

## Pillar 3 Disclosures - As at 30<sup>th</sup> September 2022

### Executive Summary

Bank Islam Brunei Darussalam (“BIBD”) or (“the Group”) is regulated by the Brunei Darussalam Central Bank (“BDCB”) and follows the updated Pillar 3 - Public disclosure requirements issued by the BDCB in April 2021.

This document is prepared and based on the said notice and complements other regulatory guidance such as the minimum risk-based capital requirements and other quantitative requirement as per the Notice No BU/N-4/2017/39 - Maintenance of Capital Adequacy Ratio and Notice No. BU/N-10/2018/60 : Amendment No. 1 - Supervisory Review and Evaluation Process (SREP)The Pillar 3 disclosure aims to facilitate and promote market discipline by requiring disclosure of key information on a consistent and comparable basis.

### C1: Overview of key prudential metrics and Risk Weighted Assets(“RWA”)

#### KM1: Key Metrics

<b>Purpose:</b> To provide an overview of the Group’s prudential regulatory metrics						
<b>Content:</b> Key prudential metrics related to regulatory capital and other regulatory requirements						
<b>Frequency:</b> Quarterly						
<b>Format:</b> Fixed						
<b>Narrative:</b> Tier 1 ratio and the total capital ratio had decreased due to (1) capital decreased due to a reduction in fair value reserve and dividend payment which resulted a lower Tier 1, (2) on the RWA, there is an increase in the overall RWA from BND6.388billion in June 2022 to BND6.937billion in Sept 2022.						
<b>Quantitative disclosure:</b>						
		<b>T</b>	<b>T-1</b>	<b>T-2</b>	<b>T-3</b>	<b>T-4</b>
		<b>30-Sep-22</b>	<b>30-Jun-22</b>	<b>31-Mar-22</b>	<b>31-Dec-21</b>	<b>30-Sep-21</b>
<b>Available capital (BND'000)</b>						
1	Tier 1	1,182,599	1,255,796	1,268,508	1,284,695	1,136,396
2	Total Capital	1,200,377	1,274,092	1,282,272	1,302,960	1,152,445
<b>Risk-weighted assets (BND'000)</b>						
3	Total risk-weighted assets (RWA)	6,937,085	6,388,496	6,343,104	6,350,173	6,570,791
<b>Risk-based capital ratios as a percentage of RWA</b>						
4	Tier 1 ratio (%)	17.0%	19.7%	20.0%	20.2%	17.3%
5	Total capital ratio (%)	17.3%	19.9%	20.2%	20.5%	17.5%

## OV1: Overview of Risk Weighted Assets (RWA)

<b>Purpose:</b> To provide an overview of total RWAs and further respective breakdowns.				
<b>Frequency:</b> Quarterly				
<b>Format:</b> Fixed				
<b>Narrative:</b> There is an increase in the credit risk RWA due to increase exposure in financial institution as well as in corporate trade finance letter of credit facility.				
<b>Quantitative disclosure:</b>				
<b>BND'000</b>		(a)	(b)	(c)
		<b>RWA</b>		<b>Minimum capital requirement</b>
		<b>30-Sep-22</b>	<b>30-Jun-22</b>	<b>30-Sep-22</b>
1	Credit Risk (Standardised)	6,321,189	5,774,406	632,119
2	Market Risk (Standardised)	3,516	1,710	352
3	Operational risk (Basic Indicator Approach)	612,380	612,380	61,238
4	<b>Total</b>	<b>6,937,085</b>	<b>6,388,496</b>	<b>693,709</b>