

Pillar 3 Disclosures - As at 31st March 2024

Executive Summary

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

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

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

KM1: Key Metrics

Purpose: To provide an overview of the Group’s prudential regulatory metrics						
Content: Key prudential metrics related to regulatory capital and other regulatory requirements						
Frequency: Quarterly						
Format: Fixed						
Narrative: Quarter-on-Quarter, the tier 1 capital and total capital slightly increased due to a recovery in the fair value reserve which resulted in a higher available capital compared to December 2023.						
In terms of RWA, the increase in RWA is resulted from an increase in overall deposits. Further elaboration can be found in section OV1: Overall risk weight.						
Quantitative disclosure:						
		T	T-1	T-2	T-3	T-4
		31-Mar-24	31-Dec-23	30-Sep-23	30-Jun-23	31-Mar-23
Available capital (BND'000)						
1	Tier 1	1,340,318	1,339,448	1,147,318	1,281,337	1,280,118
2	Total Capital	1,348,009	1,347,365	1,155,869	1,291,957	1,291,679
Risk-weighted assets (BND'000)						
3	Total risk-weighted assets (RWA)	7,653,391	7,270,838	7,214,520	7,262,122	6,882,040
Risk-based capital ratios as a percentage of RWA						
4	Tier 1 ratio (%)	17.5%	18.4%	15.9%	17.6%	18.6%
5	Total capital ratio (%)	17.6%	18.5%	16.0%	17.8%	18.8%

OV1: Overview of Risk Weighted Assets (RWA)

Purpose: To provide an overview of total RWAs and further respective breakdowns.				
Frequency: Quarterly				
Format: Fixed				
Narrative:				
There has been an overall increase in RWA from 2023 Q4. This is attributed by an increase in the exposure in banks and exposure in other assets. The increase in credit risk RWA is driven by a growth in customer deposits, leading to the said increase. In addition to that, operational risk RWA has increased due to higher revenue averages in the previous years.				
Quantitative disclosure:				
BND'000		(a)	(b)	(c)
		RWA		Minimum capital requirement
		31-Mar-24	31-Dec-23	31-Mar-24
1	Credit Risk (Standardised)	7,001,168	6,650,444	700,117
2	Market Risk (Standardised)	3,659	2,328	366
3	Operational risk (Basic Indicator Approach)	648,564	618,066	64,856
4	Total	7,653,391	7,270,838	765,339