

Section **2**
**Corporate
Governance**

/ 44
Corporate Governance Report

/ 76
Shariah Advisory Body

Corporate Governance Report

Introduction

Building on our commitment to robust corporate governance to fortify transparency, integrity, and accountability across the BIBD Group.

In 2023, the BIBD Board of Directors ("**Board**") continued to focus on enhancing and strengthening corporate governance in BIBD and its subsidiaries ("**BIBD Group**"). Recognizing the pivotal role of governance in driving sustainable growth and ensuring ethical conduct, the Board approved the implementation of several key governance initiatives aimed at enhancing transparency, integrity, and accountability across the BIBD Group.

It is with the above objective, that the Board had approved the following governance related documents for the BIBD Group:

- Revision to the Management of Conflict of Interest and Related Party Transaction Policy. This Policy aims to guide the Bank in effectively identifying, documenting, escalating, and addressing conflicts of interest and related party transactions, in line with the Islamic Banking Order ("**IBO**") 2008, the Companies Act (Chapter 39), Principle 19 of the BDCB Corporate Governance Guidelines, and established best practices.
- BIBD Outsourcing Management Framework which serves as a guidance on the management of outsourcing activities undertaken by BIBD, particularly those that fall under the purview of the BDCB Outsourcing Guidelines and require BDCB's approval.

INDEX

2.1.1

Risk Management Report by the Chief Risk Officer

2.1.2 DISCLOSURE OF OTHER OPERATIONAL AND FINANCIAL RELATED MATTERS

I. Matters of Significance affecting Future Operations

II. Anticipated Developments in Future Operations

2.1.3 CORPORATE GOVERNANCE PRINCIPLES

Principle 1 Board and Board Committees – functions and responsibilities

Principle 2 Board Composition, and standing of Independent Directors

Principle 3 Division of Roles of Chairman and Chief Executive Officer (“CEO”)

Principle 4 Criteria for identification, assessment, and appointment of Directors

Principle 5 The governance structure and assessment on effectiveness of the Board

Principle 6 The Board’s responsibilities towards a Group-based governance framework

Principle 7 Board meetings and Board members’ attendance

Principle 8 Remuneration Policy for Senior Management and other employees

Principle 9 The Board responsibility on the Bank’s performance and risk position

Principle 10 The Board’s responsibility for the governance of risk

Principle 11 Effective independent risk management function within the Bank

Principle 12 The Bank’s risk management and internal control infrastructure

Principle 13 The Bank’s Audit Committee via the Audit, Finance and Risk Committee

Principle 14 Internal Audit framework of the Bank

Principle 15 Management of the Bank’s compliance based risk

Principle 16 Governance approach towards upholding Shareholders’ interests

Principle 17 Shareholders’ Engagement

Principle 18 Steps to encourage shareholder participation at general meetings

Principle 19 Management of Conflict-of-Interest situations

2.1.1

RISK MANAGEMENT REPORT BY THE CHIEF RISK OFFICER

BIBD has placed a significant emphasis on the role of risk management in ensuring a sustained and responsible long-term growth of the Group. In order to support BIBD's aspirations, a robust risk management function and respective processes, coupled with a strong awareness program have been placed to allow an independent assessment, monitoring and controls of all financial and non-financial risks across the BIBD Group.

The comprehensive management of all risks faced by BIBD is part of our wider efforts to uphold the highest standards of risk governance and compliance throughout the Group. BIBD undertakes a variety of businesses, and is required to be able to govern, monitor and report all risks with a clear enterprise and holistic approach.

BIBD has in place various Risk policies and processes intended to cover different risks across all businesses that are reviewed annually.

Risk Management Strategy

The BIBD Risk Management Strategy is reviewed and approved by the BIBD Board of Directors on an annual basis. The Risk Management Strategy provides a holistic approach in managing risks, triggers, and thresholds within BIBD Group.

Risk Appetite Statements

Within the Risk Management Strategy, holistic Risk Appetite Statements ("RAS") are established as primary risk parameters, and are aligned to the BIBD Group's overall risk management objectives:

- (a) To consistently exceed minimum regulatory capital requirements
- (b) To ensure sufficient levels of liquidity and funding
- (c) To manage the level of risk in the portfolio to an acceptable level,
- (d) To maintain external debt ratings.

Enterprise Risk Management Framework

The BIBD Group has embraced an enterprise-risk approach, covering 19 (nineteen) core risks, within its risk management structure. This is supported by the Enterprise Risk Management Framework ("ERMF") which provides a standardized approach to manage all risks within the BIBD Group. The key tools used within the ERMF are to establish, within each BIBD division, the proper governance, monitoring and controls to be tracked on a monthly and quarterly basis.

Risk Governance Structure

A strong governance structure is in place to ensure that the ERMF can be implemented effectively. While

the Board is ultimately responsible for BIBD's risk management activities, it has delegated its responsibilities on the oversight of BIBD risk management to its Board Committees; the Audit and Finance Sub-Committee ("AF"), the Risk Sub-Committee ("RC"), and the Executive Committee ("ExCom"). These Board Committees are updated on risk-related matters on a quarterly and monthly basis or as and when required. The Shariah Advisory Body ("SAB") has also been delegated by the Board to provide oversight over Shariah matters, including Shariah Risk. The SAB meets at least every quarterly and are updated on Shariah matters including any Shariah related risk issues where their SAB's guidance can be sought.

At Management level, the Group Risk is managed by the established committees of the Credit Risk Committee ("CRC"), the Asset & Liabilities Committee ("ALCO"), Capital Committee ("CC") and Enterprise Risk Management Committee ("ERMC"). These management committees meet on a weekly, monthly, bi-monthly, and quarterly basis, respectively. Specific matters such as the Capital Adequacy ("ICAAP") and the Recovery Plan are reviewed within the ERMC.

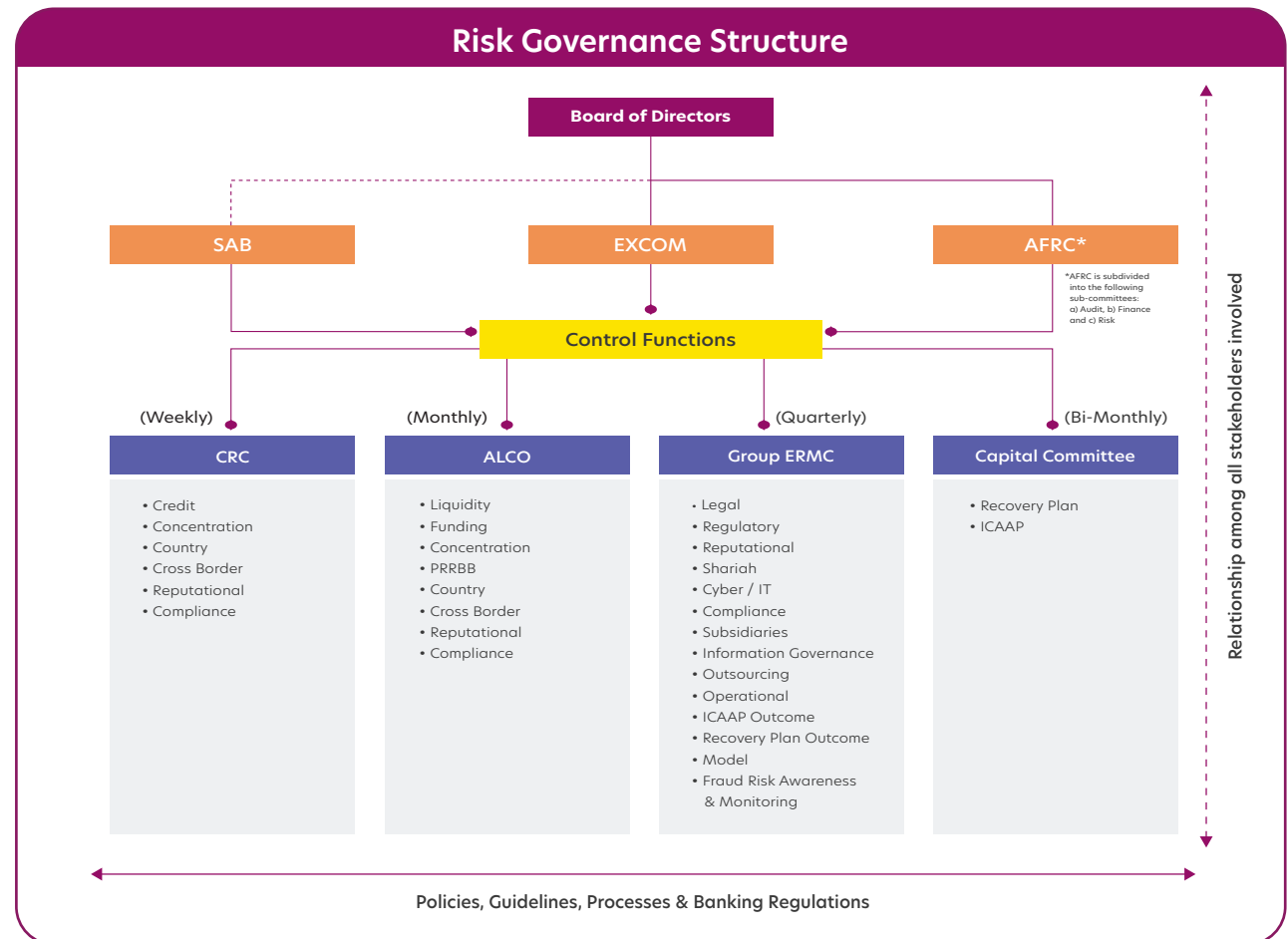
Group Risk Management Model

The Group Risk Management model utilizes the “Three Lines of Defense” approach, to contain any potential risk. This is achieved by maintaining an ongoing monitoring process, and the proper implementation of respective controls.

The responsibilities are shared as follows:

- 1st Line of Defense (Risk Owner), the Business/ Support units.
- 2nd Line of Defense (Monitoring and Oversight Functions), Risk Management and Compliance.
- 3rd Line of Defense (Risk Assurance), Internal Audit.

While risks are managed at the point of risk-taking activity, there is a clear accountability of the risk ownership across BIBD as demonstrated in the following chart.



SECTION 02

Within the Risk Governance Structure (“RGS”), BIBD has several committees at Board and Senior Management level:

- Board
 - (a) ExCom – Monthly
 - (b) AFRC – Quarterly
 - (c) SAB - Monthly
- Senior Management
 - (a) CRC – Weekly
 - (b) ALCO – Monthly
 - (c) ERMC - Quarterly
 - (d) CC – Bi-monthly

The main risks within the Group are controlled and monitored under the Risk Management Division, as a 2nd Line of defense covering:

- **Credit Risk**
- **Market Risk**
- **Operational Risk**
- **Profit Rate Risk Banking Book (“PRRB”)**
- **Liquidity Risk**
- **Funding Risk**
- **Concentration Risk**
- **Country Risk**
- **Cross Border Risk**
- **Reputational Risk**
- **Legal Risk**
- **Regulatory Risk**
- **Shariah Risk**
- **Compliance Risk**
- **Cyber Risk**

- **IT Risk**
- **Information Governance**
- **Outsourcing Risk**
- **Model Risk**

We take the approach of analyzing all financing and investment proposals, as well as, evaluating the Group’s operational processes and events, in close cooperation with respective business units, to ensure that the Group’s exposure to all risks is understood, discussed and managed in a proactive way, in order for all stakeholders’ interests to be protected.

Financial risks are analyzed by performing different stress tests using different economic scenarios within the ICAAP, Recovery Plan and other Stress tests annually as required by the Brunei Darussalam Central Bank (“BDCB”), coupled with other specific exercises presented within ALCO.

BIBD adopts a proactive approach in monitoring the Group’s risks which are exposed to, by having a robust Enterprise Risk Management Framework, coupled with a solid Operational Risk Governance that utilizes several tools to constantly monitor the risks resulting from People, Systems, Processes and External factors. The Operational Risk responsibility lies within all BIBD’s employees, which is strongly driven by the ongoing Risk Awareness and Risk Culture trainings.

The allocation of risk related responsibilities among all units, within BIBD, are organized in such a way to be in line with the Three Lines of Defense (“LOD”) principle, where each line of defense is independent from each other:

- The 1st LOD is provided by the business units and supporting functions, other than 2nd and 3rd LODs, responsible for identifying, and managing the inherent risks in the products, activities, processes, and systems for which are accountable.
- The 2nd LOD is provided by the independent risk management and compliance functions. The risk management function is primarily responsible for overseeing the bank’s risk-taking activities, couple with the undertaking of the risk assessments, with independent reporting from the 1st LOD. The compliance function monitors the compliance with respect to laws, corporate governance rules and internal policies.
- The 3rd LOD is provided by the independent internal audit function, responsible for providing assurance on the effectiveness of the bank’s 1st and 2nd LODs.

There are several initiatives from the BDCB that have been adopted or in the process of being adopted by BIBD to align the Brunei Banking Sector with international standards. These initiatives include

- (i) Risk management guideline and governance
- (ii) Credit risk management guideline
- (iii) Minimum regulatory capital requirements
- (iv) IFRS9 model implementation
- (v) Classification of impaired credit facilities and financial assets for provisioning purpose

- (vi) Market Risk Management Guidelines
- (vii) IT and Cyber Risk Guidelines
- (viii) Basel II – Pillar 3 Public disclosure document
- (ix) Corporate governance for Islamic banks
- (x) Prudential treatment of problem assets and allowance for credit losses
- (xi) Shariah Governance Framework
- (xii) Operational Risk Management
- (xiii) Liquidity Risk Management
- (xiv) Capital Adequacy Framework
- (xv) Outsourcing Guidelines
- (xvi) Internal Capital Adequacy Assessment Process (“ICAAP”)
- (xvii) Recovery Plan

Temporary Regulatory Measures (COVID-19)

On 30 June 2022, BDCB put an end to the liquidity relief program which was introduced to support all Corporate and Retail clients impacted by the COVID-19 pandemic. The relief program provided a deferment of principal payments across identified industries and sectors.

By April 2020, BIBD promptly implemented the new directive, by adding this program within BIBD credit policies. By December 2022, the program has been extended several times by BDCB, as follows: The 1st extension was implemented from April to September 2021, following an additional extension up to 31 December 2021 and a final extension up to June 2022. All extensions were approved by BDCB, and directives duly updated within the BIBD policies.

Standard & Poor’s Credit Rating

As a testament to BIBD’s prudent approach to risk management, the Bank was reaffirmed with an A- (Stable) by one of the big three international credit rating agencies, Standard & Poor’s (“S&P Global”).

Management of Material Risks

The emphasis of a strong risk management culture is the foundation of the Group’s control mechanism. This involves an on-going process of identification, assessing, controlling, monitoring, and reporting of material risks, called “Risk Taxonomy” that affects the performance of the Group’s strategic objectives, as follows:

1. Credit and Concentration Risks

A robust credit risk framework is the one that embeds prudent financing guidelines to minimize credit defaults and losses, whilst maintaining a credit portfolio that is within the Group’s Risk Management scope. The Bank has in place several systems and processes to have a proper set of controls and a monitoring scheme to overview across all risks within BIBD’s the risk management .

The concentration factor per industry, limit, obligor, and product is an important aspect within the Group’s portfolio and is continuously tracked. In the Non-Retail spectrum, the Group’s industry portfolio concentration remained stable with the highest concentration in the oil and gas industry, which has been a historic trend, due to the importance of the domestic oil and gas revenues for Brunei. Within the Retail Portfolio, there is no concentration due to the regulatory guidelines in place (Capital Adequacy Framework dated 13 February 2019), whereby, each retail obligor cannot represent more than 0.2% of the total retail portfolio.

Non-Retail Portfolio

In the non-retail space, the Bank implemented an internal risk rating system from S&P Global, to help the Board and Senior Management to differentiate the risk levels, via a probability of default approach, across all financings and investments to facilitate the decision-making process.

SECTION 02

In addition, there is an assessment process throughout a fundamental analysis approach – the review of qualitative and quantitative information – and financings above one year have additional analysis requirements, where specific projections and assumptions take place. Collateral coverage of financings is high. However, credit decisions are always based on the cash flow generation, as the primary source of repayment, coupled with an appropriate facility structure, where all facilities have specific limits per risk type (Funded, Unfunded and Pre-settlement risk).

There is a general monitoring scope, throughout two specific processes:

- (a) Watchlist accounts
This approach covers all accounts above 1 Day Past Due (“**DPD**”) as well as movements within the DPD buckets (1-30, 31-60, 61-90 and above 90 days).
- (b) Close monitoring accounts
This approach covers only current accounts with minor issues that may deteriorate if not monitored properly.

For accounts above 30 DPD but below 90 DPDs, Exposure at Default (“**EAD**”) must be transferred to Stage 2 (IFRS9) and when reaching 90 DPDs, must be defined as impaired and EAD transferred to Stage 3 along with their corresponding Expected Credit Losses (“**ECL**”) or impairments. Within the Corporate Banking Group, the Special Assets Department (“**SAD**”) is responsible to continuously follow

up and assesses trends for all accounts with DPDs above 30 days, to bring possible solutions. Risk Management closely works with the SAD, to properly manage all related efforts as well as the right level of impairment.

Retail Portfolio

In the retail space, the Bank has a portfolio approach assessing individual product types using internal risk models throughout different scorecards, and in some cases, fundamental credit analysis, for the final evaluation and respective approval. All facilities have specific limits per risk type (Funded, Unfunded and Pre-settlement risk).

There is a constant follow up on market trends/behaviors and portfolio analytics per product type, such as months on books under a performing status and DPDs bucket movement analysis, among others

Within the retail portfolio, there are secured financings, whereby, collaterals fully covered the financing amounts, and with the addition of the salary assignments. For unsecured financings, there is no collateral assigned. However, most obligors have the salary assignment in place.

Collections and Recovery

Collections and Recovery Department under the Chief Operating Officer is responsible to track all DPDs and trends, to assess the proper strategy for each product type. The Risk Management Division works closely with this department to understand behavioral patterns that can be used to further enhance to existing policies.

Expected Credit Loss

BIBD had established its IFRS9 process which has enabled us to calculate the Expected Credit Losses or credit impairments. This process provides forward looking expected credit losses for either a 12-month Probability of Default (“**PD**”) or Lifetime PD, based on a statistical historic data with respect to BIBD portfolio’s PDs, Loss Given Defaults (“**LGDs**”), Macroeconomic overlays and Exposures at Default “EAD”.

2. Operational and Shariah Risks

Operational Risk events stemming from People, Systems, Processes and External Factors that may lead to losses for the Group. These factors are constantly monitored and reported.

As a continuous proactive measure to better capture all operational risk related events, the Group has placed a strong emphasis on providing regular training to all employees. The Group has assigned employees across all Divisions to act as the Risk Coordinators (“**RC**”), in charge to capture any operational risk issues, including Shariah Risks.

Risk Management Division has also implemented several tools and processes to provide a holistic operational risk view across the Group. Any Risk Event Report is carefully analyzed using a Root Cause methodology together with the respective causal factors to identify the proper solution within a reasonable timeline. Another key tool used for operational risk

issues are the monthly tracking of the Risk Appetite Statements (“RAS”) and Key Risk Indicators (“KRIS”) implemented by each unit, in agreement with the Risk Management Division.

3. Market, PRRBB, Funding, Liquidity, Country and Cross Border Risks

As part of the regular monitoring and reporting of BIBD’s market risk exposures, there are several reports that are tracked to ensure these exposures are within the approved risk appetite parameters, the Risk Management team continuously keeps abreast of the market developments in different geographies, which may impact BIBD cross border portfolio and specific risk guidelines. BIBD maintains high quality liquid assets and well diversified sources of funding that act as a liquidity buffer.

Another aspect of the market risk is the interest/profit rate movements affecting the banking book performance, and the consequent impact on the earnings and capital. This analysis is presented within the ALCO by the Risk Management Division, monthly.

BIBD utilizes several assessment methodologies with the help of various analytical techniques, to manage relevant risks and support specific business requirements:

- (a) Counterparty Limits Process using qualitative and quantitative techniques,

- (b) Country Limits using fundamental economic, political, and social analysis,
- (c) Cross Border Risk analysis covering the Nationalization, Expropriation, Convertibility and Transferability risks (“NECT”).

BIBD also uses the Country Sovereign International risk ratings, from S&P Global, Moody’s and Fitch to ensure further alignment with international practices.

4. Legal, Regulatory, Compliance and Reputational Risks

BIBD Group has placed the utmost priority on the compliance surveillance with respect to the international and local governance guidelines. BIBD is well-aware of the proper and proactive implementation of all compliance principles, to mitigate, transfer or avoid all risks related to legal, regulatory, compliance, and the adverse impact to BIBD’s reputation.

5. Cyber and IT Risks

Regular reviews, upgrades and testing of all IT systems (hardware, middleware and software), as well as BIBD’s cyber infrastructure, are performed to avoid any internal and external disruptions that may affect the Group’s general capabilities to operate.

This approach allows further strengthening of BIBD’s overall IT and Cyber risk management capabilities, by implementing best international practices. As part of this scope, the IT and Cyber risk framework is

assessed and reviewed periodically as BIBD continues in developing a predictive risk management culture.

6. Information Governance and Outsourcing Risks

The BIBD Board and Senior Management has placed significant emphasis on ensuring that risks related to data quality, data security, record management and client data privacy, among others, are mitigated and avoided.

The BIBD Group has implemented an outsourcing monitoring process to ensure that material services and data received by external sources are reliable and providers have a sound and proven track record.

7. Model Risk

This refers to losses resulting from using inappropriate models, data model’s review, and maintenance service updates. BIBD Group is building its model inventory tracking list in order to have a comprehensive record of all available models in order to allow proper management, maintenance and tracking.

Foreseeable Risk Factors

In 2022, the world witnessed erratic movements in the global supply and demand of goods and services, coupled with the already disrupted worldwide supply chain system. These situations are the consequences of the COVID effect, plus the Russian invasion of Ukraine. In addition, many countries among them the USA injected considerable amount of liquidity, boosting their respective economies, resulting in a further disruption effect between the supply

SECTION 02

vis demand, generating a worldwide inflationary effect, pushing interest rates hikes within the major economic blocks and the world, in general, and also causing constant markets volatility.

For 2023, a recession may hit major economic blocks, and interest rates hikes will continue, however at a different pace, depending on the specifics of the countries in reference. Oil & Gas prices will be an important component within the worldwide inflation, where climate changes and production outputs will be elements to be considered.

Domestic (Brunei)

- Aggregate demand will grow across the economy.
- Limited new major governmental projects, within 2023.
- For 2023 domestic spending will improve due to the COVID Endemic phase, which was effective since 1st of June 2022.
- Higher activity in the corporate sector.
- Concentration is still in the oil & gas industry (Including derivatives), accounting for 62.1% of Domestic GDP (3Q22 – MOFE).
- GDP for 2023 is expected to grow 3.3% (IMF) and the Consumer Price Index expected to be at 2.5%(IMF).

International

- It is expected that the worldwide economy will have some reactivation for 2023, however common constraints and specific situations are still present across all economic blocks, such as:
 - o High Inflation
 - o Interest rates hikes
 - o Volatility in the stock, bond, and exchange rate markets
 - o Supply chains still partially disrupted
 - o Energy prices volatility
- Uncertainty on new Covid variants and contagion rates for 2023.
- Russia invasion to Ukraine development.
- Other geopolitical tensions.

2.1.2 DISCLOSURE OF OTHER OPERATIONAL AND FINANCIAL RELATED MATTERS

Statutory/Regulatory Provision	Disclosure Requirement	Disclosure Response
Reg 18(3)(d) Securities Market Regulation, 2015	<p>Disclosure of the details of any matter or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect:</p> <p>(i) the reporting entity's operations in future financial years;</p> <p>(ii) the results of those operations in future financial years; or</p> <p>(iii) the reporting entity's state of affairs in future financial years</p>	<ul style="list-style-type: none"> • There are no significant subsequent events, between the financial year ended 31 December 2023 and the date of the financial report of 22 March 2024, that affects: <ul style="list-style-type: none"> (i) the reporting entity's operations in future financial years; (ii) the results of those operations in future financial years; or (iii) the reporting entity's state of affairs in future financial years. • Consequently, no such disclosures are made in the audited financial statement for the year ended 31 December 2023.
Reg 18(3)(e) Securities Market Regulation, 2015	<p>Disclosure of the likely developments in the reporting entity's operations in future financial years and the expected results of those operations.</p>	<ul style="list-style-type: none"> • The Bank is principally engaged in the provision of Islamic banking business in accordance with Shariah principles as allowed under the Islamic Banking Order 2008. • The subsidiaries (together with the Bank is referred to as the BIBD Group) are principally engaged in the provision of Islamic hire-purchase, stockbroking, asset, and fund management, leasing and management services. • There were no significant changes in these activities during the financial year ended 31 December 2023. • The BIBD Group expects to continue its similar principal activities with the results of the operating reflecting these activities in the foreseeable future financial years. • The operational results of these activities are subject to the following risk namely, credit risk, market risk, liquidity risk and operational risk from financial instruments and put in place financial risk management processes and controls to manage these risk as set out in note 36 of the Audited Financial Statements for the year ended 31 December 2022.

2.1.3 CORPORATE GOVERNANCE PRINCIPLES

PRINCIPLE 1

Every Bank should be headed by an effective Board to lead and control the Bank. The Board has ultimate responsibility for the Bank's business strategy and financial soundness and is collectively responsible for the long-term success of the Bank, including approving and overseeing management's implementation of the Bank's strategic objectives, governance framework and corporate culture. The Board works with Senior Management to achieve these objectives and Senior Management remains accountable to the Board.

The BIBD Board of Directors' ("**Board**") primary role is to assume stewardship in setting the direction, management, control, strategies, values, and financial objectives of the BIBD Group for its long-term and sustainable growth and its continued ability to deliver value to its shareholders. The BIBD Board Charter guides the BIBD Board in its stewardship role by outlining its duties, responsibilities, and roles in line with all Applicable Laws.

To ensure that the Board's obligation to its shareholders and other stakeholders (employees, customers, regulators, etc.) remains paramount, the following aspirations and values are propagated throughout the BIBD Group:

BIBD Vision

Serving Brunei through Islamic Solution as its leading financial institution through responsible fusion of Islamic Values, Real Economy, and Finance.

BIBD Mission

The Best Islamic Bank in Asia Pacific. As such, BIBD is

driven by the ABCDEF strategy: -

- A** - Aligned
- B** - Bank of Choice
- C** - Customer Trust
- D** - Digital
- E** - Employees
- F** - Focus and Finish

I-CUE Values

- I**ntegrity
- C**ustomer Focus
- U**nity of Purpose
- E**xcellence

The duties and responsibilities of the Board are clearly established in accordance with the law and guidelines issued by the regulator as set out in the Board Charter and Terms of Reference ("**TOR**") of the Board.

The roles, duties and responsibilities of the Board including that of the Chairperson, Independent Directors

and Managing Director & Chief Executive Officer ("**MD & CEO**") are set out in detail in the Board Charter.

In addition to the matters which the Bank's Articles of Association may have specifically reserved for its directors, the following are matters reserved for the Board's decision as set out in the Board Charter:

(a) Board structure and organisation

- (i) appointment, extension of contract and removal of directors (including directors on the Boards of subsidiaries), MD & CEO, Deputy Managing Director, Company Secretary, and other key responsible persons;
- (ii) establishment of the Board Committees, appointment, removal or replacement of their members, and the approval of amendments to the respective Board Committee's TORs;
- (iii) appointment and reappointment of Shariah Committee members, subject to the approval of the

Syariah Financial Supervisory Board;

- (iv) oversee the performance and succession plans of the MD & CEO.

(b) Financials

- (i) review and approval of the audited financial statements, financial reporting, and quarterly financial results of the BIBD Group;

- (ii) approval of the dividend policy and determine the amount, nature, and timing of interim dividends as well as final dividends or other distribution to be recommended for shareholders' approval;

- (iii) approval of the annual budget;

- (iv) approval of capital management plan and policies;

- (v) adoption of the relevant accounting policies in line with the Brunei Financial Reporting Standards;

- (vi) approval of all significant financial expenditures exceeding the authorisation limits granted to the Board Committees;

(c) BIBD Group operations

- (i) approval of strategic, business plan and other initiatives which would have a material impact to the BIBD Group;

- (ii) approval of the risk appetite, business strategy plans, information technology and other initiatives

which would, singularly or cumulatively, have a material impact on the BIBD Group's risk profile, financial soundness, reputation, or key operational controls;

- (iii) ensure the implementation of appropriate governance framework and effective internal control procedures for audit, risk, and compliance to monitor and manage material risks affecting the BIBD Group, and to undertake periodic review of their appropriateness and adequacy in light of any material changes to the size, nature, and complexity of the BIBD Group's operations;

- (iv) approval of any substantial change in the policies established from time to time by the BIBD Board for balance sheet management including capital adequacy, liquidity, maturity, structure of assets and liabilities, asset concentration both geographically and by sector;

- (v) oversee and approve the recovery and resolution and business continuity plans for the BIBD Group for the preservation and continuity of critical operations and services if the BIBD group comes under stress;

- (vi) review and approve the compensation and benefits policy, service contracts and remuneration packages for the BIBD Group MD & CEO, Deputy Managing Director, Senior Management, and any other persons as the Board may determine as well as the succession plan for these positions;

- (vii) approve or to delegate authority to approve credit and market risks limits, acquisition, disposal, investment, capital expenditure or realisation or creation of a new transactional exercise including related party transactions, material acquisitions and disposals of assets not in the ordinary course of business to the extent they are consistent with Applicable Laws of BIBD or the other entities within the BIBD Group;

- (viii) approve or (where appropriate) delegate authority to the Board Committees to approve BIBD or BIBD Group Policies;

- (ix) review and approve strategies and frameworks on the promotion of sustainability throughout the BIBD Group through the assimilation of appropriate environmental, social and governance ("ESG") considerations;

- (x) recommend necessary changes to the BIBD Memorandum and Articles of Association for the approval of the shareholders and regulator;

- (xi) approval on any purchase of BIBD's own shares (if required); (xii) approval relating to the issuance of debt instruments;

- (xii) granting power of attorney to any person to act as attorney of BIBD;

- (xiii) approval for BIBD to provide any corporate guarantee and indemnity.

SECTION 02

Additionally, to ensure that its responsibilities and oversight over the BIBD Groups business and operations can be effectively undertaken, the Board has delegated its authority to the following key Board Committees which operate in accordance with their roles and responsibilities as defined in their respective TOR:

Audit, Finance and Risk Committee (“AFRC”)

The AFRC ensures that a risk governance framework is established for the Group that includes well-defined organizational responsibilities for risk management, typically referred to as the three lines of defence;

- (a) the Business Line (**1st Line of Defence**);
- (b) a risk management function and a compliance function independent from the first line of defence (**2nd Line of Defence**); and
- (c) an internal audit function independent from the first and second lines of defence (**3rd Line of Defence**).

The AFRC is constituted as two separate sub-committees namely:

- (a) The Audit and Finance Sub-Committee (“**AFSC**”); and
- (b) The Risk Sub-Committee (“**RSC**”).

The AFSC comprises entirely of independent directors, whilst the RSC consists of a majority of independent directors.

The AFRC’s responsibilities are, amongst others:

- (i) to recommend to the Board on the appointment, reappointment, remuneration and dismissal of the external auditors and the scope of service of the external auditors;
- (ii) to provide the opportunity for the internal and external auditors to meet and discuss findings;
- (iii) to review the end of year financial statements with the external auditors;
- (iv) to frame policy on internal audit and financial reporting;
- (v) to oversee the financial reporting process;
- (vi) to provide oversight of and interact with the BIBD Group internal and external auditors;
- (vii) to review and approve the audit scope and frequency;
- (viii) to receive key audit reports and ensuring that Senior Management takes the necessary corrective actions in a timely manner to address control weaknesses, non-compliance with Applicable Laws, or other findings identified by auditors and other control functions;
- (ix) to oversee the establishment of accounting policies and practices by the BIBD Group;

- (x) to review any third-party opinions on the design and effectiveness of the overall risk governance framework and internal control systems;
- (xi) to discuss, advise on and approve all of the BIBD Group risk strategies and policies in respect of financials, and make recommendations to the Board thereon;
- (xii) to discuss, advise on and approve BIBD’s risk appetite statement (“**RAS**”);
- (xiii) to conduct periodic reviews on the effectiveness of the BIBD Group’s risk management and internal control policies and systems including, but not limited to financial, operational, compliance and information technology controls;
- (xiv) to oversee that Senior Management has processes in place to promote BIBD’s adherence to approved risk policies.

Executive Committee (“ExCom”)

The ExCom consists of a majority of independent directors and its key responsibilities as per its TOR are, amongst others:

- (i) to have oversight of significant management decisions relating to the operations and business activities of the BIBD Group;

- (ii) to review of major strategic matters including the Financial Performance, Annual Operating Plan and Budget, prior to Board approval;
- (iii) to review and approve of domestic financing proposals with a net exposure equal to or greater than B\$20,000,000 based on recommendations from the CRC; and
- (iv) to review and approval of Treasury related exposures, new country/financial institution limit applications and offshore exposure proposals with a gross exposure greater than US\$20,000,000 based on recommendations from the CRC.

Human Resources, Remuneration and Nomination Committee (“HRNC”)

The HRNC must consist of independent directors, and entrusted with, amongst others, the following responsibilities:

- (i) to provide its recommendations to the Board on all appointments to the Board and Senior Management;
- (ii) establish a formal and transparent process for the identification, assessment, appointment and re-appointment of directors to the Board and ensure that the appropriate succession plan for the Board is in place;
- (iii) assist the Board to formulate, implement and review the remuneration policies and procedures

(“RPP”) for the Board, Senior Management and all personnel of BIBD. The RPP must be aligned with the BIBD’s ethical values, goal and culture and promotes recruitment, motivation, loyalty, and retention;

- (iv) ensure that the remuneration of directors is sufficient and proportionate to attract and retain directors of calibre;
- (v) to undertake a pre-employment review and employment clearance exercise of all prospective hires of BIBD.

The Board continues to give its unwavering commitment to maintain BIBD’s exceptional standards of corporate governance and ensures values and behaviours are consistent across the business. The Board manages the affairs of the Group not by merely following prescribed rules and regulations, but by promoting open and transparent discussions. Additionally, the Board continues to ensure best practices and strong governance process, which are integral to BIBD’s strategy and decision-making processes. Thus, these values are maintained for the benefit of BIBD’s shareholders and other stakeholders.

For the first-time Directors, BIBD requires the appointed Directors to attend BIBD’s Board induction programme to familiarise themselves with the Group’s operations and to build a strong foundation of knowledge about the Group. Similarly, the Board also ensures that individual directors attend ongoing and regular training on relevant issues

including amongst others training on any relevant new laws, regulations and changing commercial risk, financial and any other relevant trainings.

The Board’s alignment with Senior Management

The Board also ensures that the BIBD Group’s vision, mission, values, aspirations and objectives are aligned with the business activities carried out by the senior management.

The roles and responsibilities of the senior management are as follows:

- To undertake the Ownership, Governance and Execution of the day-to-day operations and strategic projects;
- To provide collective, aligned and coordinated leadership towards the BIBD Group’s ABCDEF strategy;
- To consider and execute appropriate decisions on critical matters affecting the BIBD Group.

PRINCIPLE 2

There should be an effective Board composition, with a strong independent element where no individual or small group of individuals should be allowed to dominate the Board's decision making.

As of 31 December 2023, there are 5 members in the BIBD Board comprising of 4 independent directors and 1 executive director who between them bring to the BIBD Group a broad range of experience, knowledge and management skills in the banking, finance and governance sectors.

Board Composition

Director	Designation	Remarks
YB Dato Seri Setia Dr Awang Haji Mohd Amin Liew bin Abdullah	Independent Director (Chairman)	-
YM Dr Jan Hendrik van Greuning	Independent Director	-
YM Hj Sofian bin Mohammad Jani	Independent Director	-
YM Errol Melville Kruger	Independent Director	Appointed as Independent Director effective 1 October 2023
YM Junaidi bin Hj Masri	Executive Director (Managing Director & Chief Executive Officer)	Appointed as Managing Director & Chief Executive Officer on 28 July 2022

The Board acknowledges the importance of a clear division of responsibility between the Chairperson and the Group CEO. The roles of Chairperson and Group CEO are therefore exercised by separate individuals to ensure optimal balance, resulting in increased accountability and enhanced decision-making.

The Board is chaired by YB Dato Seri Setia Dr Awang Haji Mohd Amin Liew bin Abdullah (“**YB Dato Amin**”) an Independent Director, who plays a key role in ensuring the Board operates effectively and fully discharges its legal and regulatory responsibilities.

BIBD also ensures that an Independent Director is independent of Management and free from any business or other relationship which could interfere with his ability to act in the best interests of BIBD. Thus, the Independent Director is able to:-

- provide and enhance the necessary independence.
- ensure checks and balances on the Board.
- mitigate any possible conflict of interest between policy making process and day-to-day business activities.

As the Chairperson, YB Dato Amin also leads the Board in the oversight of the Management and in inculcating the right culture, values and behaviours, both at the top and throughout the entire organisation. The Board delegates responsibility for the overall business and day-to-day management of the BIBD Group to the Group CEO. The Group CEO is responsible for leading Management and for making and implementing operational decisions. In addition, the Group CEO will also be able to track and measure the performance of core programmes against the agreed strategies and roadmap and provide regular feedback and ensure timely course corrections.

In addition to the above, some members of the Board are also appointed as Chairman or as members of the board of BIBD’s wholly owned subsidiaries (“**Subsidiary Boards**”). This practice provides a bridge between the Board and Subsidiary Boards, from which the overall goals and objectives of the Group Business Plan and Strategy could be conveyed to the Subsidiary Boards, for better alignment and execution of the Group Business Plan and Strategy.

PRINCIPLE 3

There should be a clear division of responsibilities between the leadership of the Board and those executives responsible for managing the Bank’s business. Decision making power should not be concentrated in the hands of one individual.

As explained in **Principle 2**, the positions of BIBD Chairman of the Board and Managing Director & Chief Executive Officer are held by different individuals as shown in the table under the Principle 2 with clear division of roles and responsibilities in line with best practices. This distinction allows for a better understanding and distribution of jurisdictional responsibilities and accountabilities. The clear hierarchical structure with its focused approach facilitates efficiency and expedites decision-making.

PRINCIPLE 4

There should be a formal and transparent process for the identification, assessment, appointment and reappointment of directors to the Board. The Board, not Senior Management, nominates candidates and promotes appropriate succession planning of directors.

The Human Resources, Remuneration and Nomination Committee (“**HRNC**”) is responsible to make recommendations to the Board on all appointments to the Board and Senior Management including to ensure that the relevant selection processes are complied with.

The appointment of a director shall also follow the selection, assessment and recommendation process established by the HRNC and set out in its Terms of Reference as follows:

- (i) HRNC will assess of the need to hire a new director or to fill in a vacancy for the board as an independent or non-executive director.
- (ii) HRNC will then develop the candidate profile such as the industry they major in, gender and proof of qualification. Selection will be based on the candidacy from the Board, major shareholder and the Committee’s own search.
- (iii) HRNC will shortlist the candidates based on the assessment criteria
- (iv) HRNC will conduct an interview before the final assessment prior to submission of recommendation to the Board

Finally, if approved by the Board, the following actions are carried out:

- (v) Issue appointment letter;
- (vi) Secure the signing by the new director of the Letter of Undertaking to maintain Confidentiality.
- (vii) Submit application for BDCB’s approval.
- (viii) In the case when the appointment requires Shareholder’s approval, the necessary members resolution will be prepared to be tabled to the Shareholders.

For new appointments, the candidate must fulfill the following criteria to the satisfaction of HRNC before it can recommend the candidate to the Board:

- (a) Not disqualified under any Applicable Laws to assume directorship position, including Rules 4 and 5 of the Companies (Corporate Governance) (Public Companies) Rules, 2016.
- (b) Possess the knowledge, skills and experience to promote talent and diversity in the Board.

- (c) Understands local/regional economy & market. (d) Possesses integrity and of good repute.
- (d) Ability to commit time.
- (e) Character – able to work collectively without affecting independent voice i.e. avoid group thinking.
- (f) Not conflicted to join the Board – assess other directorships.
- (g) If applicable, fulfill the independence criteria under Principle 2.11 of the BDCB Corporate Governance Guidelines for Islamic Banks.

Effective from 19 March 2020, BIBD has ceased to have any alternate directorship appointment on its Board.

The key information regarding directors, such as academic and professional qualifications, shareholding in the bank and its related corporations, Board committees served on and date of appointment as a director can be found in the directors’ profile section of this Annual Review.

In respect of **Principle 4.7** of BDCB's Corporate Governance Guidelines for Islamic Banks relating to Board members' other directorships, the list of Directorships held by Members of the Board of BIBD are stated below:

- **YB Dato Seri Setia Dr Hj Awang Mohd Amin Liew bin Abdullah (as of 18 March 2024)**
 1. Bank Islam Brunei Darussalam Berhad (BIBD)
 2. Gleneagles Jerudong Park Medical Centre
 3. Muara Port Company Sdn Bhd
 4. Brunei Gas Carriers Sdn Bhd
 5. Brunei Shell Marketing Company Sendirian Berhad
 6. Brunei Shell Petroleum Company Sendirian Berhad
 7. Brunei LNG Sendirian Berhad
 8. Lembaga Dana Sustainabiliti (SF)
 9. Lembaga Eksekutif Dana Modal Pembangunan Strategik
 10. Brunei Fertilizer Industries Sdn Bhd
 11. Damai Holdings Limited
 12. Khazanah Satu Sdn Bhd
 13. Bank Usahawan Berhad
 14. Brunei Investment Agency
 15. Syarikat EYVD Technologies Sdn Bhd
 16. Brunei Economic Development Board
 17. Takaful Brunei Darussalam (TBD; TBA & TBK)
 18. Hengyi Industries Sdn Bhd
 19. JPMC College of Health Sciences Sdn Bhd
- **YM Dr Jan Hendrik (Hennie) van Greuning**
 1. Bank Islam Brunei Darussalam Berhad (BIBD)
- **YM Haji Sofian bin Mohammad Jani (as of 14 February 2024)**
 1. Bank Islam Brunei Darussalam Berhad (BIBD)
 2. BIBD Securities Sdn Bhd
 3. Tabung Amanah Pekerja
 4. Royal Brunei Catering Sdn Bhd
 5. Badan Tanmiah Harta Majlis Ugama Islam
 6. DST Digital
 7. Bursa Saham Brunei Darussalam (BNX)
- **YM Errol Melville Kruger (as of 1 October 2023)**
 1. Nedbank Group Limited
 2. Nedbank Limited
 3. Nedbank Private Wealth (Isle of Man) Limited
 4. Capital Appreciation Limited
- **YM Junaidi bin Haji Masri (as of 20 February 2024)**
 1. Bank Islam Brunei Darussalam Berhad (BIBD)
 2. BIBD At-Tamwil Berhad
 3. Better Sdn Bhd
 4. Brunei Energy Services & Trading Sdn Bhd
 5. Brunei Energy Holdings Sdn Bhd
 6. Brunei Energy Production Sdn Bhd
 7. Brunei Energy Exploration Sdn Bhd
 8. Syarikat Takaful Brunei Darussalam
 9. Darussalam Enterprise
- 10. Fajr Capital Limited
- 11. Brunei Energy Investment Overseas Cooperation
- 12. Brunei Energy Montny Holdings Limited
- 13. Brunei Methanol Tanker
- 14. PB Canada

PRINCIPLE 5

The Board should define appropriate governance structures and practices for its own work and put in place the means for such practices to be followed and periodically reviewed for ongoing effectiveness. There should be a formal annual assessment of the effectiveness of the Board as a whole and its Board Committees and the contribution by each director to the effectiveness of the Board.

BIBD Board of Directors' ("**Board**") primary role is to determine BIBD's strategy and objectives and policies to deliver sustainable value to its shareholders. The Board provides the Management with the guidance and leadership necessary for the Group. As explained in Principle 1, the Board and Management Committees assist the Board in providing effective oversight over the Bank's operations. The Board would review the structure periodically and advise on the current structure if deemed necessary. Further, the BIBD Board is guided by its Board Charter which outlines the Board's duties, responsibilities, and roles in line with all Applicable Laws.

The effectiveness of the Board and Board Committees is further strengthened by the majority composition of the Independent Directors on the BIBD Board as well as the chairmanship of the Board Committees which all held by Independent Directors as set out below:

- **ExCom** – YB Dato Seri Setia Dr Awang Haji Mohd Amin Liew bin Abdullah
- **AFRC** – YM Dr. Jan Hendrik Van Greuning

Following the appointment of YM Junaidi bin Hj Masri as the Managing Director & Chief Executive Officer on 28 July 2022, the HRNC comprise of only one (1) member i.e. YM Haji Sofian bin Mohammad Jani. As an interim arrangement until additional Director(s) are appointed to fulfill the constituent of the HRNC as per its TOR, the Board had, on 26 September 2022 approved for all HRNC matters to be deliberated or approved by the Board.

In addition to the above, Effendy bin Othman, who was the General Counsel for the Bank and a certified member of the Malaysian Association of Company Secretaries, is also the appointed Company Secretary for BIBD. He and his team provide legal, secretarial and governance support to the Board. The following are some of the key responsibilities of the Company Secretary:

- administer all Board and Board Committee meetings including the scheduling, taking of minutes, preparation of Board meeting materials and information supplied to the Board.
- ensure information supplied to the Board such as meeting minutes are accurate, timely and adequate for the Board to carry out its function.

- ensure proper record keepings off all deliberations and decisions of the Board and Board Committees
- accord the Board with regular updates and advice on changes to statutory and regulatory requirements including those related to governance matters.
- facilitate a two-way communication between Senior Management and the Board to ensure Board's decision are communicated in a timely basis.

Minutes of Board and Board Committee meetings are recorded and documented appropriately by the Company Secretary. Such records are made available to BDCB upon request.

PRINCIPLE 6

In a group structure, the Board of the parent Bank has the overall responsibility for the group and for ensuring the establishment and operation of a clear governance framework appropriate to the structure, business and risks of the group and its entities. The Board and Senior Management should know and understand the Bank group's organizational structure and the risks that it poses.

The wholly owned subsidiaries of the Bank are as follows:

- BIBD Securities Sdn Bhd
- BIBD At-Tamwil Berhad
- BIBD (Middle East) Limited
- BIBD Management & Services Sdn Bhd

To ensure that the BIBD Group adheres to consistent governance framework to manage its business and operational risks, BIBD as the parent company has established a group structure which includes the Bank having Board representation across the subsidiaries to cascade down the Bank's corporate governance values, principles, approach for its subsidiaries to adopt to the extent they do not conflict with the interests of the subsidiaries and their own legal or regulatory requirements.

All major decision which may impact the interest of the Bank, or the Group will be assessed by the Board and the Bank as the shareholder may make decisions for the benefit of the subsidiaries and in line with the BIBD Group Corporate Governance Framework.

The Board recognises the responsibilities of the directors of the BIBD subsidiaries to exercise judgement and to make decisions in accordance with the best interest of the subsidiaries even where those interest may conflict with the best interests of the Bank. This is further displayed as the subsidiary board and senior management structure have clearly defined roles and responsibilities.

The Bank's Internal Audit, Risk, Compliance, Finance, Legal and Shariah divisions also have an oversight of the subsidiaries in these areas whereby consultation between these Bank's divisions and the subsidiaries are held from time to time to address any arising matters in those areas. To that end, the BIBD Senior Management is responsible for developing policies, procedures and processes which benefits the BIBD Group. They are responsible for establishing group corporate strategy and direction ("**Group strategy**").

Once the Group Strategy is approved by the Board of the Bank and its subsidiaries the management of the respective subsidiaries shall be directed to implement the same and report on the progress of such implementation to their respective boards. Additionally, the operations of

the subsidiaries are reviewed periodically by the Bank's Internal Audit and Risk divisions.

The Control Functions Reporting and Alignment Guidelines ("**CFRA Guidelines**") for the BIBD Group is to enhance the group alignment and to fulfil the Board's obligation under Principle 6 Corporate Governance for Islamic Bank ("**CGIB**") as the parent bank, with specific emphasis on strengthening internal group reporting processes.

The CFRA Guidelines are aimed at formalising:

- The group governance responsibilities of the control functions of BIBD as the parent bank.
- The reporting and consultation obligations of the BIBD subsidiaries to the control functions.
- Centralising the list of policies, framework, guidelines, terms of reference and other governance related documents of BIBD's control functions which are to be adopted by the respective subsidiaries.

The CFRA Guidelines form part of the BIBD Group Corporate Governance Framework as required under Principle 6 CBIG.

PRINCIPLE 7

The Board should meet regularly and be duly furnished with complete and timely information.

The Board meets on a regular basis, with a minimum of 4 scheduled meetings in a financial year or more frequently as circumstances dictate. The dates of these scheduled meetings are determined well in advance to enable the Directors to plan ahead.

In 2023, the Board members attended all the quarterly Board and Board Committee meetings as detailed below:

Name	Role	Board Committees for 2023												Key/ Abbreviations:	
		BOD		HRNC		ExCom		AFSC		RSC		AGM		H	A
		H	A	H	A	H	A	H	A	H	A	H	A	= Held	= Attended
YB Dato Seri Setia Dr Awang Haji Mohd Amin Liew bin Abdullah	Chairman	4	4	N/A	N/A	7	7	4	0	N/A	N/A	1	1	N/A	= Not applicable as the director is not a member of the Committee
Dr Jan Hendrik van Greuning	Director	4	4	N/A	N/A	N/A	N/A	4	4	6	6	1	1	BOD	= Board of Directors Meeting
Haji Sofian bin Hj Mohd Jani	Director	4	4	0	0	7	7	4	4	6	6	1	1	HRNC	= Human Resources, Remuneration and Nomination Committee
YM Errol Melville Kruger	Director	2*	1	N/A	N/A	N/A	N/A	1*	1	1*	1	N/A	N/A	EXCOM	= Executive Committee
YM Awang Junaidi bin Haji Masri	MD & CEO	4	4	0	0	7	7	4	3	6	5	1	1	AFSC	= Audit and Finance Sub-Committee
														RSC	= Risk Sub-Committee
														AGM	= Annual General Meeting
														[x]*	= Only [x] meetings were held after his appointment as a member of the Board effective 1 October 2023

For the Board meetings, the Company Secretary ensures that the agenda of the meeting and the presentation deck must be issued at least seven (7) days prior to each Board meeting to allow sufficient time for all directors to consider the relevant information. The agenda of meeting includes amongst others matters specifically reserved for the Board's decision. The discussions and conclusions

of the Board meetings are reflected in the minutes of meeting, in a clear, accurate, consistent, complete and timely manner. The minutes amongst others record the decisions of the Board, including key deliberations for each decision made. The draft minutes will then be tabled at the following meeting for approval and signing. In line with proper governance on records, the minutes

are entered into the Minutes Register kept by the Company Secretary which may be accessed by the Board at any time. To ensure accuracy and consistency in form and contents, reproduction of any part of the minutes can only be made by way of request to the Company Secretary who will certify the said minutes.

PRINCIPLE 8

There should be a formal and transparent procedure for fixing the remuneration packages of Board members, Chief Executive Officers and Senior Management and the remuneration policies and practices should be in line with the Bank's ethical values, objectives and culture.

The remuneration policies for Senior Management and all other employees of the Bank are under the supervision and oversight of the Human Resources, Remuneration and Nomination Committee ("HRNC") whereby the implementation of these policies is carried out by Human Resource and Human Capital Division ("HRHCD"). The members of the HRNC are comprised of 3 Independent Directors and 1 Executive Director. The functions of the HRNC in terms of remuneration policy are amongst others-

- ensure that the remuneration policy supports the Bank's objectives, culture and strategy;
- remuneration and employment conditions of the industry;
- the Bank's relative performance for the relevant financial year;
- the performance -related elements of remuneration should form a significant proportion of the total remuneration package of executive directors. However, salary scales should be within the scope of the general business policy and not be solely based on short-term performance to avoid incentives for excessive risk-taking;

- to cover all aspects of remuneration including director's fees, salaries, allowances, bonuses, options and benefits-in-kind and termination benefits; and
- other key responsibilities are set out in HRNC TOR

The philosophy for the Bank's remuneration is to be competitive in the market with the aim to attract the right talents for the organization. In terms of the local practices and statutory requirements, we ensure that we are aligned, meet the minimum requirement or better than what has been prescribed by both. The business objective is one of the main influences in driving our compensation policy.

The Bank's values are based on the history and culture, which are derived from the internal culture, the external environment, and the market that we are operating in

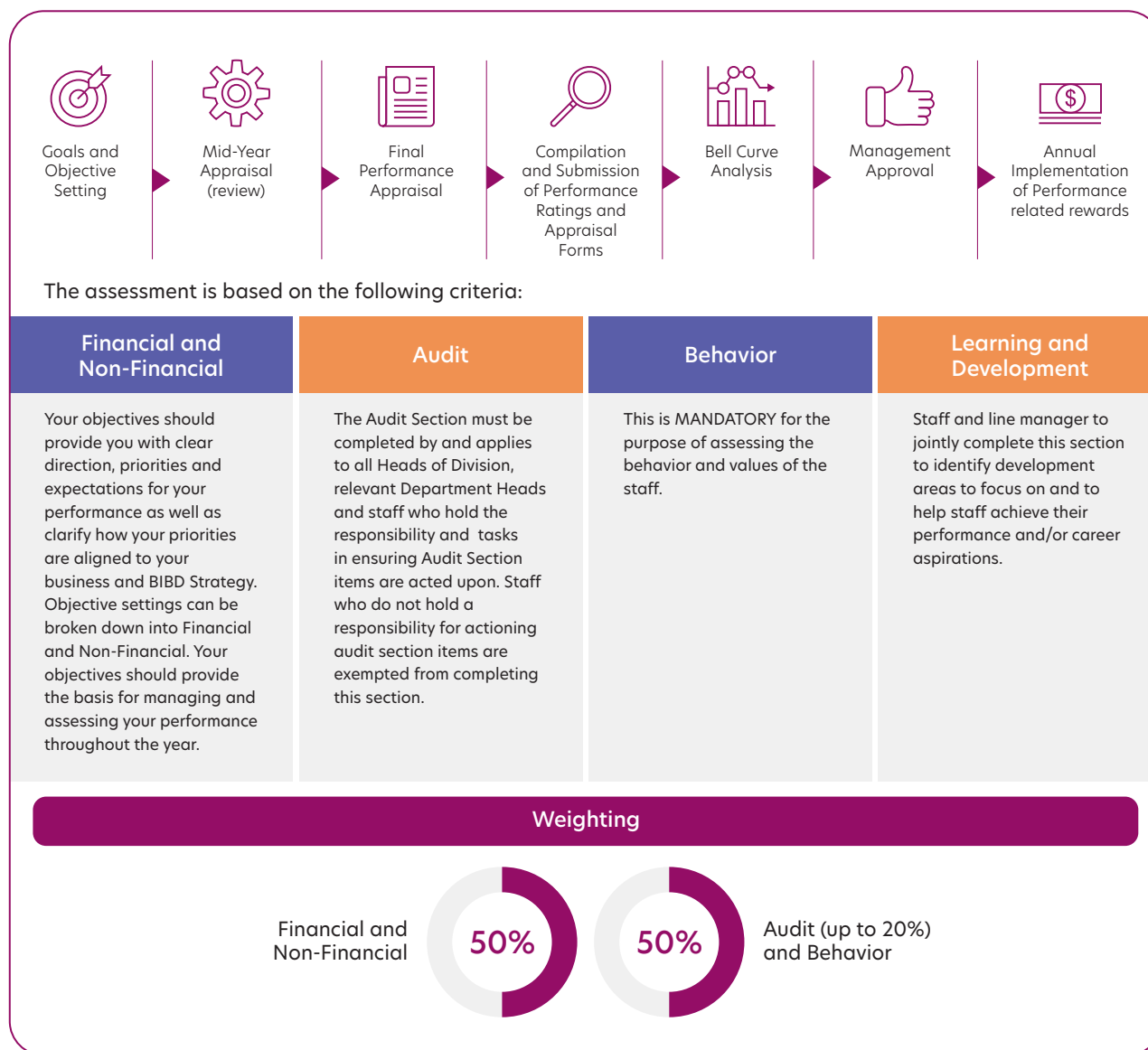
The Bank's remuneration policy is primarily in compliance with international best practices and there is on-going exercise to enhance alignment of its remuneration policy including Board/Committee mandates, treatment of Material Risk Takers and its Performance Management System with these international best practices. To this end,

the Bank will participate in the yearly compensation and benefits benchmarking survey against the practices of our competitors. From this benchmarking exercise, the Bank will be able to assess where the organization is against its competitors through its benchmark positioning.

This exercise also provides competitive reference on the compensation market rates which can help the organization to formulate the overall compensation strategies, make decisions on current compensation policies, assist us to provide the right remuneration package for new jobs and diagnose compensation problems.

SECTION 02

In terms of compensation assessment process, the senior management and all employees, their compensation is based on the current market practices, and they are assessed yearly for their performance weighted against financial, non- financial as well as behavioral considerations. These considerations are assessed based on performance targets which are generally set at the outset of the financial year. This is further illustrated by the following diagram:



HRHCD will compile the completed performance appraisal from all divisions and business unit of the Bank and will undertake a moderation exercise to ensure a balanced overall appraisal which will then be tabled at the HRNC meeting for its approval.

PRINCIPLE 9

The Board should present a balanced and understandable assessment of the Bank’s performance, risk position and prospects.

Overall, the Board has clear understanding, skills and experience to assess BIBD’s performance risk position and prospects. The Board too has established a strong internal control governance and risk management framework to facilitate its risk and control oversight responsibilities over the BIBD Group.

To ensure alignment in the appreciation and seamless implementation of the business strategy, risk appetite and other policies approved by the Board in BIBD’s business activities and operations by its Senior Management, the Board has established a 2-level Committee within BIBD, namely:

1) Board Level Committees (as detailed in Principle 1):

- a) Board
- b) AFRC
- c) ExCom
- d) HRNC

2) Management Level Committees

Types of Management Level Committees	Description
Enterprise Risk Management Committee (“ ERMC ”)	Primary purpose is to perform a centralized risk oversight, policy-setting, information gathering, and communication to the Board of Directors, regarding important risks and risk management activities related, monitoring open Audit and Risk Issues. In addition, the Committee will assist the Board in fulfilling its oversight responsibilities related to the company’s risk assessment and management processes. ERMC also addresses Capital Adequacy (ICAAP) and Recovery Plan issues. ERMC meetings are held quarterly.
Credit Risk Committee (“ CRC ”)	The Credit and Risk Committee has a duty to approve credit based on recommendation from the respective recommending authorities. Approvals are made after consideration of various risk perspectives. Risk approvals must be made within the boundaries of BIBD’s risk appetite as guided by ExCom and the Board. CRC meetings are held weekly.
Asset Liability Committee (“ ALCO ”)	The Committee is responsible to review BIBD Group’s liquidity, funding and gapping policies and positions, profitability and efficiency including the assessment and management the Balance Sheet and Capital Management. ALCO meetings are held monthly.
Capital Committee (“ CC ”)	The Committee is responsible to develop and implement the Group Recovery Plan and ICAAP.

These Management Level Committees comprise of members of the Senior Management and the Managing Director, and they provide input and approvals, and where needed, escalate recommendation to the relevant Board Committees and if necessary, the Board.

PRINCIPLE 10

The Board is responsible for the governance of risk. The Board should ensure that Senior Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Bank's assets and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Group has in place a Risk Management Strategy Document which is a holistic set of Risk Appetite Statements (RAS) to ensure that BIBD remains within acceptable Risk thresholds.

BIBD also has in place the Enterprise Risk Management Framework ("**ERMF**") which functions as a standardized approach to manage its risks. A strong governance structure is equally important to ensure that the ERMF can be implemented effectively.

The Group Risk Management model is based on "**Three Lines of Defense**" approach, to contain any risk, by keeping an ongoing monitoring process and a proper implementation of respective controls.

The Board is ultimately responsible for BIBD's risk management activities, and it is supported by AFRC and ExCom which convene a minimum of 4 quarterly meetings, as well as the SAB which holds meetings as and when needed.

At Management level, management of the 19 risks for the BIBD Group is undertaken by the following committees whose functions and frequency of meetings have been detailed in **Principle 9** above:

- **ERMC**
- **ALCO**
- **CRC**
- **CC**

PRINCIPLE 11

Banks should have an effective independent risk management function, under the direction of a chief risk officer (CRO), with sufficient stature, independence, resources and access to the board.

BIBD has a Group CRO with over 33 years of work experience in the Banking sector, across six different countries (Mexico, United States of America, Saudi Arabia, Qatar, United Arab Emirates and Brunei). His experience accounts for 23 years in global leading banks, such as Bank of America, Chase Manhattan Bank and Citibank. The Group has in place the Risk Management Strategy

Document, which is a holistic set of Risk Appetite Statements (RAS) to ensure BIBD is within acceptable Risk thresholds. Also, the Group has specific RAS and Key Risk Indicators (KRI) across each unit within the Group, which are reviewed monthly, as part of the Operational Risk Management process.

BIBD has in place the Enterprise Risk Management Framework ("**ERMF**") as a standardized scope or approach to manage all its risks (19 in total) which are reviewed on a quarterly basis by the Enterprise Risk Management Committee ("**ERMC**"). For 2022, the BIBD Group continued its Risk Awareness/Culture program, which consists of fortnightly risk trainings to the BIBD Group employees, to

create Risk Awareness/Culture among all members of the BIBD Group community.

The Credit Risk control architecture is premised on constant monitoring undertaken by several processes across the BIBD Group daily, weekly and monthly. Any breach must be recognised by the respective approving level, and all such issues are to be discussed by the respective committees.

The Risk Group has 28 personnel which may see growth if such a need arises. External and internal trainings, as well as on the job continuous mentoring are in place to ensure continuous upgrading of skillsets and experience amongst the personnel.

PRINCIPLE 12

Risks should be identified, monitored and controlled on an ongoing bank-wide and individual entity basis. The sophistication of the Bank's risk management and internal control infrastructure should keep pace with changes to the Bank's risk profile, to the external risk landscape and in industry practice.

The Group has in place the Risk Management Strategy Document which is a holistic set of Risk Appetite Statements (RAS) to ensure BIBD is within acceptable Risk thresholds. As explained in Principle 11, BIBD has in place the ERMF which effective implementation can only be realised through a strong governance structure. The Board through its Committee, the AFRC, is ultimately responsible for BIBD's ERM outcome. The AFRC will review the ERMF on a quarterly basis.

As part of its governance structure, BIBD has different set of policies/guidelines across the Group. Risk related policies/guidelines apply across the Group to cover areas such as Credit, Market Risk, Middle Office, Operational Risk, IT & Cyber and Capital Management, among others

are closely monitored and approved by the respective Board committees and related regulators.

- Credit related limits are analyzed per risk type, such as funded, unfunded and Pre settlement. Analysis contemplates a qualitative and quantitative approach, coupled with external factors that may affect.
- Liquidity Risk is monitored daily.
- Capital Management is monitored monthly, whereby the Capital Adequacy Ratio is calculated and stressed assuming full credit pipeline available at the time.

Additionally, BIBD has adopted several stress exercises such as ICAAP and Recovery Plan, which are duly submitted to BDCB as required. Different modelling techniques, offered by Standard & Poor's (S&P), Moody's, Bloomberg, and others, are adopted by BIBD to carry out a more extensive risk assessment.

PRINCIPLE 13

The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties. The Chairman must be an Independent Director and must not be the Chairman of the Board or of any other committee.

On 19 January 2011, the Board established an Audit Committee known as the Audit, Finance & Risk Committee (“AFRC”). The terms of reference and the constitution of the AFRC are as provided in **Principle 1**. The AFRC oversees the Bank’s risk management framework and policy. This is further elaborated in **Principles 10, 11 and 12** of BIBD’s Corporate Governance report.

The AFRC consists of non-executive directors, all of whom are deemed independent. The Committee Chairman

(“Chairman”) who is an Independent Director is appointed by the Board of Directors of BIBD.

The membership of the two sub-committees of the AFRC has been detailed in **Principle 1**. The Bank also ensures that at least 1 member of the AFSC is a Chartered Accountant and a member of an accounting body (that is a member of IFAC), and at least 2 members have extensive professional experience in the field of financial reporting, risk management or auditing.

The requirements stated in **Principle 13.3** have been incorporated into the TOR of the AFRC.

AFRC meetings are held no fewer than 4 times a year and are held prior to Board meetings. Hence, should there be any deliberations in AFRC meetings requiring approval; or guidance of the full Board, the Chairman of AFRC will escalate such matters at the Board meeting for its approval or guidance.

PRINCIPLE 14

The Bank should establish an effective internal audit function that is adequately resourced and independent of the activities it audits. The internal audit function should provide independent assurance to the board and should support board and senior management in promoting an effective governance process and the long-term soundness of the Bank.

The BIBD Internal Audit function is governed by an Internal Audit Charter. Internal Audit reports directly to the Audit, Finance and Risk Committee (“AFRC”), and provides independent and objective assurance to the AFRC and ultimately the Board of Directors that the internal controls within BIBD and its subsidiaries are designed and operating effectively.

Internal Audit adopts a risk-based approach to audits focusing on high-risk areas across the Bank and its subsidiaries and the frequency of audits vary from one entity to another. Audits conducted are inclusive of considerations to compliance to BDCB guidelines, applicable legislative requirements as well as Shariah principles and applicable SAB and SFSB resolutions.

Internal Audit executed its 2023 Audit Plan and carried out risk-based audits on the Bank and its subsidiaries. Internal Audit will continue to further strengthen the internal audit function based on International Standards for the Professional Practice of Internal Auditing of The Institute of Internal Auditors and its Code of Ethics, and compliance with regulatory guidelines on Internal Audit Function and Corporate Governance for Banks (**Principle 14**).

PRINCIPLE 15

The Bank's board of directors is responsible for overseeing the management of the Bank's compliance risk. The board should establish a compliance function and approve the Bank's policies and processes for identifying, assessing, monitoring and reporting and advising on compliance risk.

BIBD's Compliance Division acts as a trusted advisor on matters related to regulations, anti-money laundering, sanctions and terrorism financing and supports BIBD by protecting its value and image through the monitoring of transactions and ensures compliance with relevant laws and regulations.

The division is made up of four sections:

- 1) Regulatory Compliance ("**RC**"), which is the centralized point for all regulatory matters, through effective engagement between regulators and Divisions within the BIBD organisation;
- 2) Financial Crime Compliance Policy, Advisory and Training ("**FCC PAT**") which oversees compliance risk management through ensuring effective policies are in place, articulating the Group's compliance risk and coordinating training for the wider organisation to ensure effective Compliance culture is in place;
- 3) Financial Crime Compliance Operations ("**FCC Ops**") ensures effective oversight of compliance risk in relation to transactions; and

- 4) Compliance Assurance which conducts monitoring and testing to ensure ongoing compliance with regulations.

The Compliance Division reports directly to the Audit Finance and Risk Committee of the Board and provides advisory and guidance to ensure adherence to regulatory notices. The Division plays a pivotal role in identifying and reporting Compliance Risks to the Board through the annual conduct and review of the Compliance Groupwide Risk Assessment process. Groupwide training is conducted to ensure awareness of and adherence to the Compliance programme.

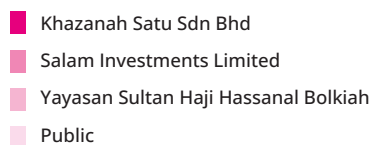
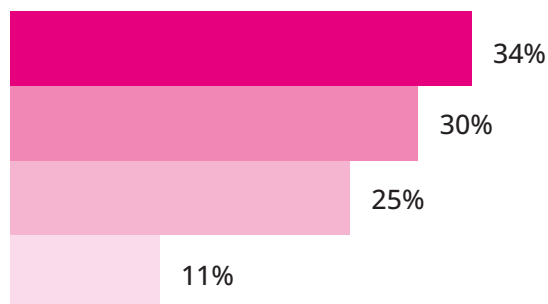
The Division also represents BIBD at the Public-Private Partnership platform, working collectively with other banks and agencies on topical compliance concerns. BIBD continues to invest in Compliance with a drive towards training and certification of the compliance personnel. Engagement with international experts in the field of financial crime compliance continue to take place, with the aim of aligning BIBD's compliance framework with global standards.

PRINCIPLE 16

Banks should treat all shareholders 1) fairly and equitably, and 2) should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

In compliance with R18(1) – (3) of the Securities Market Regulations 2015, BIBD ensures that all relevant and material information or changes in the Bank's financial information, operations or businesses are clearly stated in its Annual Report.

In relation to the status of the BIBD's share ownership, the list of its major shareholders as of 31 December 2023 is set out in the following Table:

Percentage of Shares Held

Furthermore, in ensuring that there is transparency and full disclosure of material information including the Bank's financial information and information relating to the operations and businesses of the Bank, the shareholders may access this information through BIBD's website which is updated regularly to factor in material changes as they occur.

Additionally, the BIBD Board had also approved the Price Sensitive Information Policy which sets out the guidelines in determining Price Sensitive Information and to ensure the proper and orderly public disclosure of the Price Sensitive Information in accordance with the applicable Securities Markets laws and regulations.

As part of BIBD's efforts to ensure that there is a meaningful and informed engagement between the shareholders and BIBD's Board at the Annual General Meeting ("AGM"), the Annual Review that includes the Annual Reports are made available on the BIBD's website to the shareholders twenty-one (21) days prior to the convening of the AGM. The shareholders are thus given sufficient opportunity to review the Annual Review and the Financial Statement and raise any concerns or issues on any aspects relating to the Bank's operations or management at the AGM.

Additionally, BIBD has put in place proper and systematic procedures to ensure that:

- 1) All procedural aspects of the AGM are carried out in accordance with the law.
- 2) Shareholders who are not able to attend the AGM in person are entitled to appoint proxies to attend the AGM.
- 3) Prior to the commencement of any physical AGM, shareholders are properly briefed of the voting procedures and as explained above are subsequently given the opportunity to raise any issues or concerns to be addressed by the Chairman of the AGM or if required, by members of the SAB or senior management. Where the AGM is not able to be convened physically, detailed instructions relating to the voting process and appointment of proxies are set out in the AGM Notice.

PRINCIPLE 17

Banks should actively engage their shareholders, depositors and other relevant stakeholders and put in place an investor relations policy to promote regular, effective and fair communication with stakeholders.

As part of the BIBD's efforts to ensure effective, transparent and fair communication with its stakeholders, all information relating material changes or developments in the Bank's financial information, its operations and/or businesses, is disseminated through various communication channels including its website.

BIBD's website is maintained by its Chief Marketing Office ("CMO") and is regularly updated to ensure that its stakeholders are kept abreast with any development relating to BIBD's financial information, operations and businesses. Further, BIBD is also acute to the critical role which social media platforms have assumed in recent years in the area of information communication. To that end, as and when considered appropriate, news, and notices relating to its operation, business and products are relayed to its customers through its official social media platforms such as Instagram and Facebook.

BIBD's Annual Review which includes the Annual Reports which is published annually coinciding with its AGM provides material information relating to the constitution of the Board and its Committees, their roles, functions and responsibilities, relevant information on its financial performance for the preceding accounting period, as well as updates on its corporate governance initiatives and actions.

With regard to BIBD's compensation policy, this has been addressed under Principle 8 of this Report whilst its risk exposure and risk management strategies have been explained in detail under Principles 9 to 12 of this Report.

With regard to its dividend policy, this has been disclosed under the note "**Capital Adequacy - Capital Management**" in the Audited Financial Statements for the financial year ended 31 December 2023 which states as follows:

"The Group and Bank has a dividend policy to distribute dividend which takes into consideration capital requirements, available distributable retained profits, liquidity and other factors while ensuring compliance with the prevailing laws and regulations".

PRINCIPLE 18

Banks should encourage greater shareholder participation at general meetings of shareholders and allow shareholders the opportunity to communicate their views on various matters affecting the Bank.

As explained in **Principles 16 and 17**, BIBD has put in place the necessary legal and procedure-based governance features to encourage a meaningful and informed shareholders participation and engagement at its AGMs.

For AGMs which are convened physically, the Share Registrar will provide a demonstration on the use of the voting devices prior to the commencement of the AGM. Results of voting on each resolution, showing the number of votes cast will be announced and displayed during the AGM and uploaded on BIBD's website on the next day.

The Chairman and members of the Board including the representatives of the SAB are generally present at the AGMs and are readily available to address any issues or concerns raised by the shareholders. BIBD's external auditors are also present at the AGMs to address any queries pertaining to the conduct of audit and any matters relating thereto.

All the agenda items for the AGM are raised and dealt with separately. There are separate resolutions passed for each agenda item which requires the shareholders' approval. The proceedings of the AGM including the comments or queries raised by the shareholders are properly recorded. The Company Secretary is tasked with the preparation of the minutes of the AGM. Shareholders are entitled to request for a copy of the minutes of the AGM and shall be duly provided with the same.

PRINCIPLE 19

Persons empowered with decision-making authority (including directors) should exercise care to avoid situations that may give rise to a conflict of interest situation.

Management of Conflict of Interest and Related Party Transaction Policy

BIBD through its Board put in place the revision of the Conflict of Interest and Related Party Transaction Policy (“Policy”). This Policy aims to guide the Bank in effectively identifying, documenting, escalating, and addressing conflicts of interest and related party transactions, in line with the Islamic Banking Order 2008, the Companies Act (Chap 39), Principle 19 of the BDCB Corporate Governance Guidelines, and established best practices.

Addressing Conflicts of Interest and managing Related Party Transactions are of paramount importance for BIBD. Section B of the Policy focuses on the systematic identification and management of Conflicts of Interest, while Section C covers Related Party Transactions and the management of its operational intricacies. This unified-Policy approach streamlines oversight, recognising the intertwining nature of conflicts of interest and related party transactions. It ensures proper management of potential biases, undue influence, or unfair advantages that might arise from personal ties or financial dealings.

Board members occupy pivotal roles within the Bank, taking the helm in steering crucial decisions that underpin the Bank’s long-term growth and commitment to shareholder value. Given their influential positions, it is paramount for them to consistently exhibit integrity, transparency, and professionalism, to ensure their actions and decisions remain free from any perceived or actual conflicts of interest.

Effective management of conflicts of interest is essential to uphold the integrity of any organisation. It ensures transparency, builds trust among stakeholders, and promotes ethical decision-making. The Bank’s approach to managing conflicts of interest is through three key steps: Avoidance, Disclosure, and Action.

When an approving body deliberates Related Party Transactions, it is essential to address a series of pivotal aspects to ensure the transaction aligns with the Bank’s best interests. These considerations are grounded in the necessity to maintain transparency, fairness, and strategic alignment.

Shariah Advisory Bodies

Membership

The members of the BIBD SAB are as follows:

- Associate Professor Dr Abdul Nasir bin Haji Abdul Rani (Chairperson)
- Hajah Noraini binti Haji Buntar (Deputy Chairperson)
- Dr Haji Mohd Aidil Yusrie bin Haji Shari (Member)
- Dr Amnisuhailah binti Abarahan (Member)
- Awang Haji Muhammad Ahmad Roza bin Haji Md Daud (Member)

Most of the SAB members of BIBD were reappointed for another 3 years term starting from 27th October 2023 until 26th October 2026, except for the Chairperson whose appointment is for 1 year starting from 27th October 2023 until 26th October 2024. Whereas Awang Haji Muhammad Ahmad Roza is a newly appointed member starting from 28th November 2023 to 26th October 2026.

The members of the BIBD At-Tamwil Berhad (“BIBD ATW”) SAB are as follows:

- Associate Professor Dr Abdul Nasir bin Haji Abdul Rani (Chairman)

- Pengiran Dr Md Hasnol Alwee bin Pengiran Haji Md Salleh (Member)
- Haji Md Syahiran bin Haji Md Sofian (Member)

The SAB members of BIBD ATW were reappointed for another term of 3 years starting from 27th October 2023 until 26th October 2026.

The members of the BIBD Securities Sdn Bhd (“BIBDS”) SAB are as follows:

- Dr Haji Mohd Aidil Yusrie bin Haji Shari (Chairman)
- Dr Amnisuhailah binti Abarahan (Member)
- Dr Ahmad Lutfi bin Abdul Razak* (Member)
- Pengiran Hajah Saerah binti Pengiran Haji Petra (New Member)

**Appointment from 1st September 2020 until 31st August 2023*

2 of the SAB members of BIBDS namely the Chairman and Dr Amnisuhailah were reappointed for another term of 3 years term from 27th October 2023 until 26th October 2026. Whereas Pengiran Hajah Saerah is a new member being appointed into BIBDS SAB membership.

All the SAB members’ appointments were approved by the Syariah Financial Supervisory Board (“SFSB”) of Ministry of Finance and Economy (MOFE).

Duties and Responsibilities

The primary duties and responsibilities of the BIBD SAB are to:

1. Oversee Shariah matters related to the Bank's operations and business activities.
2. Attending any training as required by the Bank from time to time.
3. Advise the Board and Management on Shariah related matters in order for the Bank to comply with Shariah rules and principles at all times. The SAB members are responsible and accountable for all Shariah decisions, opinions and views provided by them.
4. Approve Shariah related policies and guidelines.
5. Advise related parties such as the Bank, clients, legal counsel, auditors or consultants on Shariah matters upon request.
6. Provide written Shariah resolutions and/or opinions in circumstances where the Bank refers to the SAB for further deliberation or where the Bank submits application to BDCB for new product approval.
7. Approve the Zakat calculation methodology and distribution of Zakat of the Bank.
8. Approve the channeling of Shariah Non-Compliant income to charity.
9. Approve products and services to ensure compliance with Shariah rules and principles which includes:
 - (a) Validating the terms and conditions contained in the forms, contracts, agreements or legal documents used in executing the transactions; and
 - (b) Validating the products manual, marketing advertisements, sales illustrations and brochures used to describe the products and services.
10. Assess the works carried out pursuant to Shariah review and Shariah audit which form part of the SAB duties in providing the assessment report on of Shariah compliance and assurance in the Annual Report of the Bank and its Group upon consultation with the Bank's subsidiaries' SAB.
11. To review findings and reports carried out by the Shariah review and Shariah audit functions in order to ensure compliance with Shariah financial matters.
12. To advise the bank on matters to be referred to the SFSB. The SAB may advise the Bank to consult the SFSB on Shariah financial matters which cannot be resolved.
13. To provide an annual assurance that the operations of the Bank are in compliance with Shariah rules and principles to the Board.

The primary duties and responsibilities of the BIBD ATW SAB are to:

1. Oversee Shariah matters related to BIBD ATW operations and financing business activities.
 - (a) Validating the terms and conditions contained in the forms, contracts, agreements or legal documents used in executing the transactions; and
 - (b) Attending any training as required by the BIBD ATW from time to time.
 2. Advise the Board and Management on Shariah related matters in order for BIBD ATW to comply with Shariah rules and principles at all times. The SAB members are responsible and accountable for all Shariah decisions, opinions and views provided by them.
 3. Approve policies and procedures in respect of its Islamic financing business.
 4. Advise related parties such as BIBD ATW's clients, legal counsel, auditors or consultants on Shariah matters for advice upon request.
 5. Provide written Shariah resolutions and/or opinions in circumstances where BIBD ATW make reference to the SAB for further deliberation or where the BIBD ATW submits application to AMBD for new product approval.
 6. Approve the Zakat calculation methodology.
 7. Inform the Bank's SAB of the channeling of SNC income to the Bank's Maslahat Fund for charity.
 8. Approve financing business products and services to ensure compliance with Shariah rules and principles which include:
 - (a) Validating the terms and conditions contained in the forms, contracts, agreements or legal documents used in executing the transactions; and

SECTION 02

- (b) Validating the product manual, marketing advertisements, sales illustrations and brochures used to describe the financing business activities.
10. Assess the work carried out pursuant to Shariah review and Shariah audit which form part of the SAB duties in providing assessment of Shariah compliance and assurance information in the annual report of BIBD ATW.
 11. To review findings and reports carried out by the Shariah review and Shariah audit functions in order to ensure compliance with Shariah financial matters.
 12. To advise on matters to be referred to the SFSB. The SAB may advise BIBD ATW to consult the SFSB on Shariah financial matters which cannot be resolved.
- The primary duties and responsibilities of the BIBDS SAB are to:**
1. Oversee Shariah matters related to BIBDS operations and investment business activities.
 2. Attending any training as required by the BIBDS from time to time.
 3. Advise the Board and Management on Shariah related matters in order for BIBDS to comply with Shariah rules and principles at all times. The SAB members are responsible and accountable for all Shariah decisions, opinions and views provided by them.
 4. Approve policies and procedures in respect of its Islamic investment business.
 5. Advise related parties such as BIBDS's clients, legal counsel, auditors or consultants on Shariah matters for advice upon request.
 6. Provide written Shariah resolutions and/or opinions in circumstances where BIBDS make reference to the SAB for further deliberation or where BIBDS submits application to BDCB for new product approval.
 7. Approve the Zakat calculation methodology.
 8. Inform the BIBD SAB of the channeling of Shariah Non-Compliant income to the BIBD's Maslahat Fund for charity.
 9. Approve investment business activities to ensure compliance with Shariah rules and principles which include:
 - (a) Validating the terms and conditions contained in the forms, contracts, agreements or legal documents used in executing the transactions; and
 - (b) Validating the product manual, marketing advertisements, sales illustrations and brochures used to describe the investment business activities.
 10. Assess the work carried out pursuant to Shariah review and Shariah audit which form part of the SAB duties in providing assessment of Shariah compliance and assurance information in the annual report of BIBDS.
 11. To review findings and reports carried out by the Shariah review and Shariah audit functions in order to ensure compliance with Shariah financial matters.
 12. To advise on matters to be referred to the SFSB. The SAB may advise BIBDS to consult the SFSB on Shariah financial matters which cannot be resolved.

Frequency and Attendance of Meetings

The SABs meets on a regular basis with minimum attendance of at least 75% of the meetings held in 2023.

The following is **BIBD SAB** meetings held in 2023 since the reappointment of its members in October 2023:

No.	Name	Positions (Terms)	SAB Meetings	
			Held	Attendance
1	Associate Professor Dr Abdul Nasir bin Haji Abdul Rani	Chairman (27 October 2023 to 26 October 2024)	3	3
2	Hajah Noraini binti Haji Buntar	Deputy Chairman (27 October 2023-26 October 2026)	3	3
3	Dr Haji Aidil Yusri bin Haji Shari	Member (27 October 2023-26 October 2026)	3	3
4	Dr Amnisuhailah binti Abarahan	Member (27 October 2023-26 October 2026)	3	3
5	Awang Haji Muhammad Ahmad Roza bin Haji Md Daud	Member (28 November 2023 to 26 October 2026)	3	0*

***Note:** Approval of appointment was on 15th January 2024 with retrospective effect on 28th November 2023.

BIBD ATW SAB meetings held in 2023 were as follows:

No.	Name	Positions (Terms)	SAB Meetings	
			Held	Attendance
1	Associate Professor Dr Abdul Nasir bin Haji Abdul Rani	Chairman	5	5
2	Pengiran Dr Md Hasnol Alwee bin Pengiran Haji Md Salleh	Member	5	4*
3	Haji Md Syahiran bin Haji Md Sofian	Member	5	5

***Note:** Absent with apology.

SECTION 02

BIBDS SAB meetings held in 2023 were as follows:

No.	Name	Positions (Terms)	SAB Meetings	
			Held	Attendance
1	Dr Haji Aidil Yusri bin Haji Shari	Chairman (1 September 2020-31 August 2023) and (27 October 2023-26 October 2026)	4	4
2	Dr Amnisuhailah binti Abarahan	Member (1 September 2020-31 August 2023) and (27 October 2023-26 October 2026)	4	4
3	Dr Ahmad Lutfi bin Abdul Razak	Member (1 September 2020-31 August 2023)	4	4
4	Pengiran Hajah Saerah binti Pengiran Haji Petra	Member (27 October 2023-26 October 2026)	0*	0*

***Note:** No meeting held since the date of her appointment (October to December 2023)

Summary of Meetings in 2023

The respective **SABs** has reviewed, advised, and approved all the proposals including legal documentation for products and services submitted by the respective BIBD and subsidiaries' businesses.

Total of **48** business proposals were mooted and deliberated by the respective **SABs** meetings between January to December 2023 as shown in below table:

Proposal by Business and Subsidiaries	No. of Proposal
BIBD:	
Retail Banking Group (RBG)	1
Corporate Banking Group (CBG)	-
Risk Management Division (RMD)	2
Shariah Division (SD)	6
Treasury and Global Markets (TGM)	1
Internal Audit Division (IA)	1
Finance and Strategy Group (FSG)	2
Chief Marketing Office (CMO)	-
Government Relation and Special Project Division (GRSP)	4
Chief Operating Officer Office (COO)	-
BIBD At-Tamwil Berhad	14
BIBD Securities Sdn Bhd	17
TOTAL	48

SAB Members Training Summary

The SAB members attended various forums and trainings to enhance their knowledge and understanding as well as keeping them abreast of the latest development in Islamic Finance industry.

No.	Training Details	SAB Members								
		Assoc. Prof Dr Abdul Nasir	Hjh Noraini	Dr Hj Muhd Aidil	Ust. Muhd Ahmad Roza	Dr Amni Suhailah	Pg Dr Hj Muhd Hasnol	Hj Md Syahiran	Pg Hjh Saerah	Dr Ahmad Lutfi
1	Muzakarah Cendekiawan Syariah Nusantara ke 17	✓					✓	✓		
2	ISRA Fintech Masterclass	✓					✓	✓		
3	OLIVE Digital Innovation Convention	✓	✓			✓	✓	✓	✓	