,457,657	3,282,279
Finance lease receivables	12,559	12,588	12,559	12,588
Investments in subsidiaries	-	-	32,844	32,844
Investments in associate and joint ventures	46,691	41,843	22,358	22,358
Other assets	42,106	47,996	39,947	46,311
Property and equipment	89,804	89,654	72,942	76,271
Investment property	22,431	23,927	22,431	23,927
Deferred tax assets	7,718	6,268	6,105	5,026
Total assets	10,570,893	9,710,076	10,236,251	9,357,875
Liabilities and equity				
Deposits from customers	8,369,389	6,736,910	8,261,628	6,631,417
Deposits from banks and other financial institutions	580,548	749,206	492,665	622,480
Placements from other financial institutions	113,775	733,824	113,775	733,824
Derivative financial liabilities	13,173	11,511	13,173	11,511
Other liabilities	143,716	132,708	133,026	126,813
Zakat	3,978	3,285	3,978	3,285
Provision for taxation	58,079	72,751	43,438	59,333
Total liabilities	9,282,658	8,440,195	9,061,683	8,188,663

Statements of Financial Position (Cont'd)
As at 31 December 2021

	Group		Bank	
	2021 BS'000	2020 BS'000	2021 BS'000	2020 BS'000
Equity				
Share capital	507,325	507,325	507,325	507,325
Statutory reserves fund	571,971	563,516	527,114	520,267
Other reserves	208,939	199,040	140,129	141,620
Total equity attributable to equity holders of the Bank	1,288,235	1,269,881	1,174,568	1,169,212
Total equity	1,288,235	1,269,881	1,174,568	1,169,212
Total liabilities and equity	10,570,893	9,710,076	10,236,251	9,357,875

Statement of Changes in Equity
Year ended 31 December 2021

Group	Share capital BS'000	Statutory reserve BS'000	Other reserves		Retained profits BS'000	Total shareholders' funds BS'000
			Fair value reserve BS'000	Foreign currency translation reserve BS'000		
At 1 January 2021	507,325	563,516	15,912	(99)	183,227	1,269,881
Profit for the year	-	-	-	-	149,167	149,167
Other comprehensive income	-	-	(4,696)	(11)	-	(4,707)
Total comprehensive income for the year	-	-	(4,696)	(11)	149,167	144,460
Transfers to statutory and other reserves	-	8,455	(2,751)	-	(5,704)	-
Transactions with owners of the Bank						
Contributions and distributions						
Dividends paid on ordinary shares	-	-	-	-	(126,106)	(126,106)
Total contributions and distributions	-	-	-	-	(126,106)	(126,106)
At 31 December 2021	507,325	571,971	8,465	(110)	200,584	1,288,235

Group	Share capital BS'000	Statutory reserve BS'000	Other reserves		Retained profits BS'000	Total shareholders' funds BS'000
			Fair value reserve BS'000	Foreign currency translation reserve 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	(58)	-	3,866
Total comprehensive income for the year	-	-	3,924	(58)	136,027	139,893
Transfers to statutory reserve	-	8,041	-	-	(8,041)	-
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

Bank	Share capital BS'000	Statutory reserve BS'000	Other reserves		Retained profits BS'000	Total BS'000
			Fair value reserve BS'000	Foreign currency translation reserve BS'000		
At 1 January 2021	507,325	520,267	11,987	-	129,633	1,169,212
Profit for the year	-	-	-	-	136,933	136,933
Other comprehensive income	-	-	(5,471)	-	-	(5,471)
Total comprehensive income for the year	-	-	(5,471)	-	136,933	131,462
Transfers to statutory and other reserves	-	6,847	(2,751)	-	(4,096)	-
Transactions with owners of the Bank						
Contributions and distributions						
Dividends paid on ordinary shares	-	-	-	-	(126,106)	(126,106)
Total contributions and distributions	-	-	-	-	(126,106)	(126,106)
At 31 December 2021	507,325	527,114	3,765	-	136,364	1,174,568
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

Statements of Cash Flows
Year ended 31 December 2021

	Group		Bank	
	2021 BS'000	2020 BS'000	2021 BS'000	2020 BS'000
Cash flows from operating activities				
Profit before zakat and tax	171,024	170,899	151,503	162,101
Adjustments for:				
Dividend income from subsidiaries	-	-	(25,406)	(27,200)
Dividend income from associate	-	-	(446)	(362)
Allowance for impairment on financing and advances made	8,319	14,498	7,761	12,800
Allowance for impairment on receivables (reversed)/made	(359)	352	(359)	352
Change in fair value of derivatives and investments	(8,197)	(5,604)	(8,197)	(5,604)
Depreciation/amortisation of property and equipment and investment property	17,930	19,990	15,184	17,092
Allowance for impairment on investments made, net	257	3,147	89	2,028
Loss on disposal of property and equipment	138	131	8	-
Share of profits of associate and joint ventures	(4,519)	(1,455)	-	-
	184,593	201,958	140,137	161,207
Changes in:				
Deposits from customers	1,623,414	(1,712,576)	1,621,146	(1,718,821)
Deposits from banks and other financial institutions	(168,658)	211,817	(129,815)	184,069
Other liabilities	10,516	(82,713)	6,363	(74,296)
Balances with Brunei Darussalam Central Bank	(3,144)	(53,872)	(2,443)	(49,520)
Placements with and financing and advances to banks	(125,483)	82,518	(150,890)	58,618
Government sukus	(49,986)	(102)	(49,986)	(102)
Investments	125,086	(209,847)	125,086	(209,847)
Placements from other financial institutions	(620,049)	612,355	(620,049)	612,355
Financing and advances	(178,490)	(26,965)	(179,882)	(4,464)
Other assets	5,919	53,780	6,393	80,824
	803,718	(923,647)	766,060	(959,977)
Zakat paid	(3,042)	(3,109)	(3,042)	(3,109)
Taxes paid	(32,322)	(35,570)	(25,889)	(28,647)
Net cash generated from/(used in) operating activities	768,354	(962,326)	737,129	(991,733)
Cash flows from investing activities				
Proceeds from sale of property and equipment	1,545	-	-	-
Purchase of property and equipment	(14,213)	(7,477)	(7,332)	(5,810)
Acquisition of investment property	(12)	(1,284)	(12)	(1,284)
Dividend income from subsidiaries	-	-	25,406	27,200
Dividend income from associate	446	362	446	362
Net cash (used in)/generated from investing activities	(12,234)	(8,399)	18,508	20,468
Cash flows from financing activities				
Dividends paid	(126,106)	(133,209)	(126,106)	(133,209)
Payment of lease liabilities	(3,992)	(3,622)	(3,602)	(3,261)
Net cash used in financing activities	(130,098)	(136,831)	(129,708)	(136,470)
Net change in cash and cash equivalents	626,022	(1,107,556)	625,929	(1,107,735)
Cash and cash equivalents at 1 January	2,622,110	3,732,366	2,621,144	3,731,579
Effect of exchange rate fluctuations on cash and cash equivalents held	16,433	(2,700)	16,433	(2,700)
Cash and cash equivalents at 31 December	3,264,565	2,622,110	3,263,506	2,621,144

CERTIFICATION:

We, the undersigned, being the Acting 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.

Hajah Noraini binti Haji Sulaiman
Acting Managing Director
Date : 26 March 2022

Tan Pheng Leong
Chief Financial Officer
Date : 26 March 2022

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 2021, 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 2021, 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 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: 26 March 2022