Pillar 3 Disclosures - As at 30th September 2023

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

Purpose: To provide an overview of the Group's prudential regulatory metrics

Content: Key prudential metrics related to regulatory capital and other regulatory requirements

Frequency: Quarterly

Format: Fixed

Narrative: The quarter-on-quarter decrease in Tier 1 capital is due to the further deterioration in the fair value reserve, and due to the Group declared dividend for the financial year 2022. Whereas, year-on-year, there is a decrease in the Tier 1 and Total Capital ratio as 3Q2022 is inclusive of the retained profit for 1H2022 which is recognized as Capital, however 3Q2023 has not included the retained profit for 1H2023.

There was a slight decrease in the credit risk RWA due to the overall decrease in Total Assets from June 2023 to September 2023 which resulted a lower RWA.

Quantitative disclosure:

		T	T-1	T-2	T-3	T-4
		30-Sep-23	30-Jun-23	31-Mar-23	31-Dec-22	30-Sep-22
Available capital (BND'000)						
1	Tier 1	1,147,318	1,281,337	1,280,118	1,276,146	1,182,599
2	Total Capital	1,155,869	1,291,957	1,291,679	1,287,185	1,200,377
Risk-weighted assets (BND'000)						
3	Total risk-weighted assets (RWA)	7,214,520	7,262,122	6,882,040	6,932,782	6,937,085
Risk-based capital ratios as a percentage of RWA						
4	Tier 1 ratio (%)	**15.9%**	**17.6%**	**18.6%**	**18.4%**	**17.0%**
5	Total capital ratio (%)	**16.0%**	**17.8%**	**18.8%**	**18.6%**	**17.3%**

OV1: Overview of Risk Weighted Assets (RWA)

Purpose: To provide an overview of total RWAs and further respective breakdowns.
Frequency: Quarterly
Format: Fixed
Narrative: There is a slight decrease in the credit risk RWA due to the overall decrease in total Assets.
Quantitative disclosure:

	BND'000	(a)	(b)	(c)
		RWA		Minimum capital requirement
		30-Sep-23	30-Jun-23	30-Sep-23
1	Credit Risk (Standardised)	6,594,721	6,642,280	659,472
2	Market Risk (Standardised)	1,733	1,776	173
3	Operational risk (Basic Indicator Approach)	618,066	618,066	61,807
4	Total	**7,214,520**	**7,262,122**	**721,452**