

**Income Statements**  
Year ended 31 December 2022

	Group		Bank	
	2022 BS'000	2021 BS'000	2022 BS'000	2021 BS'000
Profits from financing, leasing and investments	338,176	278,968	288,762	224,887
Profits paid/payable to depositors	(47,709)	(21,358)	(45,159)	(18,741)
Net profit margin	290,467	257,610	243,603	206,146
Fee and commission income	47,318	39,679	45,413	39,135
Fee and commission expense	(13,760)	(9,539)	(13,760)	(9,539)
Net fee and commission income	33,558	30,140	31,653	29,596
Gain/(loss) from derivatives and investments	48,043	(63,224)	48,043	(63,224)
Net foreign exchange (loss)/gain	(57,336)	71,421	(57,336)	71,421
Other operating income	24,381	21,009	49,296	43,990
Total income	339,113	316,956	315,259	287,929
<b>Less:</b>				
Personnel expenses	(77,348)	(74,727)	(66,790)	(64,803)
Other expenses	(70,898)	(67,507)	(63,418)	(64,132)
Total operating expenses	(148,246)	(142,234)	(130,208)	(128,935)
Operating profit before allowances	190,867	174,722	185,051	158,994
<b>Less:</b>				
Allowance for impairment on financial assets	(2,248)	(8,217)	(1,768)	(7,491)
Operating profit	188,619	166,505	183,283	151,503
Share of profits of associate and joint ventures (net of tax)	3,937	4,519	-	-
Profit before zakat and tax	192,556	171,024	183,283	151,503
<b>Less:</b>				
Zakat	(3,027)	(3,322)	(3,027)	(3,322)
Income tax expense	(14,934)	(18,535)	(16,218)	(11,248)
Total zakat and income tax expense	(17,961)	(21,857)	(19,245)	(14,570)
<b>Profit for the year</b>	<b>174,595</b>	<b>149,167</b>	<b>164,038</b>	<b>136,933</b>
Profit for the year attributable to:				
Equity holders of the Bank	174,595	149,167	164,038	136,933
<b>Profit for the year</b>	<b>174,595</b>	<b>149,167</b>	<b>164,038</b>	<b>136,933</b>
<b>Earnings per share</b>				
Basic earnings per share (dollars)	0.24	0.21		
Diluted earnings per share (dollars)	0.24	0.21		

**Statements of Comprehensive Income**  
Year ended 31 December 2022

	Group		Bank	
	2022 BS'000	2021 BS'000	2022 BS'000	2021 BS'000
<b>Profit for the year</b>	<b>174,595</b>	<b>149,167</b>	<b>164,038</b>	<b>136,933</b>
<b>Other comprehensive income:</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
- Net change in fair value of equity investments at FVOCI	(2,180)	3,734	(2,180)	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	(51,197)	(4,801)	(51,197)	(4,801)
- Reclassified to profit or loss	-	(6,215)	-	(6,215)
- Foreign currency translation differences	(38)	(11)	-	-
Share of other comprehensive income of associate	104	775	-	-
Tax on other comprehensive income	9,933	1,811	9,933	1,811
<b>Other comprehensive income for the year, net of tax</b>	<b>(43,378)</b>	<b>(4,707)</b>	<b>(43,444)</b>	<b>(5,471)</b>
<b>Total comprehensive income for the year</b>	<b>131,217</b>	<b>144,460</b>	<b>120,594</b>	<b>131,462</b>
Attributable to:				
Equity holders of the Bank	131,217	144,460	120,594	131,462
<b>Total comprehensive income for the year</b>	<b>131,217</b>	<b>144,460</b>	<b>120,594</b>	<b>131,462</b>

**Statements of Financial Position**  
As at 31 December 2022

	Group		Bank	
	2022 BS'000	2021 BS'000	2022 BS'000	2021 BS'000
<b>Assets</b>				
Cash and cash equivalents	2,999,315	3,264,565	2,998,853	3,263,506
Balances with Brunei Darussalam Central Bank	556,603	492,042	518,660	452,343
Placements with and financing and advances to banks	1,533,155	1,180,555	1,976,347	1,623,803
Government sukus	97,332	59,986	97,332	59,986
Investments	1,401,781	1,141,901	1,401,781	1,141,901
Derivative financial assets	136,613	27,869	136,613	27,869
Financing and advances	4,282,642	4,182,666	3,541,522	3,457,657
Finance lease receivables	12,529	12,559	12,529	12,559
Investments in subsidiaries	-	-	32,844	32,844
Investments in associate and joint ventures	49,745	46,691	22,358	22,358
Other assets	361,405	42,106	387,065	39,947
Property and equipment	94,885	89,804	76,993	72,942
Investment property	21,458	22,431	21,458	22,431
Deferred tax assets	12,628	7,718	12,592	6,105
<b>Total assets</b>	<b>11,560,091</b>	<b>10,570,893</b>	<b>11,236,947</b>	<b>10,236,251</b>
<b>Liabilities and equity</b>				
Deposits from customers	9,329,368	8,369,389	9,229,972	8,261,628
Deposits from banks and other financial institutions	406,047	580,548	322,395	492,665
Placements from other financial institutions	-	113,775	-	113,775
Derivative financial liabilities	15,569	13,173	15,569	13,173
Other liabilities	475,282	143,716	464,679	133,026
Zakat	3,882	3,978	3,882	3,978
Provision for taxation	36,597	58,079	31,394	43,438
<b>Total liabilities</b>	<b>10,266,745</b>	<b>9,282,658</b>	<b>10,067,891</b>	<b>9,061,683</b>

**Statements of Financial Position (Cont'd)**  
As at 31 December 2022

	Group		Bank	
	2022 BS'000	2021 BS'000	2022 BS'000	2021 BS'000
<b>Equity</b>				
Share capital	507,325	507,325	507,325	507,325
Statutory reserves fund	581,819	571,971	535,316	527,114
Other reserves	204,202	208,939	126,415	140,129
<b>Total equity attributable to equity holders of the Bank</b>	<b>1,293,346</b>	<b>1,288,235</b>	<b>1,169,056</b>	<b>1,174,568</b>
<b>Total equity</b>	<b>1,293,346</b>	<b>1,288,235</b>	<b>1,169,056</b>	<b>1,174,568</b>
<b>Total liabilities and equity</b>	<b>11,560,091</b>	<b>10,570,893</b>	<b>11,236,947</b>	<b>10,236,251</b>

**Statement of Changes in Equity**  
Year ended 31 December 2022

Group	Share capital BS'000	Statutory reserves BS'000	Fair value reserve BS'000	Other reserves		Total shareholders' funds BS'000
				Foreign currency translation reserve BS'000	Retained profits BS'000	
At 1 January 2022	507,325	571,971	8,465	(110)	200,584	1,288,235
Profit for the year	-	-	-	-	174,595	174,595
Other comprehensive income	-	-	(43,340)	(38)	-	(43,378)
Total comprehensive income for the year	-	-	(43,340)	(38)	174,595	131,217
Transfers to statutory and other reserves	-	9,848	(807)	-	(9,041)	-
<b>Transactions with owners of the Bank</b>						
<b>Contributions and distributions</b>						
Dividends paid on ordinary shares	-	-	-	-	(126,106)	(126,106)
Total contributions and distributions	-	-	-	-	(126,106)	(126,106)
At 31 December 2022	507,325	581,819	(35,682)	(148)	240,032	1,293,346

Group	Share capital BS'000	Statutory reserves BS'000	Fair value reserve BS'000	Other reserves		Total shareholders' funds BS'000
				Foreign currency translation reserve BS'000	Retained profits 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)	-
<b>Transactions with owners of the Bank</b>						
<b>Contributions and distributions</b>						
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

Bank	Share capital BS'000	Statutory reserves BS'000	Other reserves		Total BS'000
			Fair value reserve BS'000	Retained profits BS'000	
At 1 January 2022	507,325	527,114	3,765	136,364	1,174,568
Profit for the year	-	-	-	164,038	164,038
Other comprehensive income	-	-	(43,444)	-	(43,444)
Total comprehensive income for the year	-	-	(43,444)	164,038	120,594
Transfers to statutory and other reserves	-	8,202	(807)	(7,395)	-
<b>Transactions with owners of the Bank</b>					
<b>Contributions and distributions</b>					
Dividends paid on ordinary shares	-	-	-	(126,106)	(126,106)
Total contributions and distributions	-	-	-	(126,106)	(126,106)
At 31 December 2022	507,325	535,316	(40,486)	166,901	1,169,056

Bank	Share capital BS'000	Statutory reserves BS'000	Other reserves		Total BS'000
			Fair value reserve BS'000	Retained profits 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)	-
<b>Transactions with owners of the Bank</b>					
<b>Contributions and distributions</b>					
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

**Statements of Cash Flows**  
**Year ended 31 December 2022**

	Group		Bank	
	2022	2021	2022	2021
	BS'000	BS'000	BS'000	BS'000
<b>Cash flows from operating activities</b>				
Profit before zakat and tax	192,556	171,024	183,283	151,503
Adjustments for:				
Dividend income from subsidiaries	-	-	(28,154)	(25,406)
Dividend income from associate	-	-	(987)	(446)
Allowance for impairment on financing and advances made	3,246	8,319	2,710	7,761
Allowance for impairment on receivables made/(reversed)	2,473	(359)	2,473	(359)
Change in fair value of derivatives and investments	9,293	(8,197)	9,293	(8,197)
Depreciation/amortisation of property and equipment and investment property	16,696	17,930	14,448	15,184
Allowance for impairment on investments (reversed)/made, net	(3,471)	257	(3,415)	89
Loss on disposal of property and equipment	82	138	-	8
Share of profits of associate and joint ventures	(3,937)	(4,519)	-	-
	216,938	184,593	179,651	140,137
Changes in:				
Deposits from customers	988,885	1,623,414	997,250	1,621,146
Deposits from banks and other financial institutions	(174,501)	(168,658)	(170,270)	(129,815)
Other liabilities	330,818	10,516	330,175	6,363
Balances with Brunei Darussalam Central Bank	(64,561)	(3,144)	(66,317)	(2,443)
Placements with and financing and advances to banks	(391,054)	(125,483)	(391,054)	(150,890)
Government sukus	(37,346)	(49,986)	(37,346)	(49,986)
Investments	(361,774)	125,086	(361,774)	125,086
Placements from other financial institutions	(113,775)	(620,049)	(113,775)	(620,049)
Financing and advances	(118,447)	(178,490)	(101,800)	(179,882)
Other assets	(319,271)	5,919	(347,088)	6,393
	(44,088)	803,718	(82,348)	766,060
Zakat paid	(3,123)	(3,042)	(3,123)	(3,042)
Taxes paid	(30,537)	(32,322)	(23,958)	(25,889)
<b>Net cash (used in)/generated from operating activities</b>	<b>(77,748)</b>	<b>768,354</b>	<b>(109,429)</b>	<b>737,129</b>
<b>Cash flows from investing activities</b>				
Proceeds from sale of property and equipment	1,871	1,545	-	-
Purchase of property and equipment	(20,818)	(14,213)	(15,691)	(7,332)
Acquisition of investment property	(589)	(12)	(589)	(12)
Dividend received from subsidiaries	-	-	28,154	25,406
Dividend received from associate	987	446	987	446
<b>Net cash (used in)/generated from investing activities</b>	<b>(18,549)</b>	<b>(12,234)</b>	<b>12,861</b>	<b>18,508</b>
<b>Cash flows from financing activities</b>				
Dividends paid	(126,106)	(126,106)	(126,106)	(126,106)
Payment of lease liabilities	(4,214)	(3,992)	(3,346)	(3,602)
<b>Net cash used in financing activities</b>	<b>(130,320)</b>	<b>(130,098)</b>	<b>(129,452)</b>	<b>(129,708)</b>
Net change in cash and cash equivalents	(226,617)	626,022	(226,020)	625,929
Cash and cash equivalents at 1 January	3,264,565	2,622,110	3,263,506	2,621,144
Effect of exchange rate fluctuations on cash and cash equivalents held	(38,633)	16,433	(38,633)	16,433
<b>Cash and cash equivalents at 31 December</b>	<b>2,999,315</b>	<b>3,264,565</b>	<b>2,998,853</b>	<b>3,263,506</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.

**Junaidi bin Hj Masri**  
Managing Director  
Date: 16 March 2023

**Tan Pheng Leong**  
Chief Financial Officer  
Date: 16 March 2023

**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 2022, 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 2022, and the financial performance and cash flows of the Group and of the Bank for the year then ended.

**Basis for Opinion**

We have 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 and the Statement by Directors 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: 16 March 2023