

**Bank Islam Brunei Darussalam Berhad
and its Subsidiaries**

Registration Number: RC00006420

Annual Report
Year ended 31 December 2024

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Directors' Report

The directors have pleasure in presenting this report together with the audited financial statements of Bank Islam Brunei Darussalam Berhad (“the Bank”) and its subsidiaries (“the Group”) for the financial year ended 31 December 2024.

Principal activities

The Bank is principally engaged in the provision of Islamic banking business as allowed under the Islamic Banking Act (Cap. 168) and Shariah principles.

The subsidiaries are principally engaged in the provision of investment banking, Islamic hire-purchase, stockbroking, asset and fund management, leasing and management services.

There were no significant changes in these activities during the financial year.

Results

	Group	Bank
	B\$'000	B\$'000
Profit for the year Attributable to:		
Equity holders of the Bank	<u>153,878</u>	<u>150,429</u>

Dividends

The amount of dividends paid by the Bank since 31 December 2023 are as follows:

	B\$'000
In respect of the financial year ended 31 December 2023: Final dividend of 17.40 cents per ordinary share paid on 2 December 2024	 126,106

Directors

The names of directors of the Bank at the date of this report and during the period under this report are:

Dato Seri Setia Awang Haji Ahmaddin bin Haji Abdul Rahman	(Appointed on 6 June 2024)
Dato Seri Setia Dr Awang Haji Mazanan bin Haji Yusuf	(Appointed on 12 December 2024)
Poh Kui Choon	(Appointed on 26 October 2024)
Shamsul Bahri bin Haji Khamis	(Appointed on 12 December 2024)
Hajah Suriana binti Haji Radin	(Appointed on 12 December 2024)
Junaidi bin Haji Masri	
Dato Seri Setia Dr Awang Haji Mohd Amin Liew bin Abdullah	(Resigned on 6 June 2024)
Dr Jan Hendrik van Greuning	(Resigned on 26 October 2024)
Haji Sofian bin Mohammad Jani	(Resigned on 12 December 2024)
Errol Melville Kruger	(Resigned on 12 December 2024)

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there exist any arrangements to which the Bank was a party, whereby the directors might acquire benefits by means of acquisition of shares in the Bank or any other corporate body.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefit included in the aggregate amount of emoluments received or due receivable by directors, or the fixed salary of a full time employee of the Bank as disclosed in Note 35 to the financial statements) by reason of a contract made by the Bank or a related corporation with any director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.


Directors' interests

The following directors who held office at the end of the financial year had, according to the register required to be kept under Section 145 (A), of the Companies Act, Chapter 39, an interest in shares of the Bank, as stated below:


Name of directors	Number of ordinary shares of B\$0.70 each	
	At beginning of the year	At end of the year
Junaidi bin Haji Masri	2	2

Other than as disclosed, none of the directors in office at the end of the financial year had any interest in shares and in options in the Bank or its related corporations during the financial year.

Signed on behalf of the Board in accordance with a resolution of the directors dated **24 MAR 2025**



Dato Seri Setia Awang Haji Ahmaddin bin Haji Abdul Rahman
Chairman



Junaidi bin Haji Masri
Managing Director



Poh Kui Choon
Director

Brunel Darussalam

24 MAR 2025

Statement by Directors

In the opinion of the Directors, the financial statements set out on pages FS1 to FS128 are drawn up in accordance with the Brunei Darussalam Companies Act, Cap. 39 (the "Act"), Islamic Banking Act (Cap. 168) (the "IBA") and International Financial Reporting Standards ("IFRS") Accounting Standards so as to give a true and fair view of the financial position of the Group and the Bank as of 31 December 2024 and the financial performance, changes in equity and cash flows of the Group and the Bank for the financial year ended 31 December 2024.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated

24 MAR 2025



Dato Seri Setia Awang Haji Ahmaddin bin Haji Abdul Rahman
Chairman



Junaidi bin Haji Masri
Managing Director



Poh Kui Choon
Director

Brunei Darussalam

24 MAR 2025

Shariah Advisory Body Report

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

أَلْحَمْدُ لِلَّهِ رَبِّ الْعَالَمِينَ، وَالصَّلَاةُ وَالسَّلَامُ عَلَى سَيِّدِنَا مُحَمَّدٍ وَعَلَى آلِهِ وَصَحْبِهِ أَجْمَعِينَ

To the Shareholders of Bank Islam Brunei Darussalam Berhad,

السلام عليكم ورحمة الله وبركاته

In compliance with the terms of our appointment and in our capacity as members of Bank Islam Brunei Darussalam Berhad’s Shariah Advisory Body, we are pleased to report as follows:

- a) We have reviewed the principles outlined in the contracts that relate to the transactions as well as the applications of these principles in the products and services introduced by Bank Islam Brunei Darussalam Berhad (“the Bank”) and its Group of Companies (“the Group”) through consultation with the respective Bank’s subsidiaries’ Shariah Advisory Body (“the Subsidiaries’ SAB”) during the course of the financial year ended 31 December 2024. We have also conducted our review to form an opinion as to whether the Bank and the Group has complied with *Hukum Syara’*.
- b) The Bank’s and the Group’s management are responsible for ensuring that its operations are carried out in line with *Hukum Syara’*. It is our responsibility to present an independent opinion based on our review of the Bank’s and the Group’s business operations and subsequently report to you.
- c) We have assessed the work carried out by the Shariah control functions which also include Shariah review and Shariah audit examination, on a test basis, each type of transactions, the relevant documentation and procedures adopted and or entered by the Bank and the Group.
- d) We obtained all information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the Bank and the Group has not violated the *Hukum Syara’* in all transactions that had been presented to us.

We, the Shariah Advisory Body of Bank Islam Brunei Darussalam are of the opinion and hereby confirm that: -

- a. The products and services, contracts and dealings transactions entered into by the Bank and the Group during the financial period ended 31 December 2024 that we have reviewed are in compliance with *Hukum Syara'*;
- b. The allocation of profit and charging of losses relating to investment accounts conform to the basis that had been approved by us in accordance with *Hukum Syara'*;
- c. All earnings that have been realised from sources or by means prohibited by the *Hukum Syara'* have been separated and considered for *Maslahah 'Ammah* (public benefit) disposal upon approval by us;
- d. Every incident of Shariah non-compliant event has been brought to our attention and we have subsequently noted that the corrective as well as preventive measures have been taken by the Bank and the Group in order to avoid the same from occurring in the future; and
- e. The zakat of the Bank and the Group's business is in accordance with the calculation methodology approved by this Body.

This opinion is rendered based on the information presented by the management of the Bank to us.

We pray to Allah *Subhanahu Wa Ta'ala* to assist us to act in accordance with the rulings of Islam and to keep away from carrying out any transactions that are prohibited by Allah *Subhanahu Wa Ta'ala*. May Allah *Subhanahu Wa Ta'ala* bless us with the best *taufiq* and *hidayah* to accomplish these cherished tasks, grant us success and forgive our mistakes in both this world and in the hereafter. Amin.

والله ولي التوفيق

Signed on behalf of the Shariah Advisory Body in accordance with resolution of the members,



Hajah Noraini binti Haji Buntar
Chairperson

Brunei Darussalam

24 MAR 2025



کي تي عيم جي

KPMG

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Independent Auditors' Report

To the Shareholders of Bank Islam Brunei Darussalam Berhad

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Bank Islam Brunei Darussalam Berhad ('the Bank') and its subsidiaries ('the Group'), which comprise the statements of financial position of the Group and the Bank as at 31 December 2024, the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and the Bank for the year then ended, and notes to the financial statements, comprising material accounting policy information as set out on pages FS1 to FS128.

In our opinion, the accompanying consolidated financial statements are properly drawn up in accordance with the provisions of the Brunei Darussalam Companies Act, Chapter 39 ('the Act'), Islamic Banking Act (Cap. 168) and IFRS Accounting Standards as issued by the International Accounting Standards Board ('IFRS Accounting Standards'), so as to give a true and fair view of the financial positions of the Group and of the Bank as at 31 December 2024, and of the financial performances and cash flows of the Group and of the Bank for the year then ended.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs'). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the consolidated financial statements*' section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Brunei Darussalam, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises all information in the annual report other than the consolidated financial statements and our auditors' report thereon.

We have obtained the Directors' Report, the Statement by Directors and Shariah Advisory Body Report prior to the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially

inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the provisions of the Act and IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



KPMG
Certified Public Accountants



Sufian bin Zainul Abidin
Public Accountant

Brunei Darussalam
24 March 2025

Income Statements
Year ended 31 December 2024

	Note	Group		Bank	
		2024 BS'000	2023 BS'000	2024 BS'000	2023 BS'000
Profits from financing, leasing and investments	3	471,231	461,460	439,577	430,700
Profits paid/payable to depositors	4	(139,112)	(111,584)	(137,899)	(108,631)
Net profit margin		332,119	349,876	301,678	322,069
Fee and commission income	5	54,940	54,447	52,784	52,208
Fee and commission expense	5	(20,221)	(18,323)	(20,221)	(18,323)
Net fee and commission income		34,719	36,124	32,563	33,885
(Loss)/Gain from derivatives and investments	6	(147,944)	13,688	(147,944)	13,688
Net foreign exchange gain/(loss)	6	102,116	(48,025)	102,116	(48,025)
Other operating income	7	22,201	24,815	23,883	45,585
Total income		343,211	376,478	312,296	367,202
Less:					
Personnel expenses	8	(74,799)	(83,565)	(62,469)	(71,946)
Other expenses	9	(76,452)	(74,591)	(62,838)	(64,558)
Total operating expenses		(151,251)	(158,156)	(125,307)	(136,504)
Operating profit before allowances		191,960	218,322	186,989	230,698
Less:					
Allowance for impairment on financial assets	10	(7,418)	(9,557)	(6,658)	(9,245)
Operating profit		184,542	208,765	180,331	221,453
Share of profits of associates and joint ventures	24	1,891	12,263	-	-
Profit before zakat and tax		186,433	221,028	180,331	221,453
Less:					
Zakat	11	(2,228)	(4,862)	(2,228)	(4,862)
Income tax expense	12	(30,327)	(37,420)	(27,674)	(32,707)
Total zakat and income tax expense		(32,555)	(42,282)	(29,902)	(37,569)
Profit for the year		153,878	178,746	150,429	183,884
Profit for the year attributable to:					
Equity holders of the Bank		153,878	178,746	150,429	183,884
Profit for the year		153,878	178,746	150,429	183,884
Earnings per share					
Basic earnings per share (dollars)	14	0.21	0.25		
Diluted earnings per share (dollars)	14	0.21	0.25		

The accompanying notes form an integral part of these financial statements.

**Statements of Comprehensive Income
Year ended 31 December 2024**

	Group		Bank	
	2024	2023	2024	2023
	BS'000	BS'000	BS'000	BS'000
Profit for the year	153,878	178,746	150,429	183,884
Other comprehensive income:				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
- Net change in fair value of equity investments at FVOCI	597	377	597	377
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
- Net change in fair value of debt investments at FVOCI	16,228	16,151	16,228	16,151
- Foreign currency translation differences	114	(63)	-	-
Share of other comprehensive income of associate	42	42	-	-
Tax on other comprehensive income	(3,122)	(3,207)	(3,122)	(3,207)
Other comprehensive income for the year, net of tax	13,859	13,300	13,703	13,321
Total comprehensive income for the year	167,737	192,046	164,132	197,205
Attributable to:				
Equity holders of the Bank	167,737	192,046	164,132	197,205
Total comprehensive income for the year	167,737	192,046	164,132	197,205

The accompanying notes form an integral part of these financial statements.

**Statements of Financial Position
As at 31 December 2024**

	Note	Group		Bank	
		2024 BS'000	2023 BS'000	2024 BS'000	2023 BS'000
Assets					
Cash and cash equivalents	15	2,292,521	2,002,117	2,294,400	2,004,962
Balances with Brunei Darussalam Central Bank	16	553,536	512,770	505,827	470,826
Placements with and financing and advances to banks	17	824,983	1,028,516	1,570,982	1,692,025
Government sukuks	18	9,358	9,859	9,358	9,859
Investments	19	1,500,220	1,414,646	1,500,220	1,414,646
Derivative financial assets	20	12,014	67,839	12,014	67,839
Financing and advances	21	5,448,261	4,952,429	4,549,430	4,145,225
Finance lease receivables	22	-	12,497	-	12,497
Investments in subsidiaries	23	-	-	73,289	32,844
Investments in associates	24	58,610	31,001	34,203	7,080
Other assets	25	409,056	223,515	436,849	255,086
Property and equipment	26	112,021	98,027	80,882	77,992
Investment property	27	19,445	20,270	19,445	20,270
Deferred tax assets	28	4,181	9,537	6,240	9,700
Assets held for sale	43	-	30,524	-	15,278
Total assets		11,244,206	10,413,547	11,093,139	10,236,129
Liabilities and equity					
Deposits from customers	29	8,332,378	8,121,271	8,268,465	8,022,020
Deposits from banks and other financial institutions	30	288,390	329,327	332,323	376,936
Placements from other financial institutions	31	602,762	184,569	602,762	184,569
Derivative financial liabilities	20	65,201	15,710	65,201	15,710
Other liabilities	32	507,471	351,360	501,254	349,794
Zakat		7,946	8,612	7,946	8,612
Provision for taxation		39,141	43,412	37,007	38,333
Total liabilities		9,843,289	9,054,261	9,814,958	8,995,974
Equity					
Share capital	33	507,325	507,325	507,325	507,325
Statutory reserves fund	34	599,075	591,175	552,032	544,510
Other reserves	34	294,517	260,786	218,824	188,320
Total equity attributable to equity holders of the Bank		1,400,917	1,359,286	1,278,181	1,240,155
Total equity		1,400,917	1,359,286	1,278,181	1,240,155
Total liabilities and equity		11,244,206	10,413,547	11,093,139	10,236,129

Certification

I certify that the above financial statements give a true and fair view of the financial position as at 31 December 2024 and the financial performance for the year ended 31 December 2024.



Junaidi bin Haji Masri
Managing Director

The financial statements were approved by the Board of Directors and signed for and on its behalf of the Board.



Dato Seri Setia Awang Haji Ahmaddin bin Haji Abdul Rahman
Chairman



Junaidi bin Haji Masri
Managing Director



Poh Kui Choon
Director

Brunei Darussalam

24 MAR 2025

**Statement of Changes in Equity
Year ended 31 December 2024**

Group	Note	Share capital BS'000	Statutory reserves fund BS'000	-----Other reserves-----			Total shareholders' funds BS'000
				Fair value reserve BS'000	Foreign currency translation reserve BS'000	Retained profits BS'000	
At 1 January 2024		507,325	591,175	(22,319)	(211)	283,316	1,359,286
Profit for the year		-	-	-	-	153,878	153,878
Other comprehensive income		-	-	13,745	114	-	13,859
Total comprehensive income for the year		-	-	13,745	114	153,878	167,737
Transfers to statutory reserves	34	-	7,900	-	-	(7,900)	-
Transactions with owners of the Bank							
Contributions and distributions							
Dividends paid on ordinary shares	13	-	-	-	-	(126,106)	(126,106)
Total contributions and distributions		-	-	-	-	(126,106)	(126,106)
At 31 December 2024		507,325	599,075	(8,574)	(97)	303,188	1,400,917

Statement of Changes in Equity (Cont'd)

Group	Note	Share capital BS'000	Statutory reserves fund BS'000	-----Other reserves-----			Total shareholders' funds BS'000
				Fair value reserve BS'000	Foreign currency translation reserve BS'000	Retained profits BS'000	
At 1 January 2023		507,325	581,819	(35,682)	(148)	240,032	1,293,346
Profit for the year		-	-	-	-	178,746	178,746
Other comprehensive income		-	-	13,363	(63)	-	13,300
Total comprehensive income for the year		-	-	13,363	(63)	178,746	192,046
Transfers to statutory and other reserves	34	-	9,356	-	-	(9,356)	-
Transactions with owners of the Bank							
Contributions and distributions							
Dividends paid on ordinary shares	13	-	-	-	-	(126,106)	(126,106)
Total contributions and distributions		-	-	-	-	(126,106)	(126,106)
At 31 December 2023		507,325	591,175	(22,319)	(211)	283,316	1,359,286

**Statement of Changes in Equity
Year ended 31 December 2024**

	Note	-----Other reserves-----				Total BS'000
		Share capital BS'000	Statutory reserves fund BS'000	Fair value reserve BS'000	Retained profits BS'000	
Bank						
At 1 January 2024		507,325	544,510	(27,165)	215,485	1,240,155
Profit for the year		-	-	-	150,429	150,429
Other comprehensive income		-	-	13,703	-	13,703
Total comprehensive income for the year		-	-	13,703	150,429	164,132
Transfers to statutory reserves	34	-	7,522	-	(7,522)	-
Transactions with owners of the Bank						
Contributions and distributions						
Dividends paid on ordinary shares	13	-	-	-	(126,106)	(126,106)
Total contributions and distributions		-	-	-	(126,106)	(126,106)
At 31 December 2024		507,325	552,032	(13,462)	232,286	1,278,181

Statement of Changes in Equity (cont'd)

	Note	-----Other reserves-----				Total B\$'000
		Share capital B\$'000	Statutory reserves fund B\$'000	Fair value reserve B\$'000	Retained profits B\$'000	
Bank						
At 1 January 2023		507,325	535,316	(40,486)	166,901	1,169,056
Profit for the year		-	-	-	183,884	183,884
Other comprehensive income		-	-	13,321	-	13,321
Total comprehensive income for the year		-	-	13,321	183,884	197,205
Transfers to statutory and other reserves	34	-	9,194	-	(9,194)	-
Transactions with owners of the Bank						
Contributions and distributions						
Dividends paid on ordinary shares	13	-	-	-	(126,106)	(126,106)
Total contributions and distributions		-	-	-	(126,106)	(126,106)
At 31 December 2023		507,325	544,510	(27,165)	215,485	1,240,155

**Statements of Cash Flows
Year ended 31 December 2024**

	Group		Bank	
	2024 BS'000	2023 BS'000	2024 BS'000	2023 BS'000
Cash flows from operating activities				
Profit before zakat and tax	186,433	221,028	180,331	221,453
Adjustments for:				
Dividend income from subsidiaries	-	-	(1,500)	(23,000)
Dividend income from associate	-	-	-	(524)
Allowance for impairment on financing and advances made	7,086	8,252	6,302	7,962
Allowance for impairment on receivables made	188	2,276	188	2,276
Depreciation/amortisation of property and equipment and investment property	21,509	19,170	15,214	15,140
Allowance for impairment on investments charged/(reversed)	144	(971)	168	(993)
Loss on disposal of property and equipment	240	584	-	-
Gain on disposal of assets held for sale	(4,475)	-	(6,555)	-
Change in share of net assets of associates and joint ventures	(444)	(12,263)	-	-
	<u>210,681</u>	<u>238,076</u>	<u>194,148</u>	<u>222,314</u>
Changes in:				
Deposits from customers	211,107	(1,223,452)	246,445	(1,223,307)
Deposits from banks and other financial institutions	(40,937)	(76,720)	(44,613)	54,541
Placements from other financial institutions	418,193	184,569	418,193	184,569
Derivative financial liabilities	49,491	141	49,491	141
Other liabilities	158,657	(122,518)	157,088	(114,002)
Balances with Brunei Darussalam Central Bank	(40,766)	43,834	(35,001)	47,834
Placements with and financing and advances to banks	196,144	517,512	113,654	297,218
Government sukuks	501	87,473	501	87,473
Investments	(68,974)	24,594	(68,974)	24,594
Financing and advances	(502,919)	(673,017)	(410,507)	(606,643)
Derivative financial assets	55,825	(68,774)	55,825	(68,774)
Other assets	(173,042)	137,448	(199,511)	132,010
	<u>473,961</u>	<u>(930,834)</u>	<u>476,739</u>	<u>(962,032)</u>
Zakat paid	(2,893)	-	(2,893)	-
Taxes paid	(35,536)	(29,445)	(31,847)	(24,806)
Net cash generated from/(used in) operating activities	435,532	(960,279)	441,999	(986,838)

Statements of Cash Flows (Cont'd)
Year ended 31 December 2024

	Group		Bank	
	2024	2023	2024	2023
	B\$'000	B\$'000	B\$'000	B\$'000
Cash flows from investing activities				
Proceeds from sale of property and equipment	-	976	-	9
Purchase of property and equipment	(30,265)	(20,965)	(16,425)	(13,734)
Acquisition of investment property	-	(12)	-	(12)
Proceeds from disposal of assets held for sale	35,000	-	11,633	-
Investments in associates	(27,123)	-	(27,123)	-
Dividend received from subsidiaries	-	-	1,500	23,000
Dividend received from associate	-	524	-	524
Net cash (used in)/generated from investing activities	(22,388)	(19,477)	(30,415)	9,787
Cash flows from financing activities				
Dividends paid	(126,106)	(126,106)	(126,106)	(126,106)
Payment of lease liabilities	(3,995)	(4,049)	(3,401)	(3,447)
Net cash used in financing activities	(130,101)	(130,155)	(129,507)	(129,553)
Net change in cash and cash equivalents	283,043	(1,109,911)	282,077	(1,106,604)
Cash and cash equivalents at 1 January	2,002,117	2,999,315	2,004,962	2,998,853
Effect of exchange rate fluctuations on cash and cash equivalents held	7,361	112,713	7,361	112,713
Cash and cash equivalents at 31 December	2,292,521	2,002,117	2,294,400	2,004,962

Statement pursuant to Section 125 of the Brunei Darussalam Companies Act

The consolidated profit for the financial year ended 31 December 2024 as shown in the consolidated financial statements of the Group includes the share of profit/(loss) from the following subsidiaries, for the financial year ended 31 December 2024:

- (a) BIBD At-Tamwil Bhd
- (b) BIBD Securities Sdn Bhd
- (c) BIBD Management & Services Sdn Bhd
- (d) Better Sdn Bhd
- (e) BIBD Middle East Limited

During the year, no provision or impairment has been made by the Bank for its investments in subsidiaries. The profit/(loss) of the subsidiaries have been taken into account by the directors of the Bank in arriving at the profit of the Group as disclosed in the financial statements.

On behalf of the Board of Directors

Dato Seri Setia Awang Haji Ahmaddin bin Haji Abdul Rahman
Chairman

Junaidi bin Haji Masri
Managing Director

Poh Kui Choon
Director

Brunei Darussalam
24 MAR 2025

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 Principal activities and general information

Bank Islam Brunei Darussalam Berhad (“the Bank”) is incorporated and domiciled in Negara Brunei Darussalam and the registered office of the Bank is Bangunan BIBD, Lot 159, Jalan Pemancha, Bandar Seri Begawan BS8711, Negara Brunei Darussalam.

The Bank is principally engaged in the provision of Islamic banking business in accordance with Shariah principles as allowed under the Islamic Banking Act (Cap. 168).

The subsidiaries 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.

The consolidated financial statements of the Bank and its subsidiaries (together referred to as “the Group” and individually as “Group entities”) as at and for the year ended 31 December 2024 comprise the results and financial position of the Bank, its subsidiaries and the Group's interest in equity-accounted investees.

2 Summary of material accounting policies

2.1 Basis of preparation

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise indicated. The accounting policies have been applied consistently by Group entities.

(a) Statement of compliance

The financial statements of the Group and of the Bank have been prepared in accordance with the IFRS Accounting Standards.

Standards adopted during the year 31 December 2024

The Group and Bank have applied the following IFRSs, amendments to and interpretations of IFRS for the first time for the annual period beginning on 1 January 2024:

- Amendments to IAS 1: *Non-current Liabilities with Covenants*
- Amendments to IAS 1: *Classification of Liabilities as Current or Non-current*
- Amendments to IFRS 16: *Lease Liability in a Sale and Leaseback*
- Amendments to IAS 7 and IFRS 7: *Supplier Finance Arrangements*

The application of the above standards and amendments did not have a material effect on the financial statements.

New standards and interpretations not adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these financial statements.

(b) Basis of measurement

The financial statements have been prepared under the historical cost convention except for derivative financial instruments, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income ("FVOCI"), which have been measured at fair value.

(c) Functional and presentation currency

The financial statements are presented in Brunei dollars (B\$), which is the Bank's functional currency and all values are rounded to the nearest thousand (B\$'000), unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised relating to Expected Credit Losses (ECL) in the financial statements is included in the following note:

- Financial instruments
 - Financing and advances (Note 21)
 - Financial risk management (Note 36)

2.2 Basis of consolidation

Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Acquisition of non-controlling interest

The Group treats all changes in its ownership interest in subsidiary that do not result in loss of control as equity transactions between Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is recognised in Group reserves.

Subsidiaries

Subsidiaries are entities controlled by the Bank. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive.

The Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are stated in the Bank's statement of financial position at cost less impairment losses, if any. Where there is indication of impairment, the carrying amount of the investment is assessed. A write down is made if the carrying amount exceeds its recoverable amount.

Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee.

Joint ventures

Joint venture is an entity in which the Group has joint control. In the Bank's financial statements, investment in joint ventures is stated at cost less allowance for impairment, if any.

The investment in a joint venture is accounted for in the consolidated financial statements using the equity method less any impairment losses.

The consolidated financial statements include the Group's share of the profit or loss of the joint venture, to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases. Under the equity method, the Group's investment in joint ventures is carried in the balance sheet at cost, plus post-acquisition changes in the Group's share of net assets of the joint ventures, less allowance for impairment, if any. The Group recognises its share of the results of operations of the joint venture in the consolidated income statement.

Associate

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

Investment in associate is accounted for in the Group's consolidated financial statements using the equity method less any impairment losses. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associate, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in the associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, the retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

In the Bank's separate financial statements, the investment in associate is stated at cost less impairment losses, if any. The cost of the investment includes transaction costs.

Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Bank, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the equity holders of the Bank. Non-controlling interest in the results of the Group is presented in the consolidated profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and equity holders of the Bank.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Transactions eliminated on consolidation

In preparing the consolidated financial statements, intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated.

Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the associate. Unrealised losses are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

2.3 Foreign currency

Foreign currency transactions and balances

In preparing the financial statements of the individual entities, transactions in foreign currencies are translated into the respective entity's functional currency at the exchange rate prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the year, adjusted for effective yield and payments during the year, and the amortised cost in the foreign currency translated at the spot exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the reporting date, except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of an equity investment designated at fair value through other comprehensive income ("FVOCI") which are recognised in other comprehensive income.

2.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances with banks and other financial institutions and money-at-call and short notice and interbank placements with original maturities not exceeding three months.

2.5 Financial instruments

Recognition and initial measurement

Receivables and debt securities are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue.

The Group categorises its financial instruments as follows:

Financial assets

(a) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

The Bank fair values the equity investments at each of the subsequent reporting dates and gains and losses are recognised in OCI. However, dividends are recognised in profit or loss unless they clearly represent a repayment of part of the cost of the investment. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss. However, the Bank may transfer the cumulative gain or loss within equity.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual profit, maintaining a particular yield rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how management is compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment whether contractual cash flows are solely payments of principal and profit

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Profit' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic financing risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and profit, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension features;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features); and

- features that modify consideration of the time value of money (e.g. periodic reset of yield rates).

The Group holds a portfolio of long-term fixed rate financing for which the Group has the option to propose to revise the yield rate at periodic reset dates. These reset rights are limited to the market rate at the time of revision. The borrowers have an option to either accept the revised rate or redeem the financing at par without penalty. The Group has determined that the contractual cash flows of these financing are solely payments of principal and profit because the option varies the yield rate in a way that is consideration for the time value of money, credit risk, other basic financing risks and costs associated with the principal amount outstanding.

Non-recourse financing

In some cases, financing made by the Group that are secured by collateral of the borrower limit the Group's claim to cash flows of the underlying collateral (non-recourse financing). The Group applies judgment in assessing whether the non-recourse financing meet the solely payment of principal and profit criterion. The Group typically considers the following information when making this judgement:

- whether the contractual arrangement specifically defines the amounts and dates of the cash payments of the financing;
- the fair value of the collateral relative to the amount of the secured financial asset;
- the ability and willingness of the borrower to make contractual payments, notwithstanding a decline in the value of collateral;
- whether the borrower is an individual or a substantive operating entity or is a special-purpose entity;
- the Group's risk of loss on the asset relative to a full-recourse financing;
- the extent to which the collateral represents all or a substantial portion of the borrower's assets; and
- whether the Group will benefit from any upside from the underlying assets.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

(b) Impairment

The Group recognises loss allowances for ECLs on the following financial instruments that are not measured at FVTPL:

- financing and advances;

- placements with and financing and advances to banks;
- financial instruments that are debt instruments;
- lease receivables;
- financial guarantee contracts issued; and
- commitments issued.

No impairment loss is recognised on equity investments.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Loss allowances for lease receivables are measured at an amount equal to lifetime ECL.

The Group considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group considers this to be BBB- or higher.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Measurement of ECLs

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group expects to recover.

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows:

- if the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- if the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective yield rate of the existing financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a financing or advance by the Group on terms that the Group would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A financing that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail financing that is overdue for 90 days or more is considered impaired.

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Group considers the following factors.

- the rating agencies' assessments of creditworthiness.
- the country's ability to access the capital markets for new debt issuance.
- the probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- the international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- commitments and financial guarantee contracts: generally, as a provision;
- where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the commitment component separately from those on the drawn component: the Group presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
- debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

Write-off

Financing and advances and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Financial liabilities

Financial liabilities are initially recognised on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument, at fair value, net of transaction cost incurred. Subsequent to initial recognition, these financial liabilities are carried at amortised cost, using the effective yield rate method, except for trading liabilities and liabilities designated at fair value, which are held at fair value through profit or loss.

(a) Deposits and balances of banks and other financial institutions

Deposits and balances of banks and other financial institutions comprise money market deposits. These deposits and balances are classified as financial liabilities held at amortised cost.

(b) Deposits of non-bank customers

Deposits of non-bank customers comprise money market deposits placed with the Group. These deposits are classified as financial liabilities held at amortised cost.

The Group designates certain financial liabilities as at FVTPL in either of the following circumstances:

- the liabilities are managed, evaluated and reported internally on a fair value basis, or
- the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

As at financial years ended 31 December 2023 and 2024, there are no financial liabilities that have been designated at FVTPL.

Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and yield rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

Non-integral financial guarantee contracts

The Group assesses whether a financial guarantee contract held is an integral element of a financial asset that is accounted for as a component of that instrument or is a contract that is accounted for separately. The factors that the Group considers when making this assessment include whether:

- the guarantee is implicitly part of the contractual terms of the debt instrument;
- the guarantee is required by laws and regulations that govern the contract of the debt instrument;
- the guarantee is entered into at the same time as and in contemplation of the debt instrument; and
- the guarantee is given by the parent of the borrower or another company within the borrower's group.

If the Group determines that the guarantee is an integral element of the financial asset, then any premium payable in connection with the initial recognition of the financial asset is treated as a transaction cost of acquiring it. The Group considers the effect of the protection when measuring the fair value of the debt instrument and when measuring ECL.

If the Group determines that the guarantee is not an integral element of the debt instrument, then it recognises an asset representing any prepayment of guarantee premium and a right to compensation for credit losses. A prepaid premium asset is recognised only if the guaranteed exposure neither is credit-impaired nor has undergone a significant increase in credit risk when the guarantee is acquired. These assets are recognised in 'other assets'. The Group presents gains or losses on a compensation right in profit or loss in the line item 'impairment losses on financial instruments'.

Fair value measurement

The fair values of financial instruments traded in active markets (such as over-the-counter securities and derivatives) are based on quoted market prices at the reporting date derived from market prices. For unquoted financial instruments, fair value is determined using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models.

Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial assets expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of risks and rewards of ownership and it does not retain control of the financial asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legal enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

2.6 Property and equipment

(a) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of property and equipment and is recognised net within “other operating income” and “other expenses” respectively in profit or loss.

(b) Subsequent costs

The cost of replacing a component of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Bank, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

(c) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property and equipment.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group or the Bank will obtain ownership by the end of the lease term. Land is not depreciated. Property and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current period are as follows:

- | | |
|-------------------------------------|--|
| ● Leasehold improvements | Over the lease term and not more than 10 years |
| ● Equipment, furniture and fittings | 3-5 years |
| ● Motor vehicles | 7 years |
| ● Asset under lease | 4 years or lease terms whichever is shorter |
| ● Computer software | 5 years |

Depreciation methods, useful lives and residual values are reassessed at end of the reporting period.

2.7 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the supply of services or for administrative purposes. The Group holds investment property which has been acquired through the enforcement of security over financing and advances. Investment property is initially measured at cost and subsequently at cost less accumulated depreciation and impairment loss.

The cost of replacing a component of an item of investment property is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Bank, and its cost can be measured reliably.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

When the use of a property changes such that it is reclassified as property and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Depreciation on investment property is recognised in profit or loss on a straight-line basis over the lease term and not more than 50 years.

2.8 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

i. As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the profit rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental profit rate. Generally, the Group uses its incremental profit rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining profit rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective yield method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property and equipment' and lease liabilities in 'other liabilities' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ii. As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease (see Note 22). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other operating income'.

2.9 Impairment for non-financial assets

The carrying amount of the Group's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that is largely independent of the cash inflows of other assets or cash-generating units (“CGUs”). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

2.10 Assets held for sale

Assets that are highly probable to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets are remeasured in accordance with the Group and Bank’s accounting policies. Thereafter, the assets classified as held for sale are generally measured at the lower of their carrying amount and fair value less costs to sell.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Equity accounting of associates and joint ventures ceases once classified as held for sale.

2.11 Deposits, financing and other liabilities

Deposits and financing are the Group's sources of funding. When the Group sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (collateralised Murabahah or repurchase agreement), the arrangement is accounted for as a deposit, and the underlying asset continues to be recognised in the Group's financial statements.

Deposits and financing are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective profit method.

Other liabilities are stated at cost which is the fair value of the amounts expected to be paid in future for the goods and services received or to transfer the liability.

2.12 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the direct cost of fulfilling the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

2.13 Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statement of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2.14 Contingent assets

A contingent asset is a possible asset that arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. The Group does not recognise contingent assets in the financial statements but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

2.15 Share capital

Ordinary shares and the golden share are classified as equity in the statement of financial position. Costs directly attributable to the issuance of new equity shares are taken to equity as a deduction from the proceeds.

2.16 Recognition of income and expense

Profit from financing and leasing and profit paid/payable to depositors

Profit from financing and leasing and profit paid/payable to depositors are recognised in the profit or loss using the effective yield rate method. The effective yield rate is exactly the rate that discounts estimated future cash payments or receipts through the expected life of the financial instruments to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

When calculating the effective yield rate, the Group estimated future cash flows considering all contractual terms of financial instruments, but not ECL. For purchased or originated credit-impaired financial assets, a credit-adjusted yield rate is calculated using estimated future cash flows including ECL. The calculation includes all fees and transaction costs integral to the effective yield rate, as well as premium or discounts.

Once a financial asset or a group of financial assets have been written down as a result of an impairment loss, income is recognised using the yield rate used to discount the future cash flows for the purpose of measuring the impairment loss.

Fee and commission

Fee and commission income and expense that are integral to the effective yield rate on a financial asset or financial liability are included in the effective yield rate.

Other fee and commission income, including financing arrangements, participation fees, underwriting commissions and brokerage fees are recognised as income earned. Fees from advisory and corporate finance activities are recognised net of service taxes and discounts on completion of each stage of the assignment.

Other fee and commission expense relate mainly to transaction and service fees, which are expensed as the services are received.

Profit from placements and investments

Profit from deposit placements and investments are recognised on an effective yield basis.

Dividend income

Dividend income from subsidiaries and other investments are recognised when the Bank's rights to receive payment is established.

2.17 Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under *IAS 37 Provisions, Contingent Liabilities and Contingent Assets*.

The Group has determined that the global minimum top-up tax - which it is required to pay under Pillar Two legislation - is an income tax in the scope of IAS 12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred as there is no impact from this tax.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that
 - is not a business combination and
 - at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investments in subsidiaries, associates, and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversal of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profit improves.

The measurement of deferred taxes reflects the tax consequences that would allow the manner in which the Group expects, at reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the carrying amount of the investment property is presumed to be recovered through sale, and the Group has not rebutted this presumption. Deferred tax assets and liabilities are offset only if certain criteria are met.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

2.18 Zakat

This represents tithes payable by the Group to comply with the principles of Shariah and as approved by the Shariah Advisory Board.

2.19 Employee benefits

Short term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plan

The Group contributes to the Tabung Amanah Pekerja ("TAP") and the Supplemental Contributory Pension Scheme ("SCP"). Effective July 2023 a new retirement scheme, Skim Persaraan Kebangsaan ("SPK") was introduced to replace the existing TAP & SCP scheme. SPK is regulated and managed by the Government of Negara Brunei Darussalam, which applies to the majority of the employees. Obligations for contributions to defined contribution plans are recognised as an employee benefits expense in income statement in the period during which related services are rendered by employees.

The Bank operates an Employee Retirement Fund ("ERF") with monthly contributions made to the pension fund based on a percentage of the gross emoluments excluding certain allowances. The Bank matches employees' contributions (inclusive of TAP or SPK contribution). The contributions to TAP, ERF and SPK respectively are charged to profit or loss in the period to which the contributions relate.

Other long-term employee benefits

The Group's net obligation in respect of other long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

2.20 Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss that is attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3 Profits from financing, leasing and investments

	Group		Bank	
	2024 BS'000	2023 BS'000	2024 BS'000	2023 BS'000
Financing and leasing	275,322	254,166	220,179	201,119
Securities				
- Profit from sukus	54,331	48,239	54,331	48,239
- Dividend income	5,173	4,852	5,173	4,852
Balances and placements with banks and other financial institutions	136,405	154,203	159,894	176,490
Total	471,231	461,460	439,577	430,700

Financing and leasing profits comprise profits and expenses calculated using the effective yield method that relate to financial assets not carried at fair value through profit or loss.

During the year, the Group and Bank's profits from financing, leasing and investments are from financial assets at amortised cost with the exception of profit from sukuk and dividend income from investments at FVTPL of B\$5,173,100 (2023: B\$4,852,000) and profit from investments at FVOCI of B\$48,542,500 (2023: B\$39,660,000).

4 Profits paid/payable to depositors

	Group		Bank	
	2024 BS'000	2023 BS'000	2024 BS'000	2023 BS'000
Deposits from customers:				
- Non-Mudharabah fund	114,560	105,553	112,992	103,124
	114,560	105,553	112,992	103,124
Deposits and placements of banks and other financial institutions:				
- Non-Mudharabah fund	24,552	6,031	24,907	5,507
Total	139,112	111,584	137,899	108,631

During the year, the Group and Bank's profits paid/payable to depositors are entirely from financial liabilities measured at amortised cost.

5 Net fee and commission income

	Group		Bank	
	2024 BS'000	2023 BS'000	2024 BS'000	2023 BS'000
Fees and commission income:				
- Trade finance and Al-Kafalah (guarantee)	6,450	7,348	6,450	7,348
- Ar-Rahnu (pawn/pledge)	3,966	2,985	3,966	2,985
- Credit and debit cards	31,736	30,047	31,736	30,047
- Commission	5,054	5,833	4,699	5,461
- Others	7,734	8,234	5,933	6,367
Total fee and commission income	54,940	54,447	52,784	52,208
Fee and commission expense:				
- Credit and debit cards	(20,221)	(18,323)	(20,221)	(18,323)
Total fee and commission expense	(20,221)	(18,323)	(20,221)	(18,323)
Net fee and commission income	34,719	36,124	32,563	33,885

The Group and Bank's net fee and commission income are entirely from financial assets and liabilities measured at amortised cost.

6 (Loss)/Gain on derivatives and investments

	Group		Bank	
	2024 BS'000	2023 BS'000	2024 BS'000	2023 BS'000
Net fair value (loss)/gain on derivatives	(147,299)	11,456	(147,299)	11,456
Fair value (loss)/gain on investments designated at fair value through profit or loss	(645)	2,232	(645)	2,232
Total	(147,944)	13,688	(147,944)	13,688
Net foreign exchange gain/(loss)	102,116	(48,025)	102,116	(48,025)
Total	(45,828)	(34,337)	(45,828)	(34,337)

The foreign exchange risk exposure is managed through the use of foreign exchange forwards and swaps to hedge currency risk as set out in Note 36. The Bank does not adopt hedge accounting for such currency hedges, so in accordance with the accounting policies in Note 2, the foreign exchange gains or losses on assets are recognised in net foreign exchange loss in the income statements and the fair value movements in the forward currency contracts are included in gain or loss from derivatives and investments. The net impact is as follows:

	Group		Bank	
	2024	2023	2024	2023
	BS'000	BS'000	BS'000	BS'000
Net fair value (loss)/gain on forward exchange derivatives	(148,630)	8,442	(148,630)	8,442
Net foreign exchange gain/(loss)	102,116	(48,025)	102,116	(48,025)
Net effect from forward exchange derivatives and foreign exchange (loss)	(46,514)	(39,583)	(46,514)	(39,583)

7 Other operating income

	Group		Bank	
	2024	2023	2024	2023
	BS'000	BS'000	BS'000	BS'000
Dividend income from subsidiaries and associate	-	-	1,500	23,524
Rental income from investment property	2,436	2,725	2,436	2,725
Recovery of financing written off	12,241	14,769	11,457	13,691
Others	7,524	7,321	8,490	5,645
Total	22,201	24,815	23,883	45,585

Others include finance lease income of B\$575,900 (2023: B\$608,000) on finance lease receivables for the current financial year.

8 Personnel expenses

	Group		Bank	
	2024	2023	2024	2023
	BS'000	BS'000	BS'000	BS'000
Salaries and wages	49,367	47,486	40,796	40,350
Allowances and bonuses	16,993	26,953	13,602	23,135
Contributions to defined contribution plans	4,465	5,438	3,873	4,870
Others	3,974	3,688	4,198	3,591
Total	74,799	83,565	62,469	71,946

9 Other expenses

	Group		Bank	
	2024	2023	2024	2023
	BS'000	BS'000	BS'000	BS'000
Promotion				
Advertisement and publicity	2,162	1,641	1,578	1,172
Operational				
Office rental	1,418	1,487	1,567	1,631
Depreciation/amortisation of property and equipment and investment property	21,509	19,170	15,214	15,140
Electronic data processing expenses	17,696	15,527	10,444	10,319
Office expenses	10,512	9,628	9,530	8,790
	51,135	45,812	36,755	35,880
General expenses				
Auditors' remuneration:				
- Statutory audit fees	645	640	520	520
- Audit related fees	40	40	40	40
Professional fees	3,452	4,236	5,677	5,523
Takaful, repair and maintenance	5,311	6,639	5,040	6,339
Licence	5,057	4,784	4,762	4,741
Others	8,650	10,799	8,466	10,343
	23,155	27,138	24,505	27,506
Total	76,452	74,591	62,838	64,558

10 Allowance for impairment on financial assets

	Group		Bank	
	2024	2023	2024	2023
	BS'000	BS'000	BS'000	BS'000
Allowance for impairment on financing and advances	7,086	8,252	6,302	7,962
Allowance for impairment on receivables	188	2,276	188	2,276
Allowance for impairment on investments charged/(reversed)	144	(971)	168	(993)
Total	7,418	9,557	6,658	9,245

11 Zakat

The amount of zakat is determined by using 2.5775% for a solar calendar year (Masihi) based on the net invested fund method and is payable by the Bank to comply with the principles of Shariah.

12 Income tax expense

Tax recognised in profit or loss	Group		Bank	
	2024 BS'000	2023 BS'000	2024 BS'000	2023 BS'000
Current tax expense				
Current year	28,002	37,161	27,247	33,022
Deferred tax expense				
Origination and reversal of temporary differences	2,325	259	427	(315)
Total tax expense recognised in profit or loss	30,327	37,420	27,674	32,707
Tax recognised in other comprehensive income				
Investments at fair value through other comprehensive income	3,122	3,207	3,122	3,207

A reconciliation of effective tax expense for the Group and Bank is as follows:

	Group		Bank	
	2024 BS'000	2023 BS'000	2024 BS'000	2023 BS'000
Profit before zakat and taxation	186,433	221,028	180,331	221,453
Income tax using the domestic corporate tax rate of 18.5% (2023: 18.5%)	34,490	40,890	33,361	40,969
Tax effect of non-deductible expenses	27	222	27	222
Tax effect of non-taxable revenue	-	-	(2,586)	(4,352)
Tax incentives	(650)	(777)	(650)	(777)
Tax effect of zakat	(404)	(899)	(404)	(899)
Others	(3,136)	(2,016)	(2,074)	(2,456)
Total	30,327	37,420	27,674	32,707

13 Dividend per ordinary share

	Group and Bank	
	2024	2023
	BS'000	BS'000
On ordinary shares		
Net dividend paid on ordinary shares	126,106	126,106

	-----Group and Bank-----			
	2024		2023	
	Gross dividend per share	Dividend net of tax	Gross dividend per share	Dividend net of tax
	B\$	0	B\$	0
Authorised:				
Final dividend paid	0.1740	126,106	0.1740	126,106

At the Annual General Meeting on 1 November 2024, a final dividend in respect of financial year ended 31 December 2023 of B\$0.174 on 724,749,512 ordinary shares, amounting to B\$126,106,415 was approved and paid on 2 December 2024.

14 Earnings per share

Basic Earnings per Share (“EPS”)

	Group	
	2024	2023
Profit for the year attributable to equity holders of the Group (B\$'000)	153,878	178,746
Weighted average number of ordinary shares of the Group and Bank ('000)	724,750	724,750
Basic EPS (B\$)	0.21	0.25

Diluted Earnings per Share

The diluted earnings per share is the same as basic earnings per share.

15 Cash and cash equivalents

	Group		Bank	
	2024	2023	2024	2023
	BS'000	BS'000	BS'000	BS'000
Cash in hand	59,025	56,815	58,550	56,385
Balances with banks and other financial institutions	104,403	155,469	106,757	158,744
Money at call and short notice and interbank placements with original maturity not exceeding three months	2,129,093	1,789,833	2,129,093	1,789,833
Cash and cash equivalents in the statements of financial position	2,292,521	2,002,117	2,294,400	2,004,962

16 Balances with Brunei Darussalam Central Bank

As required by the provisions of Section 45 of the Islamic Banking Act (Cap. 168) and Section 13A of the Finance Companies Act, a cash balance is maintained with the Brunei Darussalam Central Bank ("BDCB"). At present, the minimum cash reserve requirement is 6% of the weighted average deposit liabilities as defined by the BDCB.

17 Placements with and financing and advances to banks

This comprises interbank placements with original maturities greater than three months.

18 Government sukuks

Government sukuks are classified as fair value through other comprehensive income and have maturities less than one year.

19 Investments

	Note	Group		Bank	
		2024	2023	2024	2023
		BS'000	BS'000	BS'000	BS'000
Investments at amortised cost	19.1	82,863	178,392	82,863	178,392
Investments at fair value through profit or loss	19.2	87,763	86,030	87,763	86,030
Investments at fair value through other comprehensive income	19.3	1,329,594	1,150,224	1,329,594	1,150,224
Total		1,500,220	1,414,646	1,500,220	1,414,646

On 1 May 2022, the Bank's Trading Sukuk changed its business model from FVTPL to FVOCI. At the date of change in classification, an amount of B\$121,934,000 was transferred from Investments at FVTPL to Investments at FVOCI and the effective yield of these trading sukuk was determined at 3.6%. The debt investments continue to be measured at fair value but subsequent gains and losses are recognised in OCI rather than profit or loss. Profit from sukuks recognised during the current year was B\$4,693,000 (2023: B\$4,570,000).

19.1 Investments at amortised cost

	Group		Bank	
	2024	2023	2024	2023
	BS'000	BS'000	BS'000	BS'000
Quoted debt securities	82,935	178,436	82,935	178,436
Less: Expected Credit Losses	(72)	(44)	(72)	(44)
Total	82,863	178,392	82,863	178,392

19.2 Investments at fair value through profit or loss

	Group		Bank	
	2024	2023	2024	2023
	BS'000	BS'000	BS'000	BS'000
Equity securities	1,223	1,223	1,223	1,223
Structured notes	86,540	84,807	86,540	84,807
Total	87,763	86,030	87,763	86,030

19.3 Investments at fair value through other comprehensive income

	Group		Bank	
	2024	2023	2024	2023
	BS'000	BS'000	BS'000	BS'000
Quoted debt securities	1,329,176	1,133,006	1,329,176	1,133,006
Equity securities	418	17,218	418	17,218
Total	1,329,594	1,150,224	1,329,594	1,150,224

Equity investments designated as at FVOCI

The Group designated the investments shown below as equity securities at FVOCI because these equity securities represent investments that the Group intends to hold for the long term for strategic purposes.

	Group and Bank			
	Fair value	Fair value	Dividend	Dividend
	at 31	at 31	income	income
	December	December	recognised	recognised
	2024	2023	during 2024	during 2023
	BS'000	BS'000	BS'000	BS'000
Quoted equity securities	-	16,912	602	900
Unquoted equity securities	418	306	-	-
Total	418	17,218	602	900

The fair value of investments in quoted debt securities in 19.1 and 19.3 includes B\$311,321,000 (2023: B\$NIL) recognised in the statement of financial position being pledged as collateral for interbank placements.

20 Derivative financial assets/(liabilities)

The following table summarises the contractual or underlying principal amounts of derivative financial instruments held at fair value through profit or loss. The principal or contractual amount of these instruments reflects the volume of transactions outstanding at the reporting date and do not necessarily represent amounts at risk.

Trading derivative financial instruments are revalued on a gross position and the unrealised gains or losses are reflected as derivative financial assets and liabilities respectively.

	Group and Bank			
	Principal / Nominal		Carrying amount	
	amount			
	2024	2023	2024	2023
	BS'000	BS'000	BS'000	BS'000
Derivative assets	1,652,238	3,372,021	12,014	67,839
Derivative liabilities	3,304,839	1,988,122	(65,201)	(15,710)
Total	4,957,077	5,360,143	(53,187)	52,129

The Group uses foreign exchange forward contracts to manage its foreign exchange risk as set out in Note 36.

21 Financing and advances

(a) By type of product

	Group		Bank	
	2024 B\$'000	2023 B\$'000	2024 B\$'000	2023 B\$'000
Cash line/Naqad (overdrafts)	107,735	128,523	107,735	128,523
Mortgages	926,823	857,031	926,823	857,031
Hire purchase	879,168	782,227	-	-
Lease receivables	177,209	229,321	177,209	229,321
Other term financing	2,837,786	2,443,893	2,814,042	2,414,847
Bills receivable	457,166	460,522	457,166	460,522
Staff financing	11,143	13,687	11,143	13,687
Credit/charge cards	53,485	51,242	53,485	51,242
Others	33,942	25,248	33,925	25,197
Gross financing and advances	5,484,457	4,991,694	4,581,528	4,180,370
Less: Allowances for losses on financing and advances	(36,196)	(39,265)	(32,098)	(35,145)
Net financing and advances	5,448,261	4,952,429	4,549,430	4,145,225

(b) By contract

	Group		Bank	
	2024 B\$'000	2023 B\$'000	2024 B\$'000	2023 B\$'000
Al-Kafalah bil Mal dan Al-Bai	1,358	1,166	1,358	1,166
Al-Wakalah bil Ujrah	52,127	50,076	52,127	50,076
Ar-Rahnu	33,925	25,197	33,925	25,197
Bai' Bithaman Ajil (<i>deferred payment sale</i>)	693,058	501,735	693,058	501,735
Ijarah (<i>lease</i>)	177,209	229,321	177,209	229,321
Ijarah Muntahiah Bittamlik/AITAB (<i>lease ended with ownership</i>)	902,929	811,324	-	-
Murabahah (<i>cost-plus</i>)	1,797,480	1,576,403	1,797,480	1,576,403
Musharakah (<i>profit and loss sharing</i>)	429,168	375,922	429,168	375,922
Qard (<i>Advances</i>)	-	2	-	2
Tawarruq	1,397,203	1,420,548	1,397,203	1,420,548
Total	5,484,457	4,991,694	4,581,528	4,180,370

(c) By security

	Group		Bank	
	2024	2023	2024	2023
	BS'000	BS'000	BS'000	BS'000
Unsecured	483,631	328,123	483,631	328,123
Credit enhanced by:				
- Assignment of salary or income	954,409	959,541	954,409	959,541
- Assignment of fixed or floating charge	225,917	190,554	225,917	190,554
Secured by:				
- Cash	580,834	596,060	580,834	596,060
- Properties	1,978,413	1,620,986	1,978,413	1,620,986
- Vessels	323,436	458,875	323,436	458,875
- Motor vehicles	880,150	788,325	963	1,034
- Others	57,667	49,230	33,925	25,197
Total	5,484,457	4,991,694	4,581,528	4,180,370

(d) By sector

	Group		Bank	
	2024	2023	2024	2023
	BS'000	BS'000	BS'000	BS'000
Agricultural	13,629	15,512	13,629	15,512
Financial	473,503	323,015	473,503	323,015
Manufacturing	59,457	60,994	59,457	60,994
Transportation	882,636	839,708	2,897	52,005
Infrastructure	32,022	31,000	32,022	31,000
Traders	102,350	107,222	102,350	107,222
Services	61,021	60,531	61,021	60,531
Residential property (personal)	993,064	931,152	993,064	931,152
Commercial	944,037	696,160	944,037	696,160
Tourism	16,357	6,928	16,357	6,928
Telecommunication and information technology	40,651	10,441	40,651	10,441
Personal and consumption financing	946,401	941,487	923,211	917,866
Oil and gas	919,329	967,544	919,329	967,544
Total	5,484,457	4,991,694	4,581,528	4,180,370

Included in Transportation sector is the Group's car financing portfolio.

(e) Non-performing financing and advances

Movements in the non-performing financing and advances are as follows:

	Group		Bank	
	2024	2023	2024	2023
	B\$'000	B\$'000	B\$'000	B\$'000
At 1 January	89,908	134,576	86,444	130,648
Classified as impaired during the year	19,412	26,890	18,511	25,977
Reclassified as performing	(1,932)	(2,844)	(1,565)	(2,395)
Amount recovered	(23,114)	(53,110)	(23,114)	(53,110)
Amount written off against allowances	(10,155)	(15,604)	(9,349)	(14,676)
At 31 December	74,119	89,908	70,927	86,444
Gross impaired financing as a percentage of gross financing and advances	1.4%	1.8%	1.5%	2.1%

The Group considers a financing as non-performing when the financing is credit-impaired under IFRS 9.

(f) Non-performing financing and advances by sector

	Group		Bank	
	2024	2023	2024	2023
	B\$'000	B\$'000	B\$'000	B\$'000
Agricultural	4,240	4,553	4,240	4,553
Manufacturing	2,436	11,401	2,436	11,401
Transportation	4,412	4,569	1,695	1,699
Infrastructure	1,025	1,091	1,025	1,091
Traders	7,965	8,830	7,965	8,830
Services	3,803	3,821	3,803	3,821
Residential property (personal)	13,812	14,496	13,812	14,496
Commercial	23,609	24,779	23,609	24,779
Tourism	690	670	690	670
Telecommunication and information technology	1	6	1	6
Personal and consumption financing	9,482	10,005	9,007	9,411
Oil and gas	2,644	5,687	2,644	5,687
Total	74,119	89,908	70,927	86,444

(g) Movements in the allowances for losses on financing and advances

	Group BS'000	Bank BS'000
As at 1 January 2023	46,617	41,859
Allowance made during the year	8,252	7,962
Amount written off during the year	(15,604)	(14,676)
At 31 December 2023	39,265	35,145
Allowance made during the year	7,086	6,302
Amount written off during the year	(10,155)	(9,349)
At 31 December 2024	36,196	32,098

22 Finance lease receivables

The Bank was granted the lease of the land and a hotel building for a period of 40 years commencing 1 May 2014, for waiving and releasing its rights to enforce the judgment debt against one of its borrowers. The Bank then entered into a sub-lease agreement with a third party, leasing the land together with the hotel building for 40 years.

On 18 October 2024, this lease has been bought over by client for the total amount of B\$12,500,000. The agreement was officially terminated on 18 October 2024. As a result, the Bank no longer holds any lease receivables related to this finance lease.

During 2024, the Bank recognised a gain of B\$57,000 (2023: B\$NIL) on derecognition of the finance lease and presented the gain as part of other operating income.

The finance lease receivables are as follows:

	-----Group and Bank -----		
	Future minimum lease payments BS'000	Profit BS'000	Present value of minimum lease payments BS'000
2023			
Within one year	760	23	737
Between one and five years	3,120	474	2,646
More than five years	22,460	13,346	9,114
Total	26,340	13,843	12,497

23 Investments in subsidiaries

	Bank	
	2024	2023
	BS'000	BS'000
Unquoted equity investments, at cost	75,004	34,559
Less: Allowance for impairment loss	(1,715)	(1,715)
	73,289	32,844

Details of the Group's subsidiaries are as follows:

Name of Company	Principal activities	Country of incorporation/ Place of business	Effective ownership interest	
			2024	2023
			%	%
BIBD At-Tamwil Bhd	Lease financing	Negara Brunei Darussalam	100	100
Better Sdn Bhd	Car rental	Negara Brunei Darussalam	100	100
BIBD Securities Sdn Bhd	Stockbrokers/ sharebrokers	Negara Brunei Darussalam	100	100
BIBD Management & Services Sdn Bhd	Management services	Negara Brunei Darussalam	100	100
BIBD Middle East Limited	Advisory services	United Arab Emirates	100	100

24 Investments in associates

	Group		Bank	
	2024	2023	2024	2023
	B\$'000	B\$'000	B\$'000	B\$'000
Investment in associates	58,610	31,001	34,203	7,080

During the year, the Bank invested in Lion-BIBDS Islamic Enhanced Liquidity Fund ("LBLEF"), a fund that BIBD Securities Sdn Bhd – appointed as sub-manager jointly launched with Lion Global Investment. The Bank's investment to the fund was B\$27,123,000 and resulted in the Bank obtaining a 39.46% investment as of 31 December 2024.

	Group		Bank	
	2024	2023	2024	2023
	B\$'000	B\$'000	B\$'000	B\$'000
At cost				
Unquoted shares	34,203	7,080	34,203	7,080
Share of post-acquisition reserves	24,407	23,921	-	-
Investment in associates	58,610	31,001	34,203	7,080

Details of the associates, which is unquoted, are as follows:

Name of Company	Principal activities	Country of incorporation/ Place of business	Effective ownership interest	
			2024	2023
			%	%
Syarikat Takaful Brunei Darussalam Sdn Bhd ("STBD")	Family and general takaful businesses	Negara Brunei Darussalam	31	31
Lion-BIBDS Islamic Enhanced Liquidity Fund ("LBLEF")	Investments	Singapore	39	-

	2024	2023
	BS'000	BS'000
Group's share in net assets of associates at the beginning of the year	31,001	28,636
Group's share of:		
- new unquoted shares acquired	27,123	-
- profit from continuing operations	1,891	2,847
- share of change in associate's reserve	(1,447)	-
- dividend received	-	(524)
- other comprehensive income	42	42
Carrying amount of interest in associates at the end of the year	58,610	31,001

The summarised financial information of the associates, not adjusted for the percentage ownership held by the Group is as follows:

	STBD	LBLF	Total
	BS'000	BS'000	BS'000
2024			
Current assets	231,329	71,431	302,760
Non-current assets	217,743	-	217,743
Current liabilities	(351,087)	(47)	(351,134)
Non-current liabilities	(2,564)	-	(2,564)
Net assets	95,421	71,384	166,805

	STBD	Total
	BS'000	BS'000
2023		
Current assets	213,745	213,745
Non-current assets	238,915	238,915
Current liabilities	(33,693)	(33,693)
Non-current liabilities	(318,473)	(318,473)
Net assets	100,494	100,494

	STBD	LBLF	Total
	BS'000	BS'000	BS'000
2024			
Revenue	7,104	-	7,104
Profit from continuing operations	2,723	2,653	5,376
Other comprehensive income	135	-	135
Total comprehensive income	2,858	2,653	5,511

Included in balances above are the following amounts:

	STBD BS'000	LBLF BS'000	Total BS'000
Cash and cash equivalents	203,759	297	204,056
Current financial liabilities excluding trade, other payables and provisions	(1,074)	-	(1,074)
Non-current financial liabilities excluding trade, other payables and provisions	(2,564)	-	(2,564)
Depreciation and amortisation	(2,554)	-	(2,554)
Income tax expense or income	(675)	-	(675)

	STBD BS'000	Total BS'000
2023		
Revenue	42,997	42,997
Profit from continuing operations	8,866	8,866
Other comprehensive income	135	135
Total comprehensive income	9,001	9,001

Included in balances above are the following amounts:

	STBD BS'000	Total BS'000
Cash and cash equivalents	175,612	175,612
Current financial liabilities excluding trade, other payables and provisions	(6,273)	(6,273)
Non-current financial liabilities excluding trade, other payables and provisions	(318,473)	(318,473)
Depreciation and amortisation	(1,867)	(1,867)
Income tax expense or income	(907)	(907)

25 Other assets

	Group		Bank	
	2024	2023	2024	2023
	B\$'000	B\$'000	B\$'000	B\$'000
Receivables	32,397	34,413	30,147	45,711
Accrued income and bills receivable	31,982	14,033	32,050	15,205
Foreign acceptance receivable	335,017	167,275	335,017	167,275
Sundry debtors	7,201	4,935	1,053	1,027
Intercompany receivables	-	-	36,302	23,200
	<u>406,597</u>	<u>220,656</u>	<u>434,569</u>	<u>252,418</u>
Prepayments	2,459	2,859	2,280	2,668
Total	<u><u>409,056</u></u>	<u><u>223,515</u></u>	<u><u>436,849</u></u>	<u><u>255,086</u></u>

26 Property and equipment

Group	Leasehold improvements BS'000	Equipment, furniture and fittings BS'000	Motor vehicles BS'000	Work-in- progress BS'000	Computer software BS'000	Right-of- use assets BS'000	Total BS'000
Cost							
At 1 January 2023	40,228	66,324	5,509	14,185	80,174	48,430	254,850
Additions	78	7,115	-	13,772	-	1,214	22,179
Disposals	-	(1,056)	-	-	(9)	(955)	(2,020)
Transfers	366	8,576	-	(14,736)	5,794	-	-
At 31 December 2023	40,672	80,959	5,509	13,221	85,959	48,689	275,009
Additions	916	8,792	-	20,557	-	4,653	34,918
Disposals	-	(530)	-	(240)	-	(2,082)	(2,852)
Transfers	487	6,184	-	(9,804)	3,133	-	-
At 31 December 2024	42,075	95,405	5,509	23,734	89,092	51,260	307,075
Accumulated depreciation							
At 1 January 2023	30,319	45,818	2,833	-	71,899	9,096	159,965
Depreciation/Amortisation for the year	2,972	7,359	(97)	-	4,317	3,419	17,970
Disposals	-	-	-	-	-	(953)	(953)
At 31 December 2023	33,291	53,177	2,736	-	76,216	11,562	176,982
Depreciation/Amortisation for the year	2,868	10,912	-	-	3,544	3,360	20,684
Disposals	-	(530)	-	-	-	(2,082)	(2,612)
At 31 December 2024	36,159	63,559	2,736	-	79,760	12,840	195,054
Carrying amounts							
At 1 January 2023	9,909	20,506	2,676	14,185	8,275	39,334	94,885
At 31 December 2023	7,381	27,782	2,773	13,221	9,743	37,127	98,027
At 31 December 2024	5,916	31,846	2,773	23,734	9,332	38,420	112,021

	Leasehold improvements BS'000	Equipment, furniture and fittings BS'000	Motor vehicles BS'000	Work-in- progress BS'000	Computer software BS'000	Right-of- use assets BS'000	Total BS'000
Bank							
Cost							
At 1 January 2023	37,639	47,953	133	11,577	77,766	46,115	221,183
Additions	-	-	-	13,734	-	1,214	14,948
Disposals	-	-	-	-	(9)	(910)	(919)
Transfers	358	8,108	-	(14,199)	5,733	-	-
At 31 December 2023	37,997	56,061	133	11,112	83,490	46,419	235,212
Additions	-	-	-	16,425	-	854	17,279
Disposals	-	-	-	-	-	(880)	(880)
Transfers	487	4,753	-	(8,373)	3,133	-	-
At 31 December 2024	38,484	60,814	133	19,164	86,623	46,393	251,611
Accumulated depreciation							
At 1 January 2023	28,501	35,604	133	-	72,206	7,746	144,190
Depreciation/Amortisation for the year	2,779	4,253	-	-	4,041	2,867	13,940
Disposals	-	-	-	-	-	(910)	(910)
At 31 December 2023	31,280	39,857	133	-	76,247	9,703	157,220
Depreciation/Amortisation for the year	2,683	5,589	-	-	3,305	2,812	14,389
Disposals	-	-	-	-	-	(880)	(880)
At 31 December 2024	33,963	45,446	133	-	79,552	11,635	170,729
Carrying amounts							
At 1 January 2023	9,138	12,349	-	11,577	5,560	38,369	76,993
At 31 December 2023	6,717	16,204	-	11,112	7,243	36,716	77,992
At 31 December 2024	4,521	15,368	-	19,164	7,071	34,758	80,882

27 Investment property

	Group and Bank B\$'000
Cost	
At 1 January 2023	35,092
Additions	12
At 31 December 2023	35,104
Additions	-
At 31 December 2024	35,104
 Accumulated amortisation	
At 1 January 2023	13,634
Charge for the year	1,200
At 31 December 2023	14,834
Charge for the year	825
At 31 December 2024	15,659
 Carrying amounts	
At 31 December 2023	20,270
At 31 December 2024	19,445

In 2011, the Bank entered into a lease agreement with a customer pursuant to which the Bank was granted rights to the lease with a remaining term of 49 years in consideration for the Bank agreeing to waive its right to repayment of a financing extended to the customer. As a result, the Bank recorded its interest in the investment property based on the carrying amount of the outstanding financing amount as at the date of the agreement. This amount also approximated the fair value of the investment property at that date.

Fair value hierarchy, valuation technique and unobservable inputs

Based on the latest available valuation report from November 2022, the fair value of the investment property is B\$31,000,000 (2023: B\$31,000,000). The fair value of the investment property was based on the valuation report provided by a firm of external, independent professional valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

The valuation technique applied is the discounted cash flow approach (Level 3). Fair value of the investment property is derived from the potential cash flows from the building based on the remaining lease term. The key unobservable input includes an estimated occupancy rate of 69% (2023: 70%).

28 Deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributed to the following:

Group	At 1 January 2023 B\$'000	Recognised in profit or loss B\$'000	Recognised in other comprehensive income B\$'000	At 31 December 2023 B\$'000	Recognised in profit or loss B\$'000	Recognised in other comprehensive income B\$'000	At 31 December 2024 B\$'000
Deferred tax assets							
Allowance for financing and advances	8,415	(1,088)	-	7,327	(2,146)	-	5,181
Allowance for investment	141	(96)	-	45	26	-	71
Allowance for investment in subsidiary	317	-	-	317	-	-	317
Investments at fair value through other comprehensive income	9,515	-	(3,207)	6,308	-	(3,122)	3,186
Others	511	595	-	1,106	39	-	1,145
Total	18,899	(589)	(3,207)	15,103	(2,081)	(3,122)	9,900
Deferred tax liabilities							
Property and equipment	(5,166)	(1,071)	-	(6,237)	2,477	-	(3,760)
Investments at fair value through other comprehensive income	-	-	-	-	-	-	-
Others	(1,105)	1,776	-	671	(2,630)	-	(1,959)
Total	(6,271)	705	-	(5,566)	(153)	-	(5,719)
Total deferred tax assets	12,628	116	(3,207)	9,537	(2,234)	(3,122)	4,181

Bank	At 1 January 2023 B\$'000	Recognised in profit or loss B\$'000	Recognised in other comprehensive income B\$'000	At 31 December 2023 B\$'000	Recognised in profit or loss B\$'000	Recognised in other comprehensive income B\$'000	At 31 December 2024 B\$'000
Deferred tax assets							
Allowance for financing and advances	7,563	(1,088)	-	6,475	(536)	-	5,939
Allowance for investment	141	(96)	-	45	26	-	71
Allowance for investment in subsidiary	317	-	-	317	-	-	317
Investments at fair value through other comprehensive income	9,515	-	(3,207)	6,308	-	(3,122)	3,186
Others	478	624	-	1,102	43	-	1,145
Total	18,014	(560)	(3,207)	14,247	(467)	(3,122)	10,658
Deferred tax liabilities							
Property and equipment	(3,207)	(1,071)	-	(4,278)	176	-	(4,102)
Investments at fair value through other comprehensive income	-	-	-	-	-	-	-
Others	(2,215)	1,946	-	(269)	(47)	-	(316)
Total	(5,422)	875	-	(4,547)	129	-	(4,418)
Total deferred tax assets	12,592	315	(3,207)	9,700	(338)	(3,122)	6,240

29 Deposits from customers

	Group		Bank	
	2024 B\$'000	2023 B\$'000	2024 B\$'000	2023 B\$'000
Non-Mudharabah				
Demand deposits	2,710,375	2,711,814	2,738,432	2,714,260
Saving deposits	1,511,223	1,569,159	1,455,938	1,512,888
General investment deposits	4,110,780	3,840,298	4,074,095	3,794,872
Total	8,332,378	8,121,271	8,268,465	8,022,020

30 Deposits from banks and other financial institutions

	Group		Bank	
	2024 B\$'000	2023 B\$'000	2024 B\$'000	2023 B\$'000
Non-Mudharabah				
Licensed Islamic banks and financial institutions in Brunei Darussalam	70,330	61,002	63,937	58,814
Licensed finance companies in Brunei Darussalam	-	-	103,892	107,234
Licensed insurance companies in Brunei Darussalam	720	1,420	720	1,420
Licensed Islamic insurance companies	206,460	257,282	152,894	199,845
Other banks and financial institutions abroad	10,880	9,623	10,880	9,623
Total	288,390	329,327	332,323	376,936

Within the Licensed finance companies in Brunei Darussalam for the Bank are balances due to subsidiaries of B\$103,892,000 (2023: B\$107,234,000).

31 Placements from other financial institutions

Interbank placements include collateralised placements of B\$277,463,000 (2023: B\$NIL) secured by the investment in quoted debt securities amounted to B\$311,321,000 (2023: B\$NIL) with its counterparties.

32 Other liabilities

	Group		Bank	
	2024	2023	2024	2023
	B\$'000	B\$'000	B\$'000	B\$'000
Other creditors	47,252	38,368	38,168	33,308
Employee benefits	13,711	23,377	13,580	23,231
Account payable	49,271	53,471	52,267	56,618
Lease liabilities	39,761	37,887	36,358	37,690
Foreign acceptance payable	335,017	167,275	335,017	167,275
Others	22,459	30,982	25,864	31,672
Total	507,471	351,360	501,254	349,794

Reconciliation of movements of liabilities of cash flows arising from lease liabilities

	2024
	Lease
	liabilities
	B\$'000
Group	
Opening balance at 1 January 2024	37,887
Changes from financing cash flow	
Payment of lease liabilities	(3,995)
Other changes - Liability-related	
New leases	4,653
Profit expense on leases	1,216
Balance at 31 December 2024	39,761

	2023
	Lease
	liabilities
	B\$'000
Group	
Opening balance at 1 January 2023	39,480
Changes from financing cash flow	
Payment of lease liabilities	(4,049)
Other changes - Liability-related	
New leases	1,220
Profit expense on leases	1,236
Balance at 31 December 2023	37,887

	2024
	Lease liabilities
	BS'000
Bank	
Opening balance at 1 January 2024	37,689
Changes from financing cash flow	
Payment of lease liabilities	(3,401)
Other changes - Liability-related	
New leases	854
Profit expense on leases	1,216
Balance at 31 December 2024	36,358

	2023
	Lease liabilities
	BS'000
Bank	
Opening balance at 1 January 2023	38,686
Changes from financing cash flow	
Payment of lease liabilities	(3,447)
Other changes - Liability-related	
New leases	1,214
Profit expense on leases	1,236
Balance at 31 December 2023	37,689

33 Share capital

	Number of shares		Amount	
	2024	2023	2024	2023
Group and Bank			B\$	B\$
Authorised:				
Ordinary shares of B\$0.70 each	1,428,571,429	1,428,571,429	1,000,000,000	1,000,000,000
Total	1,428,571,429	1,428,571,429	1,000,000,000	1,000,000,000
Issued and fully paid:				
Ordinary shares of B\$0.70 each	724,749,512	724,749,512	507,324,659	507,324,659
Total	724,749,512	724,749,512	507,324,659	507,324,659

The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings of the Bank. All ordinary shares rank equally with regard to the Bank's residual assets.

34 Statutory and other reserves

Statutory reserves

	Total BS'000
Group	
At 1 January 2023	581,819
Transfer in respect of current year's profit	9,356
At 31 December 2023	591,175
Transfer in respect of current year's profit	7,900
At 31 December 2024	599,075

	Total BS'000
Bank	
At 1 January 2023	535,316
Transfer in respect of current year's profit	9,194
At 31 December 2023	544,510
Transfer in respect of current year's profit	7,522
At 31 December 2024	552,032

The statutory reserves are maintained in compliance with Section 24(1) of the Islamic Banking Act (Cap. 168), and Section 13 of the Finance Companies Act, Chapter 89 and are not distributable as dividend.

Other reserves

	Fair value reserve BS'000	Foreign currency translation reserve BS'000	Retained profits BS'000	Total BS'000
Group				
At 1 January 2023	(35,682)	(148)	240,032	204,202
Profit for the year	-	-	178,746	178,746
Other comprehensive income	13,363	(63)	-	13,300
Transfers to statutory and other reserves	-	-	(9,356)	(9,356)
Dividends paid on ordinary shares	-	-	(126,106)	(126,106)
At 31 December 2023	(22,319)	(211)	283,316	260,786
Profit for the year	-	-	153,878	153,878
Other comprehensive income	13,745	114	-	13,859
Transfers to statutory and other reserves	-	-	(7,900)	(7,900)
Dividends paid on ordinary shares	-	-	(126,106)	(126,106)
At 31 December 2024	(8,574)	(97)	303,188	294,517
Distributable retained profits			299,051	299,051
Non-distributable retained profits for PRCL			4,137	4,137
At 31 December 2024			303,188	303,188

	Fair value reserve BS'000	Retained earnings BS'000	Total BS'000
Bank			
At 1 January 2023	(40,486)	166,901	126,415
Profit for the year	-	183,884	183,884
Other comprehensive income	13,321	-	13,321
Transfers to statutory and other reserves	-	(9,194)	(9,194)
Dividends paid on ordinary shares	-	(126,106)	(126,106)
At 31 December 2023	(27,165)	215,485	188,320
Profit for the year	-	150,429	150,429
Other comprehensive income	13,703	-	13,703
Transfers to statutory and other reserves	-	(7,522)	(7,522)
Dividends paid on ordinary shares	-	(126,106)	(126,106)
At 31 December 2024	(13,462)	232,286	218,824
Distributable retained profits		228,164	228,164
Non-distributable retained profits for PRCL		4,122	4,122
At 31 December 2024		232,286	232,286

The fair value reserve includes the cumulative net change in the fair value of financial assets measured at fair value through other comprehensive income, including impairment losses, until the financial asset is derecognised.

Non-distributable retained profits comprise prudential reserve for credit losses ("PRCL") which relates to accrued profit income on non-performing financing and advances. In compliance with BDCB regulations, the reserves are not distributable until they are collected.

35 Related party transactions

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

The Group and Bank have related party relationships with its subsidiaries, substantial shareholders, associate and key management personnel.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group, and certain senior management members of the Group.

Key management have banking relationships with Group entities which are entered into in the normal course of business and on substantially the same terms, including profit rates and security, as for comparable transactions with other persons of a similar standing or, where applicable, with other employees. These transactions did not involve more than the normal risk of repayment or present other unfavourable features.

- (a) All outstanding balances with related parties are priced based on agreed terms between the parties. The related parties balance are unsecured. The significant outstanding balances of the Group and the Bank with related parties are as follows:

	Group	
	2024	2023
	BS'000	BS'000
Associate		
Amount due to	153,678	200,700

	Group	
	2024	2023
	B\$'000	B\$'000
Key management personnel		
<i>Amount due from</i>		
Financing (ex. Credit cards)	2,247	1,657
Credit cards	77	93
<hr/>		
<i>Amount due to</i>		
Deposits	6,644	6,773
<hr/>		
Other related parties		
<i>Amount due to</i>		
Deposits	482,387	458,210
<hr/>		
	Bank	
	2024	2023
	B\$'000	B\$'000
Subsidiaries		
<i>Amount due from</i>		
Placements	752,023	663,835
Others	36,300	1,307
<hr/>		
<i>Amount due to</i>		
Deposits	131,444	110,764
Others	4,719	5,020
<hr/>		
Associate		
Amount due to	110,242	141,651
<hr/>		
Key management personnel		
<i>Amount due from</i>		
Financing (ex. Credit cards)	1,915	1,251
Credit cards	77	93
<hr/>		
Key management personnel		
<i>Amount due to</i>		
Deposits	4,315	4,705
<hr/>		
Other related parties		
<i>Amount due to</i>		
Deposits	482,387	458,210
<hr/>		

(b) The significant related party transactions of the Group and the Bank are as follows:

	Group		Bank	
	2024	2023	2024	2023
	B\$'000	B\$'000	B\$'000	B\$'000
Subsidiaries				
<i>Income</i>				
Other income	-	-	8,472	28,305
<i>Expenditure</i>				
Profit paid/payable on deposits	-	-	207	(242)
Other expenditure	-	-	4,139	3,455
Joint ventures				
<i>Income</i>				
Income on financing	-	1,576	-	1,576
<i>Expenditure</i>				
Profit paid/payable on deposits	-	14	-	14
Associate				
<i>Income</i>				
Fees and commission	355	372	-	-
<i>Expenditure</i>				
Profit paid/payable on deposits	2,425	3,350	1,401	2,175
Other expenditure	166	157	-	-
Key management personnel				
<i>Income</i>				
Income on financing	49	60	24	27
<i>Expenditure</i>				
Profit paid/payable on deposits	245	215	45	45
Other related parties				
<i>Expenditure</i>				
Profit paid/payable on deposits	10,852	9,065	10,852	9,065

Key management personnel

Key management personnel compensation including Directors' remuneration is as follows:

	Group		Bank	
	2024	2023	2024	2023
	BS'000	BS'000	BS'000	BS'000
Directors' fees and other remuneration	948	766	948	766
Other key management personnel:				
- Salary and employee benefits	5,670	5,829	5,193	5,387
Withholding tax paid	73	20	73	20

Number of shares held by key management personnel is as follows:

	Group	
	2024	2023
Number of shares held ('000)	96	132

Interest held by associate

The number of shares of the Bank held by the associate as at 31 December 2024 is 11,706,213 (2023: 11,706,213).

Interest held by the government and government controlled entities

The government of Brunei Darussalam through its various ministries and statutory boards has control over the Group via the shareholdings. As a result, the government of Brunei Darussalam and other government controlled bodies are related parties of the Group.

The Group enters into transactions with many of these bodies based on agreed terms between the parties in the normal course of business.

Individually significant transactions

Transactions include the payment of Brunei Darussalam corporation tax (Note 12) and banking transactions such as financing and deposits undertaken in the normal course of banker-customer relationships.

36 Financial risk management

As the Group's statements of financial position, income statements, statements of comprehensive income, changes in equity and cash flows comprise mainly the Bank and a material subsidiary, the financial risk management policies disclosed relates to the Bank, unless otherwise stated.

Overview of risk management

The Group has exposure to the following risks from financial instruments:

- Credit risk
- Market risk
- Liquidity risk
- Operational risk

Risk management functional and governance structure

The Bank has aligned its risk organizational responsibilities with the objective of ensuring a common view of risks across the Bank. As a matter of good business practice and prudence, the Bank's core risk management functions, which reports to the Risk and Compliance Committee ("RCC") through its Credit Risk Committee ("CRC"), Capital Committee ("CC"), Asset Liability Committee ("ALCO") and Enterprise Risk Management Committee ("ERMC"), are independent and clearly segregated from the business divisions.

(a) Credit risk

Overview of credit risk of the Bank

Credit risk arises as a result of the failure of customers or counterparties to a financial instruments to meet their contractual obligations when they fall due. These obligations arise from the Bank's direct financing operations, trade finance and investments undertaken by the Bank. The Bank's exposure to credit risk is primarily from its financing activities to retail, corporate borrowers, including small & medium enterprises ("SMEs") and financial institutions.

Management of credit risk

The Board of Directors of the Bank has delegated responsibility for oversight of credit risk to its Credit Risk Committee. A separate Risk Management Division, reporting to the Credit Risk Committee, is responsible for managing the Bank's credit risk, including the following:

- To support management in building a healthy credit portfolio in line with the Bank's overall strategy and risk appetite;

- To develop an increasing ability to recognise, measure and avoid or mitigate potential credit risk issues; and
- To conform with statutory, regulatory and internal credit requirements.

Corporate credit risks are assessed by business units and evaluated and approved in accordance to the Bank's Credit Risk Governance. Each borrower is assigned a credit rating based on the assessment of relevant qualitative and quantitative factors including a borrower's financial position, types of facilities and proposed securities or collateral. Bank wide hierarchy of credit approving authorities and committee structures are in place to ensure appropriate underwriting standards are enforced consistently within the Bank.

Reviews are conducted on a regular basis with updated information on a borrower's financial position, market position, industry and economic condition and conduct of account. Corrective actions are taken when there are signs of credit deterioration.

Retail credit exposures are managed on a programme basis. Credit programmes are assessed jointly between credit risk and business units. Reviews on credit programmes are conducted on a regular basis to assess the performance of the portfolio.

Counterparty credit risk exposures are managed via counterparty limits either on a single name basis or counterparty group basis which adheres to the Guidance on Single Borrowing Limit issued by BDCB. The Bank monitors and manages its exposures to counterparties on a day-to-day basis.

To avoid concentration of credit risk in its financing and advances portfolio, the Bank imposes limits and related financing guidelines on:

- Country limits;
- Business segments;
- Single customer groups;
- Counterparties; and
- Collateral valuation.

The Bank has established a dedicated team of Collections and Recovery to effectively manage vulnerable borrowers. Special attention is given to vulnerable borrowers where frequent and intensive monitoring are performed to accelerate remedial action.

Internal credit rating reviews

Internal credit rating reviews are an integral part of the Bank's credit risk management, decision making process, adequacy of provision and capital assessment.

The credit risk grades for Corporates, SMEs, Financial Institutions and Banks are assessed using the Standard & Poor's ("S&P") rating methodology. The ratings are linked to the Bank's risk appetite and allow the Bank to map the ratings to default statistics.

Overview of credit risk of the subsidiary

Credit risk arises as a result of the failure of customers' or counterparties' to a financial instruments to settle their, financial or non-financial, contractual obligations. During the reporting period, the subsidiary's highest credit risks exposures are from its hire-purchase financing activities followed by its cash placements with the Bank and the regulator, and to lesser extent, its other accounts receivables.

(a) Business rules committee

To manage its most significant credit risk, the subsidiary board, through the business rules committee, has established a sales policy, with business rules and approval authority matrix operationalised by the use of a decision support system, which ensure consistency and compliance in its credit underwriting process. The performance of the decision support system is monitored, monthly, by the committee and policies adjustments are made as necessary.

(b) Internal credit rating scorecard

Internal credit rating scorecard models are an integral part of the subsidiary's credit risk management, decision making process, adequacy of provision and capital assessment. Retail exposure is assigned a rating utilising customised application and behavioural scorecard model, based on assessment of relevant predictive characteristics. The predictive performance of the two scorecards are validated monthly by the business rules committee using established methods, including rank ordering, PSI statistics, K factor and Gini coefficient.

(c) Recovery department

The subsidiary has established a dedicated recovery department function comprising three units to deal with the different stages of default; the front-end negotiation team, the repossession and collateral disposal team and the litigation team. The teams report to the Head of Recovery who, in turn, report to the business rules committee its performance to minimise the incurred credit losses.

Maximum exposure to credit risk

The following table presents the Group's and Bank's maximum exposure to credit risk of recognised assets and unrecognised financial instruments, without taking into account of any collateral held or other credit enhancements. For recognised assets, the exposure to credit risk equals their carrying amount. For contingent liabilities, the maximum exposure to credit risk is the maximum amount that the Group and Bank would have to pay if the obligations of the instruments issued are called upon. For credit commitments, the maximum exposure to credit risk is the full amount of the undrawn credit facilities granted to customers.

	Group		Bank	
	2024 BS'000	2023 BS'000	2024 BS'000	2023 BS'000
<i>Credit risk exposure of recognised assets:</i>				
Cash and cash equivalents	2,292,521	2,002,117	2,294,400	2,004,962
Balances with Brunei Darussalam Central Bank	553,536	512,770	505,827	470,826
Placements with and financing and advances to banks	824,983	1,028,516	1,570,982	1,692,025
Government sukuk	9,358	9,859	9,358	9,859
Investments *	1,498,579	1,396,205	1,498,579	1,396,205
Derivative financial assets	12,014	67,839	12,014	67,839
Financing and advances	5,448,261	4,952,429	4,549,430	4,145,225
Finance lease receivables	-	12,497	-	12,497
Other assets **	406,597	220,656	434,569	252,418
Sub-total	11,045,849	10,202,888	10,875,159	10,051,856
<i>Credit risk exposure of unrecognised financial instruments:</i>				
Credit commitments	840,388	926,997	840,388	926,997
Contingent liabilities	289,724	399,176	289,724	399,176
Sub-total	1,130,112	1,326,173	1,130,112	1,326,173
Total credit exposures	12,175,961	11,529,061	12,005,271	11,378,029

* Investments exclude unquoted equity security and unquoted fund.

** Other assets exclude prepayments.

(i) **Concentration of credit risk for Group and Bank**

The Group monitors concentrations of credit risk by sector. An analysis of concentrations of credit risk from the assets is shown below:

Group	Cash and short-term funds and deposits and placements with financial institutions	Balances with Brunei Darussalam			Derivative financial assets	Financing and advances	Financing lease receivables	Other assets **	On-balance sheet total	Commitments and contingencies
	BS'000	Central Bank	Government sukuku	Investments *	BS'000	BS'000	BS'000	BS'000	BS'000	BS'000
2024										
Agricultural	-	-	-	-	-	12,272	-	-	12,272	20,164
Financial	3,117,504	-	-	997,486	8,035	473,392	-	-	4,596,417	151,918
Manufacturing	-	-	-	-	-	59,193	-	-	59,193	13,559
Transportation	-	-	-	-	-	877,481	-	-	877,481	1,642
Infrastructure	-	-	-	189,146	-	31,909	-	-	221,055	90,893
Traders	-	-	-	-	-	97,292	-	-	97,292	31,652
Services	-	-	-	-	-	58,850	-	-	58,850	23,423
Residential property (personal)	-	-	-	-	-	988,624	-	-	988,624	62,505
Commercial	-	-	-	25,528	-	941,158	-	-	966,686	200,815
Tourism	-	-	-	-	-	16,308	-	-	16,308	4,205
Telecommunication and information technology	-	-	-	15,486	-	40,640	-	-	56,126	29,097
Personal and consumption financing	-	-	-	-	-	933,434	-	-	933,434	102,254
Oil and gas	-	-	-	-	3,979	917,708	-	-	921,687	242,985
Others	-	553,536	9,358	270,933	-	-	-	406,597	1,240,424	155,000
Total	3,117,504	553,536	9,358	1,498,579	12,014	5,448,261	-	406,597	11,045,849	1,130,112

* Investments exclude unquoted equity security and unquoted fund.

** Other assets exclude prepayments.

Group	Cash and short-term funds and deposits and placements with financial institutions	Balances with Brunei Darussalam			Derivative financial assets	Financing and advances	Financing lease receivables	Other assets **	On-balance sheet total	Commitments and contingencies
	BS'000	Central Bank	Government sukus	Investments *	BS'000	BS'000	BS'000	BS'000	BS'000	BS'000
2023										
Agricultural	-	-	-	-	-	14,077	-	-	14,077	15,648
Financial	3,030,633	-	-	841,323	67,839	322,993	-	-	4,262,788	114,338
Manufacturing	-	-	-	-	-	60,673	-	-	60,673	13,646
Transportation	-	-	-	-	-	834,590	-	-	834,590	11,318
Infrastructure	-	-	-	155,316	-	30,867	-	-	186,183	97,353
Traders	-	-	-	-	-	102,110	-	-	102,110	27,270
Services	-	-	-	21,665	-	58,180	12,497	-	92,342	59,876
Residential property (personal)	-	-	-	-	-	926,128	-	-	926,128	75,745
Commercial	-	-	-	49,626	-	693,259	-	-	742,885	393,801
Tourism	-	-	-	-	-	6,855	-	-	6,855	7,208
Telecommunication and information technology	-	-	-	7,517	-	10,419	-	-	17,936	32,367
Personal and consumption financing	-	-	-	-	-	926,116	-	-	926,116	99,612
Oil and gas	-	-	-	-	-	966,162	-	-	966,162	308,392
Others	-	512,770	9,859	320,757	-	-	-	220,656	1,064,042	69,599
Total	3,030,633	512,770	9,859	1,396,204	67,839	4,952,429	12,497	220,656	10,202,887	1,326,173

* Investments exclude unquoted equity security and unquoted fund.

** Other assets exclude prepayments.

	Cash and short- term funds and deposits and placements with financial institutions BS'000	Balances with Brunei Darussalam Central Bank BS'000	Government sukuks BS'000	Investments * BS'000	Derivative financial assets BS'000	Financing and advances BS'000	Financing lease receivables BS'000	Other assets ** BS'000	On-balance sheet total BS'000	Commitments and contingencies BS'000
Bank										
2024										
Agricultural	-	-	-	-	-	12,272	-	-	12,272	20,164
Financial	3,865,382	-	-	997,486	8,035	473,392	-	-	5,344,295	151,918
Manufacturing	-	-	-	-	-	59,193	-	-	59,193	13,559
Transportation	-	-	-	-	-	1,840	-	-	1,840	1,642
Infrastructure	-	-	-	189,146	-	31,909	-	-	221,055	90,893
Traders	-	-	-	-	-	97,292	-	-	97,292	31,652
Services	-	-	-	-	-	58,850	-	-	58,850	23,423
Residential property (personal)	-	-	-	-	-	988,624	-	-	988,624	62,505
Commercial	-	-	-	25,528	-	941,158	-	-	966,686	200,815
Tourism	-	-	-	-	-	16,308	-	-	16,308	4,205
Telecommunication and information technology	-	-	-	15,486	-	40,640	-	-	56,126	29,097
Personal and consumption financing	-	-	-	-	-	910,244	-	-	910,244	102,254
Oil and gas	-	-	-	-	3,979	917,708	-	-	921,687	242,985
Others	-	505,827	9,358	270,933	-	-	-	434,569	1,220,687	155,000
Total	3,865,382	505,827	9,358	1,498,579	12,014	4,549,430	-	434,569	10,875,159	1,130,112

* Investments exclude unquoted equity security and unquoted fund.

** Other assets exclude prepayments.

	Cash and short- term funds and deposits and placements with financial institutions BS'000	Balances with Brunei Darussalam Central Bank BS'000	Government sukuks BS'000	Investments * BS'000	Derivative financial assets BS'000	Financing and advances BS'000	Financing lease receivables BS'000	Other assets ** BS'000	On-balance sheet total BS'000	Commitments and contingencies BS'000
Bank										
2023										
Agricultural	-	-	-	-	-	14,077	-	-	14,077	15,648
Financial	3,696,987	-	-	841,323	67,839	322,993	-	-	4,929,142	114,338
Manufacturing	-	-	-	-	-	60,673	-	-	60,673	13,646
Transportation	-	-	-	-	-	51,005	-	-	51,005	11,318
Infrastructure	-	-	-	155,316	-	30,867	-	-	186,183	97,353
Traders	-	-	-	-	-	102,110	-	-	102,110	27,270
Services	-	-	-	21,665	-	58,180	12,497	-	92,342	59,876
Residential property (personal)	-	-	-	-	-	926,128	-	-	926,128	75,745
Commercial	-	-	-	49,626	-	693,259	-	-	742,885	393,801
Tourism	-	-	-	-	-	6,855	-	-	6,855	7,208
Telecommunication and information technology	-	-	-	7,517	-	10,419	-	-	17,936	32,367
Personal and consumption financing	-	-	-	-	-	902,497	-	-	902,497	99,612
Oil and gas	-	-	-	-	-	966,162	-	-	966,162	308,392
Others	-	470,826	9,859	320,757	-	-	-	252,418	1,053,860	69,599
Total	3,696,987	470,826	9,859	1,396,204	67,839	4,145,225	12,497	252,418	10,051,855	1,326,173

* Investments exclude unquoted equity security and unquoted fund.

** Other assets exclude prepayments.

(ii) Collateral

The main types of collateral obtained by the Group and the Bank to mitigate credit risk are as follows:

- For programme financing – assignment of income;
- For mortgages – charges over residential properties;
- For auto financing – ownership claims over the vehicles financed;
- For commercial property financing – charges over the properties financed; and
- For other financing – charges over business assets such as premises, inventories, assignment of receivables or under lien deposits.

Based on the secured financings, the fair values of collaterals held by the Group and Bank for which they are entitled to sell or pledge in the event of default is as follows: (Refer to Note 21 for the breakdown of financings by security)

	2024		2023	
	Carrying amount of financing and advances BS'000	Fair value of collateral BS'000	Carrying amount of financing and advances BS'000	Fair value of collateral BS'000
Group				
Type of collateral				
Cash	580,834	580,834	596,060	596,060
Properties	1,978,413	1,927,200	1,620,986	1,574,378
Vessels	323,436	307,188	458,875	455,495
Motor vehicles and others	933,719	726,080	834,014	661,620
Total	3,816,402	3,541,302	3,509,935	3,287,553

	2024		2023	
	Carrying amount of financing and advances BS'000	Fair value of collateral BS'000	Carrying amount of financing and advances BS'000	Fair value of collateral BS'000
Bank				
Type of collateral				
Cash	580,834	580,834	596,060	596,060
Properties	1,978,413	1,927,200	1,620,986	1,574,378
Vessels	323,436	307,188	458,875	455,495
Motor vehicles and others	34,888	34,888	26,231	26,231
Total	2,917,571	2,850,110	2,702,152	2,652,164

The fair value of collateral excludes the effect of over-collateralisation.

The carrying amount of properties and motor vehicles that have been repossessed during the year amount to B\$2,306,000 (2023: B\$3,746,000) for the Group and B\$1,391,000 (2023: B\$2,507,000) for the Bank.

(iii) Credit quality of gross financing and advances

Gross financing and advances are classified by the following internal risk category as described below:

Neither past due nor impaired

- a) Excellent to good** Obligors rated in this category have an excellent to good capacity to meet financial commitments with very low credit risk.
- b) Fair** Obligors rated in this category have a fairly acceptable capacity to meet financial commitments with moderate credit risk.

Past due but not impaired

Obligors rated in this category have financial commitments that are past due but no objective evidence of impairment.

Impaired

Obligors with objective evidence of impairment as a result of one or more events that have an impact on the estimated future cash flows of the obligors.

The table below summarises the credit quality of the Group's and the Bank's gross financing according to the above classifications.

	Group		Bank	
	2024	2023	2024	2023
	BS'000	BS'000	BS'000	BS'000
Neither past due nor impaired	5,343,517	4,828,680	4,457,407	4,039,409
Past due but not impaired	66,821	73,106	53,194	54,517
Impaired	74,119	89,908	70,927	86,444
	5,484,457	4,991,694	4,581,528	4,180,370
Allowance for impairment on financing and advances	(36,196)	(39,265)	(32,098)	(35,145)
Total	5,448,261	4,952,429	4,549,430	4,145,225

Credit quality analysis

	2024			
	12-month ECL B\$'000	Lifetime ECL – not credit- impaired B\$'000	Lifetime ECL – credit- impaired B\$'000	Total B\$'000
Group				
Neither past due nor impaired				
Excellent to good	3,818,241	33,717	-	3,851,958
Fair	1,294,854	196,705	-	1,491,559
Past due but not impaired	21,662	45,159	-	66,821
Impaired	-	-	74,119	74,119
Total	5,134,757	275,581	74,119	5,484,457
Allowance for impairment on financing and advances	(8,370)	(3,151)	(24,675)	(36,196)
Total	5,126,387	272,430	49,444	5,448,261

	2023			
	12-month ECL B\$'000	Lifetime ECL – not credit- impaired B\$'000	Lifetime ECL – credit- impaired B\$'000	Total B\$'000
Group				
Neither past due nor impaired				
Excellent to good	3,454,888	34,347	-	3,489,235
Fair	1,159,392	180,053	-	1,339,445
Past due but not impaired	26,292	46,814	-	73,106
Impaired	-	-	89,908	89,908
Total	4,640,572	261,214	89,908	4,991,694
Allowance for impairment on financing and advances	(10,760)	(3,082)	(25,423)	(39,265)
Total	4,629,812	258,132	64,485	4,952,429

The following table sets out information about the ageing status of gross financing and advances facilities for obligors categorised as past due but not impaired:

	2024		
	12-month ECL BS'000	Lifetime ECL – not credit- impaired BS'000	Total BS'000
Group			
By ageing:			
Current	3,145	12,543	15,688
1 month-in-arrears (1 to 30 days)	18,324	17,359	35,683
2 months-in-arrears (31 to 60 days)	193	3,536	3,729
3 months-in-arrears (61 to 90 days)	-	11,721	11,721
Total	21,662	45,159	66,821
	2023		
	12-month ECL BS'000	Lifetime ECL – not credit- impaired BS'000	Total BS'000
Group			
By ageing:			
Current	11,740	16,011	27,751
1 month-in-arrears (1 to 30 days)	14,552	23,445	37,997
2 months-in-arrears (31 to 60 days)	-	5,456	5,456
3 months-in-arrears (61 to 90 days)	-	1,902	1,902
Total	26,292	46,814	73,106

	2024			
	12-month ECL BS'000	Lifetime ECL – not credit- impaired BS'000	Lifetime ECL – credit- impaired BS'000	Total BS'000
Bank				
Neither past due nor impaired				
Excellent to good	3,577,241	33,717	-	3,610,958
Fair	649,744	196,705	-	846,449
Past due but not impaired	21,662	31,532	-	53,194
Impaired	-	-	70,927	70,927
Total	4,248,647	261,954	70,927	4,581,528
Allowance for impairment on financing and advances	(7,423)	(2,855)	(21,820)	(32,098)
Total	4,241,224	259,099	49,107	4,549,430

	2023			
	12-month ECL BS'000	Lifetime ECL – not credit- impaired BS'000	Lifetime ECL – credit- impaired BS'000	Total BS'000
Bank				
Neither past due nor impaired				
Excellent to good	3,199,300	34,347	-	3,233,647
Fair	625,709	180,053	-	805,762
Past due but not impaired	26,292	28,225	-	54,517
Impaired	-	-	86,444	86,444
Total	3,851,301	242,625	86,444	4,180,370
Allowance for impairment on financing and advances	(9,871)	(2,883)	(22,391)	(35,145)
Total	3,841,430	239,742	64,053	4,145,225

The following table sets out information about the ageing status of gross financing and advances facilities for obligors categorised as past due but not impaired:

	2024		
	12-month	Lifetime	Total
	ECL	ECL – not	
	BS'000	credit-impaired	BS'000
Bank			
By ageing:			
Current	3,145	11,967	15,112
1 month-in-arrears (1 to 30 days)	18,324	5,075	23,399
2 months-in-arrears (31 to 60 days)	193	2,797	2,990
3 months-in-arrears (61 to 90 days)	-	11,693	11,693
Total	21,662	31,532	53,194

	2023		
	12-month	Lifetime	Total
	ECL	ECL – not	
	BS'000	credit-impaired	BS'000
Bank			
By ageing:			
Current	11,740	16,011	27,751
1 month-in-arrears (1 to 30 days)	14,552	5,397	19,949
2 months-in-arrears (31 to 60 days)	-	4,915	4,915
3 months-in-arrears (61 to 90 days)	-	1,902	1,902
Total	26,292	28,225	54,517

A table showing a reconciliation between the movement of ECL/ IFRS9 staging is disclosed as per below:

	2024			
	Stage 1	Stage 2	Stage 3	Total
	BS'000	BS'000	BS'000	BS'000
Group				
Balance at 1 January	10,760	3,082	25,423	39,265
Transfer to/(from) Stage 1	(53)	(145)	198	-
Transfer to/(from) Stage 2	(61)	183	(122)	-
Transfer to/(from) Stage 3	(63)	(312)	375	-
Net remeasurement of loss allowance	(4,264)	(75)	8,831	4,492
New financial assets originated or purchased	3,577	750	827	5,154
Financial assets that have been derecognised	(1,461)	(330)	(769)	(2,560)
Write-offs	(65)	(2)	(10,088)	(10,155)
Balance at 31 December	8,370	3,151	24,675	36,196

	2023			
	Stage 1	Stage 2	Stage 3	Total
	BS'000	BS'000	BS'000	BS'000
Group				
Balance at 1 January	12,746	2,034	31,837	46,617
Transfer to/(from) Stage 1	417	(242)	(175)	-
Transfer to/(from) Stage 2	(35)	194	(159)	-
Transfer to/(from) Stage 3	(56)	(251)	307	-
Net remeasurement of loss allowance	(5,696)	666	10,056	5,026
New financial assets originated or purchased	4,812	1,478	771	7,061
Financial assets that have been derecognised	(1,399)	(794)	(1,642)	(3,835)
Write-offs	(29)	(3)	(15,572)	(15,604)
Balance at 31 December	10,760	3,082	25,423	39,265

	2024			
	Stage 1	Stage 2	Stage 3	Total
	BS'000	BS'000	BS'000	BS'000
Bank				
Balance at 1 January	9,873	2,882	22,390	35,145
Transfer to/(from) Stage 1	499	(296)	(203)	-
Transfer to/(from) Stage 2	(79)	320	(241)	-
Transfer to/(from) Stage 3	(64)	(312)	376	-
Net remeasurement of loss allowance	(4,473)	(77)	8,708	4,158
New financial assets originated or purchased	3,071	670	823	4,564
Financial assets that have been derecognised	(1,404)	(330)	(686)	(2,420)
Write-offs	-	(2)	(9,347)	(9,349)
Balance at 31 December	7,423	2,855	21,820	32,098

	2023			
	Stage 1	Stage 2	Stage 3	Total
	BS'000	BS'000	BS'000	BS'000
Bank				
Balance at 1 January	11,800	1,801	28,258	41,859
Transfer to/(from) Stage 1	445	(269)	(176)	-
Transfer to/(from) Stage 2	(130)	306	(176)	-
Transfer to/(from) Stage 3	(74)	(263)	337	-
Net remeasurement of loss allowance	(5,201)	680	9,528	5,007
New financial assets originated or purchased	4,364	1,403	740	6,507
Financial assets that have been derecognised	(1,331)	(774)	(1,447)	(3,552)
Write-offs	-	(2)	(14,674)	(14,676)
Balance at 31 December	9,873	2,882	22,390	35,145

Transfers to/from Stage 1, Stage 2 or Stage 3 are due to financial instruments experiencing significant increases or decreases of credit risk or becoming credit-impaired in the period, and the subsequent increase or decrease in the ECL as financial assets move from one stage to another.

(iv) Credit quality of other financial assets (excluding equity securities)

The Group managed its exposure to credit risk by investing only in liquid debt securities majority with counterparties that have a credit rating of at least BBB- or its rating equivalent from BDCB approved External Credit Assessment Institution (ECAI), and a small portion to below investment grade or unrated Sukuk. If no such ECAI is available, the Sukuk (obligor) will be assessed using internal model and at least be rated BBB-.

The Group monitors changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the Group supplements this by reviewing changes in bond yields and, where available, credit default swap (CDS) prices together with available press and regulatory information about issuers which include quarterly earning updates, and the operating environment.

12-month and lifetime probabilities of default are based on historical data supplied by Moody's Investor Service for each credit rating and are recalibrated based on current bond yields. Loss given default (LGD) parameters generally reflect recovery rate depending on the type of asset and sukuk feature which range between 20% to 50% except when a security is credit-impaired, in which case the estimate of loss is based on the instrument's current market price and original effective yield rate.

The following table presents an analysis of the credit quality of debt securities at amortised cost, FVOCI and FVTPL. It indicates whether assets measured at amortised cost or FVOCI were subject to a 12-month ECL or lifetime ECL allowance and, in the latter case, whether they were credit-impaired.

Credit quality of other financial assets (excluding equity securities) due from external parties are as follows:

Amortised cost

Group and Bank	Gross carrying amount B\$'000	12-month ECL B\$'000	Lifetime ECL- not credit impaired B\$'000	Lifetime ECL- credit impaired B\$'000	Total B\$'000
2024					
Debt securities					
Rated AAA	-	-	-	-	-
Rate AA+ to AA-	-	-	-	-	-
Rate A+ to A-	6,641	-	-	-	6,641
Rated BBB+ to BBB-	29,636	(8)	-	-	29,628
Rated BB+ or below	46,658	(64)	-	-	46,594
Unrated-Quasi-government	-	-	-	-	-
Unrated-Others	-	-	-	-	-
Other investments	-	-	-	-	-
Total	82,935	(72)	-	-	82,863

Group and Bank	Gross carrying amount B\$'000	12-month ECL B\$'000	Lifetime ECL- not credit impaired B\$'000	Lifetime ECL- credit impaired B\$'000	Total B\$'000
2023					
Debt securities					
Rated AAA	-	-	-	-	-
Rate AA+ to AA-	-	-	-	-	-
Rate A+ to A-	38,372	(3)	-	-	38,369
Rated BBB+ to BBB-	64,909	(11)	-	-	64,898
Rated BB+ or below	75,155	(30)	-	-	75,125
Unrated-Quasi-government	-	-	-	-	-
Unrated-Others	-	-	-	-	-
Other investments	-	-	-	-	-
Total	178,436	(44)	-	-	178,392

Fair value through profit and loss

	Gross carrying amount BS'000	12-month ECL BS'000	Lifetime ECL- not credit impaired BS'000	Lifetime ECL-credit impaired BS'000	Total BS'000
Group and Bank					
2024					
Quoted securities					
Rated AAA	-	-	-	-	-
Rate AA+ to AA-	-	-	-	-	-
Rate A+ to A-	-	-	-	-	-
Rated BBB+ to BBB-	-	-	-	-	-
Rated BB+ or below	-	-	-	-	-
Unrated-Quasi-government	-	-	-	-	-
Unrated-Others	-	-	-	-	-
Other investments	86,540	-	-	-	86,540
Total	86,540	-	-	-	86,540

	Gross carrying amount BS'000	12-month ECL BS'000	Lifetime ECL- not credit impaired BS'000	Lifetime ECL-credit impaired BS'000	Total BS'000
2023					
Quoted securities					
Rated AAA	-	-	-	-	-
Rate AA+ to AA-	-	-	-	-	-
Rate A+ to A-	-	-	-	-	-
Rated BBB+ to BBB-	-	-	-	-	-
Rated BB+ or below	-	-	-	-	-
Unrated-Quasi-government	-	-	-	-	-
Unrated-Others	-	-	-	-	-
Other investments	84,807	-	-	-	84,807
Total	84,807	-	-	-	84,807

Fair value through other comprehensive income

	Gross carrying amount B\$'000	12-month ECL B\$'000	Lifetime ECL- not credit impaired B\$'000	Lifetime ECL-credit impaired B\$'000	Total B\$'000
Group and Bank					
2024					
Quoted securities					
Rated AAA	-	-	-	-	-
Rate AA+ to AA-	138,796	(18)	-	-	138,778
Rate A+ to A-	990,305	(192)	-	-	990,113
Rated BBB+ to BBB-	148,181	(87)	-	-	148,094
Rated BB+ or below	18,552	(12)	-	-	18,540
Unrated-Quasi-government	33,342	(6)	-	-	33,336
Unrated-Others	-	-	-	-	-
Other investments	-	-	-	-	-
Total	1,329,176	(315)	-	-	1,328,861

	Gross carrying amount B\$'000	12-month ECL B\$'000	Lifetime ECL- not credit impaired B\$'000	Lifetime ECL-credit impaired B\$'000	Total B\$'000
2023					
Quoted securities					
Rated AAA	-	-	-	-	-
Rate AA+ to AA-	112,756	(14)	-	-	112,742
Rate A+ to A-	768,329	(138)	-	-	768,191
Rated BBB+ to BBB-	142,167	(21)	-	-	142,146
Rated BB+ or below	77,633	(21)	-	-	77,612
Unrated-Quasi-government	32,121	(6)	-	-	32,115
Unrated-Others	-	-	-	-	-
Other investments	-	-	-	-	-
Total	1,133,006	(200)	-	-	1,132,806

Government sukuk held by the Group (refer to Note 18) are issued by Brunei Darussalam Central Bank. Derivative financial assets held with other counterparties (refer to Note 20) are generally above the rating of A-. For other assets, impairment on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The amount of the allowance on these balances is insignificant.

(v) Offsetting financial assets and financial liabilities

The disclosures set out in the table below include financial assets and liabilities that:

- are offset in the statements of financial position of the Group and Bank; or
- are subject to an enforceable master netting arrangement, irrespective of whether are offset in the statements of financial position.

Financial instruments such as financing and advances, deposits, other assets and other liabilities do not offset in the statements of financial position of the Group and Bank.

The derivative transactions of the Group and Bank that are not transacted on an exchange are entered into under Master Agreement for Islamic Transactions. In general, under such agreement the amounts owed by each counterparty that are due on a single day in respect of all transactions outstanding in the same currency under the agreement are aggregated into a single net amount being payable by one party to the other. In certain circumstances, for example when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions.

The above agreement does not meet the criteria for offsetting in the statements of financial position. This is because they create a right of set-off recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Group and Bank or the counterparties. In addition, the Group and Bank and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Financial assets and financial liabilities subject to offsetting, enforceable master agreement for Islamic transactions

	Gross amounts of recognised financial instruments B\$'000	Gross amounts of recognised financial instruments offset in the statements of financial position B\$'000	Net amounts of financial instruments presented in the statements of financial position B\$'000	Related amounts not offset in the statements of financial position		
				Financing instruments B\$'000	Financing collateral B\$'000	Net amount B\$'000
Group and Bank						
2024						
Derivative financial assets	11,011	-	11,011	(2,183)	-	8,828
Derivative financial liabilities	65,201	-	65,201	(2,183)	-	63,018
2023						
Derivative financial assets	67,839	-	67,839	(5,587)	-	62,252
Derivative financial liabilities	15,362	-	15,362	(5,587)	-	9,775

The gross amounts of financial assets and financial liabilities and their net amounts as presented in the statements of financial position that are disclosed in the above tables are measured in the statements of financial position at fair value.

(b) Market risk

Overview of the Bank's market risk

Market risk is defined as the uncertainty of market value and earnings from changes in yield rates, exchange rates, market prices and volatilities. The Bank assumes market risk from trading and investment activities and from retail and corporate financings.

The Bank's asset and liability profile can be characterised as that of a standard retail bank. Trading activities are negligible, with an investment portfolio of no more than 15% of the Bank's total assets. Stress testing and sensitivity analysis are performed to assess the impact from changes in the yield curve for income on a monthly basis and for market value on a quarterly basis.

Management of market risk

Market risk of the Bank is managed by the Market Risk unit of the Risk Management Division. Market risk report is presented monthly to the Bank's ALCO and quarterly to the RCC committee. ALCO provides general guidelines to the parameters and limits applied in deriving the report's outcome. ALCO maintains the policy and procedures with regards to the market risk framework that are consistent and in-line with the short and long-term strategic goals and directions of the Board of Directors.

The objective of the Bank's market risk management is to manage and control market risk exposures in order to optimise return on risk while maintaining a market risk profile consistent with the Bank's approved risk appetite.

The Bank is exposed to the following risks:

Profit Rate Risk: Changes in the market wide yield rate i.e. yield curve will have an impact on the income of the Bank. This depends on how quickly the Bank can absorb the change in yield rate and price this in the composition of assets and liabilities. Stress test and sensitivity analysis is performed at 1%, 3% and 8% parallel shift in market yield rates and the resulting change in 1 year net income position of the Bank.

Fair Value/Duration Risk: The fair value of assets and liabilities changes as the discount factor i.e. the yield curve moves up or down. The composition and duration of the assets and liabilities will determine the net change in net asset value. The base discount factor is the market SGD yield curve, to which a premium is added to reflect the market perception of the Bank's credit standing. The changes in fair value will not have a material impact on the financial statements of the Group and the Bank.

Foreign Exchange Risk: The Bank has substantial exposure in foreign exchange denominated assets, particularly the United States Dollar ("USD"). This foreign exchange risk is managed through foreign exchange forward currency hedges, whereby all foreign exchange assets are required to be covered by either liabilities in the same currency and/or foreign exchange forward hedge with a reputable international counterparty. The Bank's Executive Committee has given approval for only B\$10 million equivalent in total aggregate of foreign currency open position.

Overview of the subsidiary's market risk

All the subsidiary's financing assets are fixed rate and is not subject to future movement. However, the subsidiary's deposit from customers are subject to future repricing risk and the risk that prices and rates will move, resulting in profit or loss to the subsidiary.

The subsidiary is exposed to the following risks:

Rate of return or profit risk: risk that changes in prevailing yield rate for deposits will adversely affect the earnings stream of the subsidiary, thus resulting in reduced net financing income.

Price Risk: risk that changes in prevailing yield rate will adversely affect the values of assets, liabilities, and capital. Price risk is the valuation effect due to changes in rates and other market factors both internal and external to the subsidiary. The objective of the subsidiary's market risk management is to manage and control market risk exposures in order to optimise return on risk while maintaining a market risk profile consistent with the subsidiary's approved risk appetite.

Market risk governance and management

The board of the subsidiary reviews these risks at least annually, and more often as conditions may warrant. This helps to provide for growth that is sound, profitable and balanced without sacrificing the quality of service and to manage and maintain policies and procedures that are consistent with the subsidiary's and Group's strategic goals.

(i) Profit rate risk

The tables below summarise the Group's and Bank's exposure to profit rate risk and gap position on non-trading portfolio. The tables indicate the periods in which the financial instruments reprice or mature, whichever is earlier.

	Up to 1 month BS'000	1 – 3 months BS'000	3 – 12 months BS'000	1 – 5 years BS'000	Over 5 years BS'000	Non profit bearing BS'000	Trading book BS'000	Total BS'000
Group 2024								
Assets								
Cash and cash equivalents	1,997,671	129,068	-	-	-	165,782	-	2,292,521
Balances with Brunei Darussalam Central Bank	-	-	-	-	-	553,536	-	553,536
Placements with and financing and advances to banks	56,233	443,094	325,656	-	-	-	-	824,983
Government sukuks	-	-	9,358	-	-	-	-	9,358
Investments at amortised cost	-	6,641	25,528	50,694	-	-	-	82,863
Investments at fair value through profit or loss *	-	-	-	-	-	-	86,540	86,540
Investments at fair value through other comprehensive income *	52,580	120,094	235,477	901,472	19,553	-	-	1,329,176
Derivative financial assets	-	-	-	-	-	-	12,014	12,014
Financing and advances **	178,206	751,897	256,781	2,177,273	2,084,104	-	-	5,448,261
Other assets ***	-	-	-	-	-	406,597	-	406,597
Total	2,284,690	1,450,794	852,800	3,129,439	2,103,657	1,125,915	98,554	11,045,849

* Financial assets at fair value through profit or loss and at other comprehensive income exclude unquoted fund and investments in unquoted equity securities, respectively.

** Financing and advances is arrived at after deducting allowances for losses from the outstanding gross impaired financing.

*** Other assets exclude prepayments.

Group	Up to	1 – 3	3 – 12	1 – 5	Over 5	Non profit	Trading	Total
2024	1 month	months	months	years	years	bearing	book	Total
	BS'000	BS'000	BS'000	BS'000	BS'000	BS'000	BS'000	BS'000
Liabilities								
Deposits from customers	(5,924,335)	(559,036)	(1,780,796)	(66,701)	(1,510)	-	-	(8,332,378)
Deposits from banks and other financial institutions	(47,580)	(62,447)	(144,363)	(34,000)	-	-	-	(288,390)
Derivative financial liabilities	-	-	-	-	-	-	(65,201)	(65,201)
Placements from other financial institutions	(3,789)	(444,164)	(154,809)	-	-	-	-	(602,762)
Other liabilities	-	-	-	-	-	(507,471)	-	(507,471)
Total	(5,975,704)	(1,065,647)	(2,079,968)	(100,701)	(1,510)	(507,471)	(65,201)	(9,796,202)
Recognised assets profit sensitivity gap	(3,691,014)	385,147	(1,227,168)	3,028,738	2,102,147	618,444	33,353	1,249,647
Unrecognised financial instruments profit sensitivity gap	-	-	-	-	-	(1,130,112)	-	(1,130,112)
Total profit sensitivity gap	(3,691,014)	385,147	(1,227,168)	3,028,738	2,102,147	(511,668)	33,353	119,535

Group	Up to	1 – 3	3 – 12	1 – 5	Over 5	Non profit	Trading	Total
2023	1 month	months	months	years	years	bearing	book	
	B\$'000	B\$'000	B\$'000	B\$'000	B\$'000	B\$'000	B\$'000	B\$'000
Assets								
Cash and cash equivalents	1,700,250	86,738	-	-	-	215,129	-	2,002,117
Balances with Brunei Darussalam Central Bank	-	-	-	-	-	512,770	-	512,770
Placements with and financing and advances to banks	104,269	343,108	581,139	-	-	-	-	1,028,516
Government sukuks	-	-	9,859	-	-	-	-	9,859
Investments at amortised cost	-	25,726	72,042	80,624	-	-	-	178,392
Investments at fair value through profit or loss *	-	-	-	-	-	-	84,807	84,807
Investments at fair value through other comprehensive income *	44,597	60,824	171,456	817,128	39,001	16,912	-	1,149,918
Derivative financial assets	-	-	-	-	-	-	67,839	67,839
Financing and advances **	98,141	555,495	457,500	1,980,525	1,860,768	-	-	4,952,429
Finance lease receivables	-	-	-	-	12,497	-	-	12,497
Other assets ***	-	-	-	-	-	220,656	-	220,656
Total	1,947,257	1,071,891	1,291,996	2,878,277	1,912,266	965,467	152,646	10,219,800

* Financial assets at fair value through profit or loss and at other comprehensive income exclude unquoted fund and investments in unquoted equity securities, respectively.

** Financing and advances is arrived at after deducting allowances for losses from the outstanding gross impaired financing.

*** Other assets exclude prepayments.

Group	Up to	1 – 3	3 – 12	1 – 5	Over 5	Non profit	Trading	Total
2023	1 month	months	months	years	years	bearing	book	Total
	BS'000	BS'000	BS'000	BS'000	BS'000	BS'000	BS'000	BS'000
Liabilities								
Deposits from customers	(5,919,105)	(518,371)	(1,509,341)	(174,391)	(63)	-	-	(8,121,271)
Deposits from banks and other financial institutions	(118,670)	(75,839)	(163,565)	28,747	-	-	-	(329,327)
Derivative financial liabilities	-	-	-	-	-	-	(15,710)	(15,710)
Placements from other financial institutions	(52,734)	-	(131,835)	-	-	-	-	(184,569)
Other liabilities	-	-	-	-	-	(351,360)	-	(351,360)
Total	(6,090,509)	(594,210)	(1,804,741)	(145,644)	(63)	(351,360)	(15,710)	(9,002,237)
Recognised assets profit sensitivity gap	(4,143,252)	477,681	(512,745)	2,732,633	1,912,203	614,107	136,936	1,217,563
Unrecognised financial instruments profit sensitivity gap	-	-	-	-	-	(1,326,173)	-	(1,326,173)
Total profit sensitivity gap	(4,143,252)	477,681	(512,745)	2,732,633	1,912,203	(712,066)	136,936	(108,610)

Bank 2024	Up to 1 month BS'000	1 – 3 months BS'000	3 – 12 months BS'000	1 – 5 years BS'000	Over 5 years BS'000	Non profit bearing BS'000	Trading book BS'000	Total BS'000
Assets								
Cash and cash equivalents	2,000,025	129,068	-	-	-	165,307	-	2,294,400
Balances with Brunei Darussalam Central Bank	-	-	-	-	-	505,827	-	505,827
Placements with and financing and advances to banks	56,233	443,094	1,071,655	-	-	-	-	1,570,982
Government sukuks	-	-	9,358	-	-	-	-	9,358
Investments at amortised cost	-	6,641	25,528	50,694	-	-	-	82,863
Investments at fair value through profit or loss *	-	-	-	-	-	-	86,540	86,540
Investments at fair value through other comprehensive income *	52,580	120,094	235,477	901,472	19,553	-	-	1,329,176
Derivative financial assets	-	-	-	-	-	-	12,014	12,014
Financing and advances **	178,206	751,140	233,528	1,804,471	1,582,085	-	-	4,549,430
Other assets ***	-	-	-	-	-	434,569	-	434,569
Total	2,287,044	1,450,037	1,575,546	2,756,637	1,601,638	1,105,703	98,554	10,875,159

* Financial assets at fair value through profit or loss and at other comprehensive income exclude unquoted fund and investments in unquoted equity securities, respectively.

** Financing and advances is arrived at after deducting allowances for losses from the outstanding gross impaired financing.

*** Other assets exclude prepayments.

	Up to 1 month BS'000	1 – 3 months BS'000	3 – 12 months BS'000	1 – 5 years BS'000	Over 5 years BS'000	Non profit bearing BS'000	Trading book BS'000	Total BS'000
Bank 2024								
Liabilities								
Deposits from customers	(5,896,000)	(555,974)	(1,758,924)	(57,567)	-	-	-	(8,268,465)
Deposits and placements of banks and other financial institutions	(59,564)	(87,450)	(163,509)	(21,800)	-	-	-	(332,323)
Derivative financial liabilities	-	-	-	-	-	-	(65,201)	(65,201)
Placements from other financial institutions	(3,789)	(444,164)	(154,809)	-	-	-	-	(602,762)
Other liabilities	-	-	-	-	-	(501,254)	-	(501,254)
Total	(5,959,353)	(1,087,588)	(2,077,242)	(79,367)	-	(501,254)	(65,201)	(9,770,005)
Recognised assets profit sensitivity gap	(3,672,309)	362,449	(501,696)	2,677,270	1,601,638	604,449	33,353	1,105,154
Unrecognised financial instruments profit sensitivity gap	-	-	-	-	-	(1,130,112)	-	(1,130,112)
Total profit sensitivity gap	(3,672,309)	362,449	(501,696)	2,677,270	1,601,638	(525,663)	33,353	(24,958)

	Up to 1 month B\$'000	1 – 3 months B\$'000	3 – 12 months B\$'000	1 – 5 years B\$'000	Over 5 years B\$'000	Non profit bearing B\$'000	Trading book B\$'000	Total B\$'000
Bank 2023								
Assets								
Cash and cash equivalents	1,703,096	86,738	-	-	-	215,128	-	2,004,962
Balances with Brunei Darussalam Central Bank	-	-	-	-	-	470,826	-	470,826
Placements with and financing and advances to banks	104,471	343,108	1,244,445	-	-	-	-	1,692,024
Government sukuks	-	-	9,859	-	-	-	-	9,859
Investments at amortised cost	-	25,726	72,042	80,624	-	-	-	178,392
Investments at fair value through profit or loss *	-	-	-	-	-	-	84,807	84,807
Investments at fair value through other comprehensive income *	44,597	60,824	171,456	817,128	39,001	16,912	-	1,149,918
Derivative financial assets	-	-	-	-	-	-	67,839	67,839
Financing and advances **	98,144	554,795	445,051	1,609,309	1,437,926	-	-	4,145,225
Finance lease receivables	-	-	-	-	12,497	-	-	12,497
Other assets ***	-	-	-	-	-	252,418	-	252,418
Total	1,950,308	1,071,191	1,942,853	2,507,061	1,489,424	955,284	152,646	10,068,767

* Financial assets at fair value through profit or loss and at other comprehensive income exclude unquoted fund and investments in unquoted equity securities, respectively.

** Financing and advances is arrived at after deducting allowances for losses from the outstanding gross impaired financing.

*** Other assets exclude prepayments.

	Up to 1 month B\$'000	1 – 3 months B\$'000	3 – 12 months B\$'000	1 – 5 years B\$'000	Over 5 years B\$'000	Non profit bearing B\$'000	Trading book B\$'000	Total B\$'000
Bank 2023								
Liabilities								
Deposits from customers	(5,856,584)	(509,295)	(1,491,513)	(164,628)	-	-	-	(8,022,020)
Deposits and placements of banks and other financial institutions	(126,920)	(15,269)	(192,247)	(42,500)	-	-	-	(376,936)
Derivative financial liabilities	-	-	-	-	-	-	(15,710)	(15,710)
Placements from other financial institutions	(52,734)	-	(131,835)	-	-	-	-	(184,569)
Other liabilities	-	-	-	-	-	(349,794)	-	(349,794)
Total	(6,036,238)	(524,564)	(1,815,595)	(207,128)	-	(349,794)	(15,710)	(8,949,029)
Recognised assets profit sensitivity gap	(4,085,930)	546,627	127,258	2,299,933	1,489,424	605,490	136,936	1,119,738
Unrecognised financial instruments profit sensitivity gap	-	-	-	-	-	(1,326,173)	-	(1,326,173)
Total profit sensitivity gap	(4,085,930)	546,627	127,258	2,299,933	1,489,424	(720,683)	136,936	(206,435)

Profit sensitivity analysis for variable rate instruments:

A change of 100, 300 and 800 basis points (“bp”) in yield rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Group and Bank	Profit or loss / Equity					
	100 bp increase	100 bp decrease	300 bp increase	300 bp decrease	800 bp increase	800 bp decrease
	BS'000	BS'000	BS'000	BS'000	BS'000	BS'000
2024						
Variable rate instruments	4,674	(4,674)	14,021	(14,021)	37,388	(37,388)
2023						
Variable rate instruments	3,773	(3,773)	11,319	(11,319)	30,184	(30,184)

(ii) Foreign exchange risk of the Bank

Trading positions

The Bank controls the foreign exchange risk within the trading portfolio by limiting the open exposure to individual currencies, and on an aggregate basis.

Overall (trading and non-trading positions)

To mitigate the risk of loss due to foreign currency rate changes, the Bank will match its positions as closely as possible.

Trading is always conducted to ensure that internal set limits are adhered to.

Positions are analysed on a daily basis, whereby a currency risk report is produced for the Managing Director and the Chief Risk Officer on a daily basis and for the Board of Directors at the end of each quarter.

Foreign exchange risk of the subsidiaries

The subsidiaries’ nature of business does not maintain any trading positions and does not have significant exposure to foreign exchange risk.

Exposure to foreign exchange risk

As at the reporting date, net currency exposures arising from the Group's major trading currencies were as follows:

	-----Group and Bank-----			
	USD BS'000	EUR BS'000	GBP BS'000	Others BS'000
2024				
Assets				
Cash and short term funds	2,004,139	5,831	116,638	8,766
Placements with and financing and advances to banks	757,957	7,779	61,205	-
Investments	1,498,652	418	-	-
Investments in associate	27,123	-	-	-
Financing and advances	829,671	-	542,659	-
Others	381,747	175	4,934	-
Total	5,499,289	14,203	725,436	8,766
Liabilities and Equities				
Deposits from customers	(1,507,360)	(14,432)	(364,083)	(8,120)
Deposits from banks and other financial institutions	(12,639)	-	(1)	(5)
Placements from other financial institutions	(602,762)	-	-	-
Others	(321,931)	(180)	(3,644)	(18)
Total	(2,444,692)	(14,612)	(367,728)	(8,143)
Net foreign exchange exposure	3,054,597	(409)	357,708	623
Effect of use of derivatives	(3,054,738)	566	(357,401)	-
Net exposure	(141)	157	307	623
2023				
Assets				
Cash and short term funds	1,293,254	13,790	169,737	7,893
Placements with and financing and advances to banks	968,306	-	60,059	-
Investments	1,414,644	306	-	-
Financing and advances	693,093	-	390,490	-
Others	198,925	80	3,202	-
Total	4,568,222	14,176	623,488	7,893

2023	-----Group and Bank-----			
	USD B\$'000	EUR B\$'000	GBP B\$'000	Others B\$'000
Liabilities				
Deposits from customers	(1,267,970)	(13,588)	(340,344)	(7,086)
Deposits from banks and other financial institutions	(20,261)	-	(1)	-
Placements from other financial institutions	(184,569)	-	-	-
Others	(145,468)	(2)	(4,963)	(17)
Total	(1,618,268)	(13,590)	(345,308)	(7,103)
Net foreign exchange exposure	2,949,954	586	278,180	790
Effect of use of derivatives	(2,947,169)	393	(277,935)	-
Net exposure	2,785	979	245	790

Sensitivity analysis

Considering that other risk variables remain constant, the foreign currency revaluation sensitivity for the Group and Bank as at the reporting date is summarised as follows:

	Profit or loss / Equity			
	2024		2023	
	-1% depreciation B\$'000	+1% appreciation B\$'000	-1% depreciation B\$'000	+1% appreciation B\$'000
Group and Bank				
USD	1	(1)	(28)	28
EUR	(2)	2	(10)	10
GBP	(3)	3	(2)	2
Others	(6)	6	(8)	8
Total	(10)	10	(48)	48

(iii) Equity price risk

The Group is exposed to equity price risk on its equity investments which are carried at fair value through profit or loss and through other comprehensive income.

For a 10% increase in the value of equity securities, the impact on profit or loss of the Group and the Bank would have been an increase of B\$122,000 and B\$122,000 respectively (2023: B\$122,000 and B\$122,000 respectively). A 10% decrease in the value of the equity securities would have an equal and opposite effect on the profit or loss of the Group and the Bank.

For a 10% increase in the value of equity securities, the impact on fair value reserve of the Group and the Bank would have been an increase of B\$42,000 and B\$42,000 respectively (2023: B\$31,000 and B\$31,000 respectively). A 10% decrease in the value of the equity securities would have an equal and opposite effect on the fair value reserve of the Group and the Bank.

(c) Liquidity risk

Overview of the Group's liquidity risk

The Group's exposure to liquidity risk arises when there is a possibility of the Group not having sufficient funds to meet its obligations from its financial liabilities.

The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

In addition, the Bank and one of its subsidiaries have to comply with Section 45(1) of the Islamic Banking Act (Cap. 168) and section 13A of the Finance Companies Act, Cap 89 respectively to maintain minimum cash balances with the BDCB. The Bank and the subsidiary were in compliance with these requirements during the year ended 31 December 2024.

Management of liquidity and funding risk

The Bank manages its liquidity under the purview of its ALCO which is responsible for establishing the liquidity policy as well as monitoring liquidity on an ongoing basis. A Minimum Liquid Asset requirement has been established to ensure that the ratio of liquid assets to qualifying liabilities is subject to a minimum threshold at all times.

Overview of the subsidiary's liquidity risk

Liquidity risk is the risk that the subsidiary will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The subsidiary's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the subsidiary's reputation.

Management of liquidity risk

Liquidity risk is managed in accordance with the subsidiary's liquidity needs through, in large part, receipt of placements from the Bank, in addition to the receipt of deposits from other financial institutions and retail depositors. This will ensure that liquidity risk is monitored and managed in a manner that ensures sufficient funds are available over a range of market conditions.

Maturity analysis

The table below summarises the Group's and Bank's assets and liabilities based on remaining contractual maturities. The expected cash flows of these assets and liabilities could vary significantly from what is shown in the table. For example, deposits from customers are not all expected to be withdrawn immediately.

	Carrying amount BS'000	Gross nominal inflow/ (outflow) BS'000	Less than 3 months BS'000	3 – 6 months BS'000	6 – 12 months BS'000	1 – 3 years BS'000	3 – 5 years BS'000	Over 5 years BS'000	No specific maturity BS'000
Group									
2024									
Assets									
Cash, balances and placements with banks	2,292,521	2,294,639	2,294,639	-	-	-	-	-	-
Balances with Brunei Darussalam Central Bank	553,536	553,535	423,766	44,827	78,170	6,661	-	111	-
Placements with and financing and advances to banks	824,983	906,392	503,190	328,079	75,123	-	-	-	-
Government sukuks	9,358	9,500	-	5,000	4,500	-	-	-	-
Investments *	1,498,579	1,674,348	193,251	39,359	291,297	548,649	580,736	21,056	-
Derivative financial assets	12,014	12,875	9,236	2,056	1,128	455	-	-	-
Financing and advances	5,448,261	6,090,470	1,324,451	306,662	532,102	1,771,315	662,250	1,493,690	-
Other assets **	406,597	406,597	381,292	2,210	4,487	16,366	516	1,726	-
Total	11,045,849	11,948,356	5,129,825	728,193	986,807	2,343,446	1,243,502	1,516,583	-

* Investments exclude unquoted equity security and unquoted fund.

** Other assets exclude prepayments.

	Carrying amount BS'000	Gross nominal inflow/ (outflow) BS'000	Less than 3 months BS'000	3 – 6 months BS'000	6 – 12 months BS'000	1 – 3 years BS'000	3 – 5 years BS'000	Over 5 years BS'000	No specific maturity BS'000
Group									
2024									
Liabilities									
Deposits from customers	(8,332,378)	(8,390,761)	(6,501,879)	(667,167)	(1,150,588)	(69,379)	-	(1,748)	-
Deposits and placements of banks and other financial institutions	(288,390)	(313,122)	(161,486)	(37,703)	(78,568)	(35,365)	-	-	-
Derivative financial liabilities	(65,201)	(70,125)	(67,654)	(1,823)	(648)	-	-	-	-
Placements from other financial institutions	(602,762)	(602,762)	(447,952)	(98,557)	(56,253)	-	-	-	-
Other liabilities	(469,584)	(471,936)	(404,223)	(8,062)	(11,507)	(14,305)	(8,074)	(25,765)	-
Lease liabilities	(37,887)	(37,887)	(1,531)	(73)	(124)	(1,062)	(1,761)	(33,336)	-
Total	(9,796,202)	(9,886,593)	(7,584,725)	(813,385)	(1,297,688)	(120,111)	(9,835)	(60,849)	-
Recognised assets net liquidity gap	1,249,647	2,061,763	(2,454,900)	(85,192)	(310,881)	2,223,335	1,233,667	1,455,734	-
Commitments and contingencies	(1,130,112)	(1,130,112)	(1,130,112)	-	-	-	-	-	-
Net liquidity gap	119,535	931,651	(3,585,012)	(85,192)	(310,881)	2,223,335	1,233,667	1,455,734	-

	Carrying amount BS'000	Gross nominal inflow/ (outflow) BS'000	Less than 3 months BS'000	3 – 6 months BS'000	6 – 12 months BS'000	1 – 3 years BS'000	3 – 5 years BS'000	Over 5 years BS'000	No specific maturity BS'000
Group									
2023									
Assets									
Cash, balances and placements with banks	2,002,117	2,004,178	2,004,178	-	-	-	-	-	-
Balances with Brunei Darussalam Central Bank	512,770	512,770	393,663	31,893	72,007	15,203	-	4	-
Placements with and financing and advances to banks	1,028,516	1,127,382	450,757	508,942	167,683	-	-	-	-
Government sukuks	9,859	10,000	-	10,000	-	-	-	-	-
Investments *	1,413,118	1,562,485	141,377	189,075	233,635	541,604	398,613	40,977	17,204
Derivative financial assets	67,839	63,916	62,929	42	945	-	-	-	-
Financing and advances	4,952,429	5,497,738	1,121,188	363,912	544,035	1,555,916	641,973	1,270,714	-
Finance lease receivables	12,497	26,340	180	190	390	1,560	1,560	22,460	-
Other assets **	220,656	251,297	179,613	3,714	10,416	439	12	57,103	-
Total	10,219,801	11,056,106	4,353,885	1,107,768	1,029,111	2,114,722	1,042,158	1,391,258	17,204

* Investments exclude unquoted equity security and unquoted fund.

** Other assets exclude prepayments.

	Carrying amount BS'000	Gross nominal inflow/ (outflow) BS'000	Less than 3 months BS'000	3 – 6 months BS'000	6 – 12 months BS'000	1 – 3 years BS'000	3 – 5 years BS'000	Over 5 years BS'000	No specific maturity BS'000
Group									
2023									
Liabilities									
Deposits from customers	(8,121,271)	(8,173,226)	(6,435,492)	(502,709)	(1,049,824)	(185,138)	-	(63)	-
Deposits and placements of banks and other financial institutions	(329,327)	(376,163)	(128,029)	(29,049)	(150,738)	(68,347)	-	-	-
Derivative financial liabilities	(15,710)	7,274	3,637	(14,197)	402	(410)	17,842	-	-
Placements from other financial institutions	(184,569)	(184,569)	(52,734)	(131,835)	-	-	-	-	-
Other liabilities	(313,473)	(296,969)	(214,298)	(21,664)	(18,973)	(17,694)	(2,727)	(21,613)	-
Lease liabilities	(37,887)	(37,454)	(278)	(511)	(949)	(3,504)	(2,586)	(29,626)	-
Total	(9,002,237)	(9,061,107)	(6,827,194)	(699,965)	(1,220,082)	(275,093)	12,529	(51,302)	-
Recognised assets net liquidity gap	1,217,564	1,994,999	(2,473,309)	407,803	(190,971)	1,839,629	1,054,687	1,339,956	17,204
Commitments and contingencies	(1,326,173)	(1,326,173)	(1,326,173)	-	-	-	-	-	-
Net liquidity gap	(108,609)	668,826	(3,799,482)	407,803	(190,971)	1,839,629	1,054,687	1,339,956	17,204

	Carrying amount BS'000	Gross nominal inflow/ (outflow) BS'000	Less than 3 months BS'000	3 – 6 months BS'000	6 – 12 months BS'000	1 – 3 years BS'000	3 – 5 years BS'000	Over 5 years BS'000	No specific maturity BS'000
Bank									
2024									
Assets									
Cash and cash equivalents	2,294,400	2,296,518	2,296,518	-	-	-	-	-	-
Balances with Brunei Darussalam Central Bank	505,827	505,827	386,117	42,563	72,309	4,838	-	-	-
Placements with and financing and advances to banks	1,570,982	1,599,718	503,190	328,099	768,429	-	-	-	-
Government sukuku	9,358	9,500	-	5,000	4,500	-	-	-	-
Investments *	1,498,579	1,674,348	193,251	39,359	291,297	548,649	580,736	21,056	-
Derivative financial assets	12,014	12,875	9,236	2,056	1,128	455	-	-	-
Financing and advances	4,549,430	5,187,542	1,322,734	306,662	508,314	1,396,732	662,250	990,850	-
Other assets **	434,569	434,569	409,264	2,210	4,487	16,366	516	1,726	-
Total	10,875,159	11,720,897	5,120,310	725,949	1,650,464	1,967,040	1,243,502	1,013,632	-

* Investments exclude unquoted equity security and unquoted fund.

** Other assets exclude prepayments.

	Carrying amount BS'000	Gross nominal inflow/ (outflow) BS'000	Less than 3 months BS'000	3 – 6 months BS'000	6 – 12 months BS'000	1 – 3 years BS'000	3 – 5 years BS'000	Over 5 years BS'000	No specific maturity BS'000
Bank									
2024									
Liabilities									
Deposits from customers	(8,268,465)	(8,325,757)	(6,464,156)	(661,182)	(1,140,267)	(60,152)	-	-	-
Deposits from banks and other financial institutions	(332,323)	(336,468)	(148,045)	(67,703)	(98,014)	(22,706)	-	-	-
Derivative financial liabilities	(65,201)	(70,125)	(67,654)	(1,823)	(648)	-	-	-	-
Placements from other financial institutions	(602,762)	(602,762)	(447,952)	(98,557)	(56,253)	-	-	-	-
Other liabilities	(464,896)	(465,104)	(397,391)	(8,062)	(11,507)	(14,305)	(8,074)	(25,765)	-
Lease liabilities	(36,358)	(36,358)	(2)	(73)	(124)	(1,062)	(1,761)	(33,336)	-
Total	(9,770,005)	(9,836,574)	(7,525,200)	(837,400)	(1,306,813)	(98,225)	(9,835)	(59,101)	-
Recognised assets net liquidity gap	1,105,154	1,884,323	(2,404,890)	(111,451)	343,651	1,868,815	1,233,667	954,531	-
Commitments and contingencies	(1,130,112)	(1,130,112)	(1,130,112)	-	-	-	-	-	-
Net liquidity gap	(24,958)	754,211	(3,535,002)	(111,451)	343,651	1,868,815	1,233,667	954,531	-

	Carrying amount BS'000	Gross nominal inflow/ (outflow) BS'000	Less than 3 months BS'000	3 – 6 months BS'000	6 – 12 months BS'000	1 – 3 years BS'000	3 – 5 years BS'000	Over 5 years BS'000	No specific maturity BS'000
Bank									
2023									
Assets									
Cash and cash equivalents	2,004,962	2,007,023	2,007,023	-	-	-	-	-	-
Balances with Brunei Darussalam Central Bank	470,826	470,826	362,373	29,265	66,969	12,219	-	-	-
Placements with and financing and advances to banks	1,692,024	1,720,708	450,757	508,962	760,989	-	-	-	-
Government sukuks	9,859	10,000	-	10,000	-	-	-	-	-
Investments *	1,413,118	1,562,485	141,377	189,075	233,635	541,604	398,613	40,977	17,204
Derivative financial assets	67,839	63,916	62,929	42	945	-	-	-	-
Financing and advances	4,145,225	4,684,888	1,121,600	363,912	527,690	1,183,020	641,973	846,693	-
Finance lease receivables	12,497	26,340	180	190	390	1,560	1,560	22,460	-
Other assets **	252,418	285,953	214,269	3,714	10,416	439	12	57,103	-
Total	10,068,768	10,832,139	4,360,508	1,105,160	1,601,034	1,738,842	1,042,158	967,233	17,204

* Investments exclude unquoted equity security and unquoted fund.

** Other assets exclude prepayments.

	Carrying amount BS'000	Gross nominal inflow/ (outflow) BS'000	Less than 3 months BS'000	3 – 6 months BS'000	6 – 12 months BS'000	1 – 3 years BS'000	3 – 5 years BS'000	Over 5 years BS'000	No specific maturity BS'000
Bank									
2023									
Liabilities									
Deposits from customers	(8,022,020)	(8,083,050)	(6,372,453)	(497,086)	(1,038,083)	(175,428)	-	-	-
Deposits from banks and other financial institutions	(376,936)	(381,460)	(142,280)	(29,049)	(165,884)	(44,247)	-	-	-
Derivative financial liabilities	(15,710)	7,274	3,637	(14,197)	402	(410)	17,842	-	-
Placements from other financial institutions	(184,569)	(184,569)	(52,734)	(131,835)	-	-	-	-	-
Other liabilities	(312,104)	(303,058)	(220,387)	(21,664)	(18,973)	(17,694)	(2,727)	(21,613)	-
Lease liabilities	(37,690)	(37,690)	(514)	(511)	(949)	(3,504)	(2,586)	(29,626)	-
Total	(8,949,029)	(8,982,553)	(6,784,731)	(694,342)	(1,223,487)	(241,283)	12,529	(51,239)	-
Recognised assets net liquidity gap	1,119,739	1,849,586	(2,424,223)	410,818	377,547	1,497,559	1,054,687	915,994	17,204
Commitments and contingencies	(1,326,173)	(1,326,173)	(1,326,173)	-	-	-	-	-	-
Net liquidity gap	(206,434)	523,413	(3,750,396)	410,818	377,547	1,497,559	1,054,687	915,994	17,204

(d) Operational Risk of the Group

Overview of the Bank and a material subsidiary's operational risk

Operational risk is the potential for loss resulting from events involving people, internal processes, systems or external events. A set of minimum control standards for operational risk management has been developed with the objective of ensuring that operational risks within the Group are identified and managed in a structured and consistent manner.

Operational Risk Management Framework

Operational risks can arise from all business lines and from all activities carried out by the Bank. Operational risks are systematically identified at the divisional level. Risk Coordinators are appointed from each division and are responsible for risk identification and risk management in all the identified risk areas. This includes maintaining an effective control environment arising from those activities as their first line of defence responsibilities.

Operational risk exposures can take various forms, and the Bank seeks to manage them in accordance with standards that drive systematic risk identification, assessment, control and monitoring. These standards are reviewed regularly to ensure their ongoing effectiveness. To support the systematic identification of material operational risk exposures associated with a given process, the Bank classifies them into the following risk types:

- People
- Process
- System
- External

Operational risk exposures are rated 'high', 'medium' or 'low' in accordance with defined risk assessment criteria. Risks that are outside set materiality thresholds receive a different level of management attention and are reported to Senior Management (Ad-Hoc Basis) and ERMC (Monthly Basis) and RCC (Quarterly Basis). Significant risk events or financial losses that have occurred are analysed to identify the root cause of any failure for remediation and future mitigation. Actual operational losses are recorded.

As the second line of defence, Operational Risk Management ("ORM") unit of the Risk Management Division is responsible for setting and maintaining the standards for operational risk management and control. ORM also creates awareness of possible risk issues in business units and provides risk awareness training and workshops.

The ERMC oversees the management of operational risks across the Bank, supported by all business unit heads. The ERMC operates on the basis of terms of reference derived from the Operational Risk Management mandate/framework which is approved by the Head of Divisions.

Overview of a material subsidiary's operational risk

Operational risk is the potential for loss resulting from events involving people, internal processes, systems or external events. A set of minimum control standards for operational risk management has been developed with the objective of ensuring that operational risks within the subsidiary are identified and managed in a structured and consistent manner.

(a) ORIC committee

The subsidiary's board, through the Operational Risk and Internal Controls Committee ("ORIC"), is responsible for the ongoing monitoring of operational risks and the development, implementation and monitoring of established internal controls to address the operational risks, by monitoring identified key risk indicators, measuring board approved risk appetite limit against near-miss, potential loss and actual-loss events, monitoring of identified early warning signals indicators and operational risk incident reports. The committee is also responsible to ensure timely closures of audit points raised by internal and external auditors.

(b) Risk controls self-assessment

All divisions in the subsidiary have established internal controls framework ("ICF"), requiring appropriate segregation of duties, reconciliation and monitoring of transactions. The ICF is updated at least annually, as part of the risk controls self-assessment exercise, where each department will assess its level of compliance to the ICF, identify control gaps and report its findings to ORIC.

37 Fair value of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The information presented herein represents the estimates of fair values as at the reporting date.

Quoted and observable market prices, where available, are used as the measure of fair values of the financial instruments. Where such quoted and observable market prices are not available, fair values are estimated based on a range of methodologies and assumptions regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors.

Fair value information for non-financial assets and liabilities are excluded from this note as they do not fall within the scope of IFRS 13: *Fair Value Measurements* which requires the fair value information to be disclosed. These include investments in subsidiaries and property and equipment.

The fair value of the Group's and the Bank's financial instruments such as cash and short-term funds, balances with BDCB, deposits and placements with banks and other financial institutions, deposits from customers and banks, government sukuks, other assets, other liabilities and short-term borrowings are not materially sensitive to shifts in market yield rates because of the limited term to maturity of these instruments. As such, the carrying value of these financial assets and liabilities at the reporting date approximate their fair values.

The fair values are based on the following methodologies and assumptions:

Investments

The estimated fair values are generally based on quoted and observable market prices. Where there is no ready market in certain securities, fair values have been estimated by reference to market indicative yields or net tangible asset of the investee.

Financing and advances

The fair value is estimated by discounting the estimated future cash flows using the prevailing market rates of financing with similar credit risks and maturities.

Derivatives

The fair values of derivatives are obtained based on quoted rates of similar instruments at the reporting date.

Fair value hierarchy

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources and unobservable inputs reflect the Group's market assumptions. The fair value hierarchy is as follows:

- Level 1 – Quoted price (unadjusted) in active markets for the identical assets or liabilities. This level includes listed equity securities and debt instruments.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 – Inputs for assets or liabilities that are not based on observable market data (unobservable inputs). This level includes equity instruments and debt instruments with significant unobservable components.

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amounts				Fair values			
	FVOCI - equity and debt instrument BS'000	Mandatorily at FVTPL BS'000	Amortised cost BS'000	Total BS'000	Level 1 BS'000	Level 2 BS'000	Level 3 BS'000	Total BS'000
Group and Bank 2024								
Financial assets								
Investments	1,329,594	87,763	82,863	1,500,220	1,411,271	86,540	1,641	1,499,452
Government sukuks	9,358	-	-	9,358	-	-	9,358	9,358
Forward exchange contracts	-	11,011	-	11,011	-	11,011	-	11,011
Derivative assets	-	1,003	-	1,003	-	1,003	-	1,003
	<u>1,338,952</u>	<u>99,777</u>	<u>82,863</u>	<u>1,521,592</u>	<u>1,411,271</u>	<u>98,554</u>	<u>10,999</u>	<u>1,520,824</u>
Financial liabilities								
Forward exchange contracts	-	(65,201)	-	(65,201)	-	(65,201)	-	(65,201)

	Carrying amounts				Fair values			
	FVOCI - equity and debt instrument B\$'000	Mandatorily at FVTPL B\$'000	Amortised cost B\$'000	Total B\$'000	Level 1 B\$'000	Level 2 B\$'000	Level 3 B\$'000	Total B\$'000
Group and Bank 2023								
Financial assets								
Investments	1,150,224	86,030	178,392	1,414,646	1,325,628	84,807	1,529	1,411,964
Government sukuku	9,859	-	-	9,859	-	-	9,859	9,859
Forward exchange contracts	-	67,839	-	67,839	-	67,839	-	67,839
	<u>1,160,083</u>	<u>153,869</u>	<u>178,392</u>	<u>1,492,344</u>	<u>1,325,628</u>	<u>152,646</u>	<u>11,388</u>	<u>1,489,662</u>
Financial liabilities								
Forward exchange contracts	-	(15,361)	-	(15,361)	-	(15,361)	-	(15,361)
Derivative liabilities	-	(349)	-	(349)	(349)	-	-	(349)
	<u>-</u>	<u>(15,710)</u>	<u>-</u>	<u>(15,710)</u>	<u>(349)</u>	<u>-</u>	<u>-</u>	<u>(15,710)</u>

Valuation techniques and significant unobservable inputs

The table below sets out information about valuation techniques and significant unobservable inputs used in estimating parameters of financial instruments categorised as Level 2 and 3 in the fair value hierarchy:

Type of financial instrument	Classification	Level of the fair value hierarchy	Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Structured notes	FVTPL	2	Issuer quoted prices (bid-ask) of the structured notes are sourced from Bloomberg on a daily basis.	-	Not applicable.
Forward exchange contracts	FVTPL	2	Quoted prices: Market prices are sourced from Bloomberg on a daily basis.	-	Not applicable.
Unquoted security	FVOCI	3	Net asset value: The unquoted security is re-allocated at least every three years. The present reallocation is based on the financial contribution to network-based services in 2017.	Net asset value	Not applicable.

Type of financial instrument	Classification	Level of the fair value hierarchy	Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Unquoted funds	FVTPL	3	Net asset value ("NAV"): This is derived by dividing the total value of all the cash and securities in a fund's portfolio, less any liabilities, by the number of shares outstanding. As the funds are not listed, the fair value of the investment in the fund is determined using valuation techniques. Methods used include estimating fair value with reference to recent arm's length transactions or the underlying net asset value of the company. This fund determined NAV of its investment in the fund based on the Net Tangible Assets ("NTA") method, which is the closest proxy to fair value. NTA is the value of all tangible assets after deducting all liabilities in a business.	Net asset value	The estimated fair value would increase (decrease) if: <ul style="list-style-type: none"> • the net asset value were higher (lower).
Government sukus	FVOCI	3	Discounted cash flows: The fair value is estimated considering a net present value calculated using the price provided by Brunei Government upon the initiation of the Government sukus.	Yield curve and credit spreads	The estimated fair value would increase (decrease) if: <ul style="list-style-type: none"> • the expected cash flows were higher (lower); or • the risk-adjusted discount rate was lower (higher).

There are limited inter-relationships between unobservable inputs as the financial instruments are usually categorised into Level 3 because of a single unobservable input.

In estimating significance, the Group performed sensitivity analysis based on methodologies applied for fair value adjustments. These adjustments reflect the values which the Group estimates to be appropriate to reflect uncertainties in the inputs used (e.g. based on stress testing methodologies on the unobservable input). The methodologies used can be statistical or based on other relevant approved techniques.

Management considers that any reasonably possible changes to the unobservable inputs will not result in a significant financial impact.

Changes in Level 3 for financial instruments that are measured at fair value

The following table presents the changes in Level 3 instruments for the Group and the Bank:

	FVOCI BS'000	FVTPL BS'000	Total BS'000
At 1 January 2024	10,166	1,223	11,389
Matured during the year	(155,590)	-	(155,590)
Purchased during the year	154,964	-	154,964
Distribution of capital	(48)	-	(48)
Fair value movements during the year	294	-	294
Foreign exchange gain/(loss)	(10)	-	(10)
At 31 December 2024	9,776	1,223	10,999

	FVOCI BS'000	FVTPL BS'000	Total BS'000
At 1 January 2023	97,633	230	97,863
Matured during the year	(339,673)	-	(339,673)
Purchased during the year	252,021	1,223	253,244
Distribution of capital	-	(153)	(153)
Fair value movements during the year	179	-	179
Foreign exchange gain/(loss)	6	(77)	(71)
At 31 December 2023	10,166	1,223	11,389

There were no transfers from Level 1 instruments to Level 2, and no transfers into or out of Level 3 instruments during the year ended 31 December 2024 (2023: Nil).

38 Leases

A. Leases as lessee

The Group and Bank lease buildings and warehouse facilities. The buildings and warehouse leases were entered into many years ago as combined leases of land and buildings.

Information about leases which the Group and Bank are lessees is presented below.

i. *Right-of-use assets*

	2024	2023
	Land and Building	
	BS'000	BS'000
Group		
Balance at 1 January	37,127	39,334
Amortisation charged for the year	(3,360)	(3,421)
Additions to right-of-use assets	4,653	1,214
Balance at 31 December	38,420	37,127

	2024	2023
	Land and Building	
	BS'000	BS'000
Bank		
Balance at 1 January	36,716	38,369
Amortisation charged for the year	(2,812)	(2,867)
Additions to right-of-use assets	854	1,214
Balance at 31 December	34,758	36,716

ii. *Amounts recognised in profit or loss*

	Group	Bank
	BS'000	BS'000
2024		
Profit on lease liabilities	1,216	1,216
Expenses relating to lease of low-value assets, excluding short-term leases of low-value assets	44	44

	Group BS'000	Bank BS'000
2023		
Profit on lease liabilities	1,236	1,236
Expenses relating to lease of low-value assets, excluding short-term leases of low-value assets	45	45
	45	45

iii. Amounts recognised in the statement of cash flows

	Group	
	2024 BS'000	2023 BS'000
Total cash outflow for leases	(3,995)	(4,049)
	(3,995)	(4,049)

	Bank	
	2024 BS'000	2023 BS'000
Total cash outflow for leases	(3,401)	(3,447)
	(3,401)	(3,447)

B. Leases as lessor

The Group and Bank leases out some of its property. All leases are classified as operating leases from a lessor perspective with the exception of a sub-lease, which the Group has classified as a finance sublease (see Note 22).

Operating lease

The Group leases out its investment property. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income recognised by the Group and Bank during 2024 was B\$2,436,000 (2023: B\$2,725,000).

The following table sets out a maturity analysis of lease payments, showing the undiscounted leased payments to be received after the reporting date.

	Group and Bank B\$'000
2024	
Within one year	1,908
Between one and five years	1,808
Total	3,716

	Group and Bank B\$'000
2023	
Within one year	1,823
Between one and five years	1,656
Total	3,479

39 Non-current assets and liabilities

Assets and liabilities other than those disclosed below are current.

	Group		Bank	
	2024 B\$'000	2023 B\$'000	2024 B\$'000	2023 B\$'000
Assets				
Balances with Brunei Darussalam Central Bank	6,772	16,499	4,838	12,222
Investments	971,719	936,753	971,719	936,753
Financing and advances	4,261,377	3,841,293	3,386,556	3,047,236
Finance lease receivables	-	11,760	-	11,760
Investments in subsidiaries	-	-	73,289	32,844
Investments in associates	58,610	31,001	34,203	7,080
Property and equipment	112,021	98,027	80,882	77,992
Investment property	19,445	20,270	19,445	20,270
Deferred tax assets	4,181	9,537	6,240	9,700
Liabilities				
Deposits from customers	68,211	174,454	57,567	164,628
Deposits from banks and other financial institutions	34,000	28,747	21,800	42,500
Other liabilities	84,303	42,034	84,303	42,034

40 Commitments

	Group		Bank	
	2024	2023	2024	2023
	B\$'000	B\$'000	B\$'000	B\$'000
Commitments:				
Undrawn credit lines	613,818	830,630	613,818	830,630
Forward placements	67,808	-	67,808	-
Forward deposits	158,762	96,367	158,762	96,367
Total	840,388	926,997	840,388	926,997
Capital expenditure:				
- Approved and contracted for but not provided for in the financial statements	7,878	6,078	7,289	6,078
Total	7,878	6,078	7,289	6,078
Total commitments	848,266	933,075	847,677	933,075

41 Capital adequacy

Capital Management

The Group's objective when managing capital is to maintain a strong capital position to support business growth, and to maintain investor, depositor, customer, rating agency and market confidence. In line with this, the Group manages its capital actively and ensure the capital adequacy ratios which takes into account the risk profile of the Group are comfortably above the regulatory minimum. 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. The Group and the Bank have applied all effective pronouncements and interpretations of IFRS in arriving at the capital position of the Group and the Bank.

Capital Adequacy Ratios

The Group and Bank are required to comply with the core capital ratio and risk-weighted capital adequacy ratio prescribed by BDCB. The Group and Bank were in compliance with all prescribed capital ratios throughout the year.

	Group		Bank	
	2024	2023	2024	2023
	B\$'000	B\$'000	B\$'000	B\$'000
Regulatory capital				
Tier 1 capital	1,356,804	1,339,448	1,178,782	1,210,691
Total capital base	1,356,804	1,347,365	1,178,782	1,210,691
Total risk-weighted amount				
Risk-weighted amount for credit risk	6,943,689	6,650,444	6,614,819	6,351,003
Risk-weighted amount for operational risk	648,563	618,066	609,716	571,202
Risk-weighted amount for market risk	1,829	2,328	1,829	2,328
Total risk-weighted amount	7,594,081	7,270,838	7,226,364	6,924,533

	Group		Bank	
	2024	2023	2024	2023
	B\$'000	B\$'000	B\$'000	B\$'000
Capital ratios				
Core capital (Tier 1) ratio %	17.9%	18.4%	16.3%	17.5%
Total capital ratio %	17.9%	18.5%	16.3%	17.5%

The capital adequacy ratio is derived after IFRS adjustments, except for those adjustments in relation to capitalisation of fees, collateral, profit in suspense and allowance for impairment.

In accordance to Section 11(2) of the Islamic Banking Act (Cap. 168), the Group and Bank shall not, at any time, have a Tier 1 capital ratio of less than 5 per cent and total capital ratio of less than 10 per cent or such percentage as may be determined by the Authority.

42 Contingent liabilities

	Group		Bank	
	2024	2023	2024	2023
	B\$'000	B\$'000	B\$'000	B\$'000
Letters of credit	120,151	173,126	120,151	173,126
Guarantees	106,742	183,759	106,742	183,759
Shipping guarantees	21,736	16,407	21,736	16,407
Acceptances	349	-	349	-
Trade risk participation	40,307	25,482	40,307	25,482
Import bills	439	402	439	402
Total	289,724	399,176	289,724	399,176

In the normal course of business, the Group and Bank incur certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions.

43 Assets held for sale

In December 2023, management committed to sell all the Group and Bank's shares in the joint ventures primarily in the vessel leasing industry. The sale was completed in January 2024. The gains arising from the sale of joint ventures amounted to B\$6,555,000 for the Bank and B\$4,475,000 for the Group.